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GUANGZHOU'S NANSHA DISTRICT UNLEASHES BOLD MEASURES TO STABILISE FOREIGN INVESTMENT! MAXIMUM REWARDS REACH RMB100 MILLION

Recently,Guangzhou'sNanshadistrict (Nansha) has officially introduced the "Three Measures to Stabilise Foreign Investment", offering tailored incentives to foreign-invested enterprises in three key areas, namely the actual use of foreign capital, investments from headquarters of multinational corporations and rental costs for production facilities. The maximum cumulative rewards can reach up to **RMB100 million**.

Background

This year, Mainland China has further indicated its commitment to opening up, with the Ministry of Commerce and the National Development and Reform Commission issuing the "2025 Action Plan for Stabilising Foreign Investment" to welcome foreign investment. In January 2025, Nansha introduced the "Opinions of Nansha District on the Implementation of Optimising the Foreign Investment Environment and Increasing Efforts to Attract Foreign Investment", incorporating the innovative advantages such as a 15% corporate income tax rate,Qualified Foreign Limited Partner (QFLP)[1] pilot scheme for domestic investments as well as expanded openness in biotechnology and healthcare under the Free Trade Zone (FTZ) framework[2]. The recent "Three Measures to Stabilise Foreign Investment" serve as a deepening and supplement to the government policies introduced in January,aiming to accelerate the clustering of foreign capital and create a more favourable business environment for foreign-invested enterprises to establish in Nansha.

Implications for Hong Kong

As of 2024,Nansha has attracted over 2,700 Hong Kong and Macao enterprises,with cumulative investments exceeding USD100 billion.The "Three Measures to Stabilise Foreign Investment" will comprehensively lower investment and operational costs for Hong Kong businesses through tangible rewards,tax concessions, logistics subsidies and facilitation measures. By aligning with Hong Kong and Macao's industrial policies, the initiatives will further integrate Hong Kong businesses into the GBA's industrial chain.

Highlights

This policy was issued as a local response to China's national strategy for stabilising foreign investment. Through targeted incentives and subsidies,it addresses the needs of foreign enterprises for cost reduction and market expansion,while also reinforcing Nansha's position as an open gateway in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

Especially against the backdrop of global supply chain restructuring, foreign enterprises in China are facing the problems of rising operational costs and intensifying competition. Nansha's initiative of rewarding the actual use of foreign capital and offering rental subsidies not only can reduce business costs to enhance Nansha's attractiveness, but also can send a clear message to the international community through these tangible incentives about China's unwavering commitment to openness,providing foreign investors with the confidence for long-term development in the Chinese market.

Key Measures

01 Boost Investment Confidence with "Tangible Rewards"

Nansha will offer substantial financial incentives to foreign-invested enterprises (including Hong Kong companies) that have achieved specific thresholds of annual foreign capital utilisation, with reward amounts depending on industry type and investment scale. For businesses from Hong Kong, those in the manufacturing sector can receive a higher reward rate, with a maximum annual reward up to RMB50 million per enterprise.

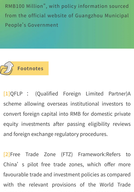
02 Provide Strong Support to Multinational Corporations for establishing Headquarters

Nansha will offer priority incentives to foreign-invested multinational corporations whose headquarters are recognised by Guangdong Province, with annual rewards of up to RMB50 million per enterprise based on their actual foreign capital utilisation. This initiative will significantly accelerate the agglomeration and development of multinational corporations' headquarters in Nansha. In other words, if Hongkong businesses establish multinational corporations's headquarters in Nansha, they may qualify for these financial incentives.

03 Reduce costs to Encourage Productions and Operations

Nansha will provide rental subsidies to foreign-invested enterprises (including Hong Kong companies) that have achieved specific thresholds of annual foreign capital utilisation. The subsidy amount, calculated based on leased production space, can reach up to RMB3 million per enterprise annually. This initiative will effectively lower the operational costs for enterprises and provide substantial support, especially to growth-enterprises[3]. In other words, Hong Kong enterprises leasing production space can enjoy rental subsidies, effectively reducing initial operational costs.

Additionally,cross-boundary Guangdong-Hong Kong logistics will qualify for dedicated channel subsidies to alleviate supply chain pressures for Hong Kong enterprises.



Source: This article provides an interpretation and analysis of the policy "Guangzhou's Nansha District Unleashes Bold Measures to Stabilise Foreign Investment! Maximum Rewards Reach RMB100 Million!", with policy information sourced from the official website of Guangzhou Municipal People's Government

Footnotes

[1]QFLP：Qualified Foreign Limited Partner)A scheme allowing overseas institutional investors to convert foreign capital into RMB for domestic private equity investments after passing eligibility reviews and foreign exchange regulatory procedures.

[2]Free Trade Zone (FTZ) Framework:Refers to China's pilot free trade zones, which offer more favourable trade and investment policies as compared with the relevant provisions of the World Trade Organization (WTO). These specific zones operate outside customs territories, allowing duty-free movement of goods. The China (Guangdong) Pilot Free Trade Zone (GDFTZ) covers three areas, namely Nansha Area of Guangzhou, Qianhai & Shekou Area of Shenzhen as well as Hengqin Area of Zhuhai.

[3]Growth Enterprises: Companies experiencing rapid expansion in business scale, revenue, market share or innovation capacity over a certain period (typically three to five years) and possess strong development potential. These companies usually maintain growth up to maturity, are the crucial drivers of economic transformation, job creation and technological innovation.