Your opportunity in China

Enter the Middle Kingdom with EU Sino

We know-how!
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Now is the right moment to enter China
Chinese innovation is catching up

**BEFORE**
- Low-cost manufacturing
- Cheap labor force
- Poor quality

**NOW**
- Continuously innovating
- Usage of advanced robotics
- Foreign quality standard level

**AFTER**
- Most technologies could be developed by Chinese COs
- Too late and too expensive for foreign COs to enter

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The window of opportunities

Opportunities you have in China:

- Access to a huge market in need of your products
- Reach key market players in innovation
- Benefit from those technologies: in some industries, Chinese tech has exceeded Western ones

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In **red** is a figure of what is happening in China: National plans such as Made In China 2025 aim at increasing domestic growth. Studies has showed that in order to reach this target, Chinese companies need to enhance their productivity. As a consequence, more qualified workforce are paid higher wages. Their level of life increases so as the quality of products they are expecting.

In **blue** are the effects for Western companies and how they can position themselves in this ecosystem. As Chinese companies are growing, they are still lacking some technologies. This is where Foreign Cos can gain market shares by selling to them.

As foreigners’ main worries is to be copied, China government has enhanced IPR regulations to give more protection to those companies.
One city for one purpose
One city for one purpose

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A soft spot between 1\textsuperscript{st} & 3\textsuperscript{rd} tier cities:

1\textsuperscript{st} tier cities – big Chinese cities:
- **Beijing (Beijing-Tianjing-Hebei Economic Circle)**
  A very political city where innovation is centrally pushed
- **Shanghai (Yangtze River Delta)**
  The international city seen as the economic and business center of China
- **Guangzhou, Shenzhen (Pearl River Delta)**
  Ex-manufacturing center, now “entrepreneurs’ Heaven”, especially in hardware start-up ecosystem

3\textsuperscript{rd} tier cities – remote inland regions of China:
- Infrastructures, market and population under-developed
- Regulations still not properly implemented → Potential for foreign companies to get some advantages in some specific industries (such as polluting ones)
- Possible big investments needed in terms of facilities and employees
  - Can be interested in the mid-term but in the long term, will probably have to face big changes due to Chinese government interventions

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A soft spot between 1\textsuperscript{st} & 3\textsuperscript{rd} tier cities

\textbf{2\textsuperscript{nd} tier cities have a strong potential}

- Great potential with growing ecosystem for western companies
- Cheaper than 1\textsuperscript{st}-tier cities, friendly living environment for foreigners compared to 3\textsuperscript{rd} tier ones.
- Some are specialized per industries and others push for certain scope of activities (R&D centers, manufacturing parks, technology centers, etc.).

- Most interesting here is to understand how the city will continue to develop, what strategy the local government is adopting and what direction the business environment is taking, so that you understand how your business can fit in.
A 1\textsuperscript{st} tier environment in a 2\textsuperscript{nd} tier city: “1.5 tier cities”
As a district of Suzhou, Xiangcheng is like a 2\textsuperscript{nd} tier area in a 1.5-tier city:

- New district, created in 2001 → It is developing towards innovative and R&D sectors. Local governments are building the area with relevant infrastructure needed: strategy & actions plan coherence.

- A lot of existing developed manufacturing parks around (SIP, Kunshan, Taicang, etc.) – being in XC is being close to your potential customers or partners, yet you still have the flexibility of developing yourself.

- Nice area for living – attractive for foreign or Chinese white-collars (who more and more flee big cities like Shanghai because too costly to live in and quick pace of living).

- Other supporting policies (talent apartment, office rental subsidies, taxes decrease, etc.)
Geography wise, Xiangcheng has an easy reach to tier 1-2-3 cities by railways, highways and air:

- 25min to Shanghai, 1h to Nanjing and 1.5h to Hangzhou by train via Suzhou North Station
- 5 highways leading to Yangtze River Delta
- 5 airports: Nanjing, Wuxi, Hangzhou and 2 in Shanghai
- 4 harbors: Zhangjiagang, Nantong, Taicang and Shanghai
Welcomed innovative sectors
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Industrial application of advanced technologies

Innovative transportation

New materials

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Lower your entry barrier with EU Sino
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✓ Owned but also managed by a team of business- and culture- experienced people in both Europe and China. → We help you adapt to the local market

✓ Official relationships with local governments → We help you present your project so that the government understands it and get you better supporting policies

✓ Thanks our wide network, we help you by introducing to efficient partners (Chinese or foreign)

✓ We have developed Innostation, an incubator for accelerators and Sinnovator → It will limit your investment to enter the market by providing office space and legal hosting of your company

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THANK YOU