



ENRICH in China

EUROPEAN NETWORK OF RESEARCH AND
INNOVATION CENTRES AND HUBS, CHINA

Opportunities in Xi'an

Horsten Xi'an Innovation Services Co. Ltd



This project has received funding from the European Union's Horizon 2020 Research and Innovation Programme under Grant Agreement n° 733554. This publication reflects only the author's view and the Commission is not responsible for any use that may be made of the information it contains.

Author:

Bart Horsten, Horsten Xi'an Innovation Services Co. Ltd

This report is contributed by Horsten Xi'an Innovation Services Co. Ltd

January 2020

Opportunities for European Companies in Xi'an



Chapter 1:

Xi'an, a historical city in China and an important hub in China's future

Xi'an is a famous historical city in China. It is the oldest of the four ancient capitals of China, home to 13 dynasties for a total period of 1100 years. Most people know about Xi'an because of the Terracotta Army, but it was also the starting point of the ancient Silk Road and the first city in the world's history to reach one million people in population.

By 2020, the urban population of Xi'an is expected to be more than 10 million, and the main urban area is expected to encompass 800 km². Nowadays, Xi'an offers a lot of business opportunities and is one of the key cities in the Go-West policy and the Belt and Road Initiative of the Chinese government.

The Belt and Road Initiative has transformed Xi'an into a manufacturing and service hub as well as a hot spot in attracting foreign direct investment. Xi'an has increased international communication and has built a modern logistics model as well as advanced education to cultivate talented people and make an innovation drive to the economy.

With the increasing costs of living and competition in China's big cities, such as Shanghai, Beijing and Guangzhou, inland cities such as Xi'an are becoming more and more interesting, for Chinese companies but certainly also for European companies, both as a manufacturing base and as a potential consumer market. Although Xi'an is definitely not the only fast-developing city in the Chinese inland, it is an important city in China's economic future.

During the 1970's, the Chinese government decided that all vital industries were to be doubled up. For every important military, pharmaceutical, textile or any other strategically important factory a back-up copy was to be built in a remote and easily defensible strategic location. Due to its favorable geographical location and its importance in China's history, Xi'an was chosen as one of those strategic locations. Consequently, Xi'an has been a forerunner in China's industrial development in the past 50 years.

Today, the city is assuming the same important role under China's Belt and Road Initiative. It is aimed at broadening China's connections with more than 60 countries in Europe, the Middle East and the rest of Asia along land routes forming the Silk Road Economic Belt, and sea routes forming the 21st century Maritime Silk Road. A few years ago, the central government has requested the city to develop itself into the new base for reforming and opening up inland regions, in order to become China's window to the West.

During the 13th five-year plan (2016 to 2020), the construction of the city was accelerated to develop Xi'an into an international cosmopolitan center connecting China with the West. Various strategic industries have been centered in Xi'an, including finance, trading and logistics, equipment manufacturing, energy storage, transport and exchange, culture and tourism, science and technology research and development. The city has also become an important base for advanced manufacturing, biomedicine and scientific innovation.

Amongst all Chinese cities, Xi'an is ranked third behind Beijing and Shanghai with regard to the number of science and technology research institutions and military enterprises.



Figure 1: Qujiang Park

*Chapter 2:
Economic Development Zones in Xi'an*



Figure 2: the Xi'an High-Tech Zone

Xi'an High-Tech Industries Development Zone

The Xi'an Hi-tech Industries Development Zone (XHTZ), established in 1991, was one of the earliest Chinese science parks at national level and is regarded as one of the most successful of the 114 national high-tech zones.

It has environment features favorable to investment, high marketization, and dynamic economic development. It is one of the six high tech zones striving to become a world-leading technological cluster under the central government's planning, and a key base of high-tech industries in China.

The High-Tech Industries Development Zone encourages foreign investments in areas of micro-electronics science and electronic information technology, space science and aerospace technology, opto-electronic science and optoelectronic-mechanical integration technology, life science and bioengineering technology, materials science and new materials technology, energy science and new energy sources, high-efficiency energy-saving technology, ecological science and environmental protection technology, basic material science and radiation technology of the geosciences and marine engineering technology, medical science and biomedical engineering technology, finance services, communications, real estate development, infrastructure construction, new technologies and techniques applicable in conventional industries, and other products for raising foreign-exchange revenue, thus reducing reliance on imports and enhancing profitability.

Xixian New Area

Located on the core border zone between Xi'an and Xianyang, Xixian New Area focuses on industries including high-end equipment manufacturing, new information technology, biomedicine, energy conservation and environmental protection. It will boost industries like e-commerce, information services, culture-oriented tourism, trade fairs and energy finance to emerge as a center for modern service industries.

Xi'an Economic and Technological Development Zone

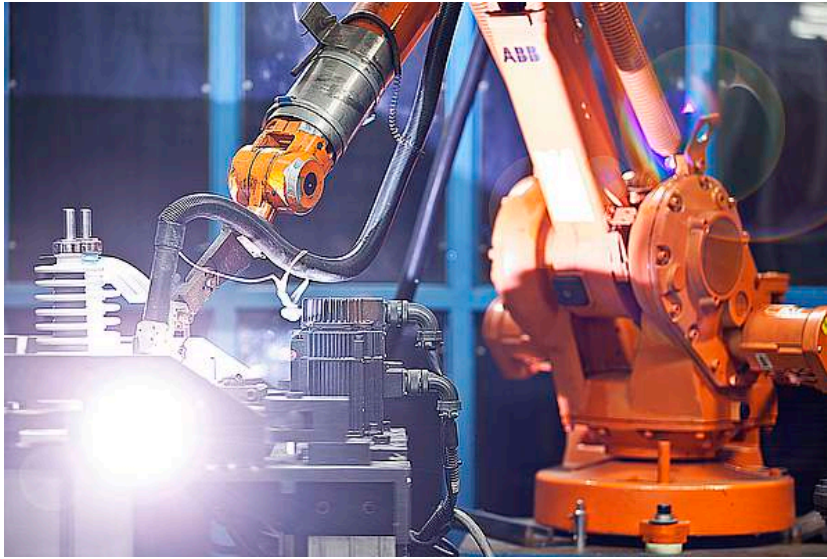


Figure 3: Xi'an Economic and Technological Development Zone

The Xi'an Economic and Technological Development Zone, first established in 1993, was approved as a national-level development zone by the State Council in 2000. The zone focuses on eight industrial clusters covering automobiles, high-end equipment manufacturing, military-civil integration, headquarters economy, modern financial services, consumer goods manufacturing, strategic emerging industries, modern services, and energy processing.

Xi'an International Trade and Logistic Park

The Xi'an International Trade and Logistic Park occupies 120 square kilometers and is divided into eight functional areas, including a container operation zone, comprehensive free trade zone, domestic trade zone, comprehensive service zone, residential area, emergency logistics park, industrial transfer zone and urban-rural development area.



Figure 4: Xi'an International Trade and Logistic Park

The park has set up an efficient transportation system featuring rivers, air transport, railways and highways reinforced by the logistics center of the Xi'an Railway Container Freight Station, the Xi'an Comprehensive Free Trade Zone and the Xi'an Highway Port. It seeks to become the largest international inland port in China and the most important logistics hub in the upper and middle reaches of the Yellow River, as well as a modern city driven by the service industry. It also plans to develop into an influential international inland port in China for domestic and international markets, improving the investment environment and setting up a solid platform for transfer of industrial output from China's eastern coastal area to the world.

Xi'an Yanliang National Aviation Hi-Tech Industrial Base

The Xi'an Yanliang National Aviation Hi-Tech Industrial Base initiated in March 2005 as the first national level aviation high-tech industrial base. Currently, the base is home to an aviation industrial cluster featuring plan design, manufacturing, trial flights, training, tourism, and exhibitions. In 2012, the base was ranked 7th overall among 22 national-level development zones in western China and topped the rankings in terms of technological innovation.

Xi'an National Civil Aerospace Industrial Base

The Xi'an National Civil Aerospace Industrial Base was inaugurated in November 2006, targeting aviation industry clusters and national strategic emerging industries. It was realized through collective efforts of the provincial and municipal governments and China Aerospace Science and Technology Corporation (CASC). At the end of 2014, an industrial cluster supported by the aviation and civil-military integration industry, satellite and application industry, new energy industry and new generation information technology, was formed.

*Chapter 3:
Xi'an, one of the key transportation hubs in China*



Aviation

Xi'an Xianyang International Airport is the 8th busiest airport in China. The international flight departs from Xi'an have been increased to 42 routes. The passenger output has reached over 36.9 million in 2016.



Railway

- Cargo: Xi'an is one of the most important railway hubs in China. There are 5 international railway cargo routes in operation connecting Xi'an to Warsaw, Hamburg, Moscow, Amsterdam and Almaty.
- Passenger: Xi'an North Railway Station is the biggest single station in Asia. There are more than 100 high speed trains between Xi'an and Shanghai, Beijing, Guangzhou, Shenzhen, Wuhan, Lanzhou etc every day.
- Metro: 7 metro lines will be in operation by the end of 2021 with a total length of 243 km.



Highway

Xi'an is the most concentrated national level highway connection. One-day transportation circle covering 10 major cities in China. Xi'an is the biggest distribution hub in North West China.



Chapter 4: Xi'an has abundant qualified human resources and strong scientific research capabilities

As the city with the highest density of colleges and universities and the largest population having received higher education in China, Xi'an is very important in China's education system. For example, it is a major educational and scientific research center in China, with strong scientific and technological research and development strengths.

As of 2016, Xi'an has 63 universities and colleges, 1,2 million undergraduate and graduate students, and more than 300.000 graduates a year. More than one-third of the components of China's spaceflights, including the Shenzhou V and VI rocket engines and propellants, as well as rocket-borne computers and remote sensing devices, were researched and manufactured in Xi'an.

Statistics of Key Universities Graduates in Xi'an				
Name of University	Bachelor	Master	Doctor	Total
Xi'an Jiaotong University	3882	4010	1053	8945
Northwestern Polytechnical University	3782	2710	622	7114
Xidian University	5679	2985	339	9003
Chang'an University	6176	2129	198	8503
Xi'an University of Technology	4723	1571	194	6488
Xi'an Shiyou University	4087	548	0	4635
Xi'an University of Posts and Telecommunications	4090	546	0	4636
Xi'an Polytechnical University	4631	578	10	4631
Shaanxi University of Science and Technology	4800	701	16	5517
Northwest University	3544	2098	237	5879
Xi'an Polytechnic University	4731	1000	0	5731
Total	50125	18876	2669	71082

(Source: graduates information table of the above universities in 2018)

Xi'an's overall research capability ranks third in the country. Xi'an has 672 research institutions above municipal level, 231 national key labs, technical research centers and industrial test centers. It is one of the top ten innovative cities of China.

Over 3.000 new technological innovations are developed every year, including 1.000 key technological products. Here are some examples of products firstly developed in Xi'an:

- China's first rocket engine
- First man-made satellite on-board control and communication equipment
- First integrated circuit (IC)
- First batch of power semiconductor devices

Chapter 5: *Horsten Xi'an in a nutshell*

Horsten Xi'an Innovation Services Co. Ltd., the Chinese office of the Belgian consultancy agency Horsten International, has set up a cooperation with RocketSpace Inc., a premier tech startup acceleration co-working space. With more than 20 years of experience in helping EU SMEs doing business in China, Horsten understands how to help a business get started in China. RocketSpace further builds on that experience and forms a bridge between the customer and the local Xi'an business and technological community and government.

With its base in the city of Xi'an, the capital of the Shaanxi province and the starting point of the new Silk Road, this partnership provides all kinds of services to offer a comfortable soft landing in the North West of China. Ranging from strategic advice, market research, project management services, setting up connections with the local government and search for investment.

Area(s) of expertise:

- Agriculture
- Agri-food
- Biotech
- Capital
- Cleantech
- E-commerce
- Food
- Healthcare & pharma
- Smart manufacturing
- Talent acquisition
- Technology
- Social media marketing



Added value of the organization:

Horsten and RocketSpace bring to the table a combination of business experience with local market knowledge and connections which will be completely put at the disposal of clients.



RocketSpace



Available support services for ENRICH customers:

A pragmatic and open-minded view of every project and tailor-made services that fit the needs of the customer.

- **Technology-Transfer Support:** introducing the European technology to the Chinese market, assisting foreign companies to negotiate conditions with Chinese counterparts (until the transfer process is successfully completed), consulting services for Chinese companies who are willing to invest in innovative technologies overseas.
- **Business Consulting:** strategic market entry research to build the client's competitive advantage and provide value-added advisory service to ensure the client's step-by-step success in the market.
- **Marketing and Promotion:** increase public awareness, distribute information to the target population, build market image and promote business.
- **Event Management:** technical and logistical turn-key solutions for large EU-China exhibitions, conferences, seminars, B2B events, business & investment forums, etc.
- **Cross-cultural training:** all kinds of customers and industries.

More information can be found at www.horsteninternational.com

Our home is on the edge between two cultures.

We bridge two continents and facilitate

interaction between two peoples.



Contact details:
Horsten Xi'an Innovation Services Co. Ltd.
c/o Rocketspace
Floor 5-8, Xi'an Inno Start-up Wonderland
Gaoxin 1 Road, No 18
710065 Xi'an, Shaanxi Province, PR of China
E-mail: info@horsten.be

Contact us in China and in Europe!

www.china.enrichcentres.eu

china@enrichcentres.eu



Beijing, China



Chengdu, China

Room 910, Sunflower Tower, No. 37
Maizidian West Street
Chaoyang District 100125, Beijing, China
Tel: +86 (0) 10 8527 5300

Floor 7, Business & Innovation Centre for
China-Europe Cooperation, No. 1577
Tianfu Avenue, Chengdu, China
Tel: + 86 (0) 28 8533 7021



Brussels, Belgium

Avenue de Tervuren,
168 B-1150 Brussels, Belgium
Tel: +32 2 772 8900

ENRICH is made possible with the support of the ERICENA project and its partners:





Horsten Xi'an Innovation Services Co. Ltd

January 2020



This project has received funding from the European Union's Horizon 2020 Research and Innovation Programme under Grant Agreement n° 733554. This publication reflects only the author's view and the Commission is not responsible for any use that may be made of the information it contains.