Document of the General Office of the People's Government of Jiyuan City

JZB [2019] No. 18



General Office of the People's Government of Jiyuan City

Notice of Jiyuan City on Issuing Several Policies for Further Supporting the Steel Deep-processing Industry

Administration committees of industrial cluster (development) zones, people's governments of townships, sub-district offices, municipal departments, and industrial enterprises,

The *Several Policies of Jiyuan City for Further Supporting the Steel Deep-processing Industry* has been approved by the municipal government and is now issued to you for your implementation.

March 23, 2019

Seal: General Office of the People's Government of Jiyuan City

Several Policies of Jiyuan City for Further Supporting the Steel Deep-processing Industry

In order to promote the supply-side structural reform, speed up the completion and extension of the high-quality, special steel product chain, continue to boost the transformation and upgrading of the iron and steel industry, and make the advantageous industrial cluster of Jiyuan bigger and stronger, the following policies are formulated according to the city's reality.

I. Policies to support fixed asset investment

1. We support strong enterprises to build factories on their own. For a new (expanded) general industrial project with a total investment of 50,000,000 yuan or above (including land, plant and equipment) and a project in the fields of new materials, energy-saving and environmental protection and high-end equipment manufacturing in strategic emerging industries worth 10,000,000 yuan or above (including land, plant and equipment), a subsidy equivalent to 5% or 7% of the actual investment will be granted after the project is completed and put into operation to facilitate the enterprise's expanded production and development, in accordance with provisions of the *Notice of the General Office of the CPC Jiyuan Municipal Committee and the General Office of the People's Government of Jiyuan City on Issuing the Interim Measures on Incentives for Investment Attraction* (JBW [2017] No. 52).

2. For projects with an investment of 15 million yuan or more in fixed assets, if the factory buildings are rented, the enterprise will be granted a subsidy equivalent to 2% of the actual investment after the project is put into operation by the beneficiary finance.

II. Policies to support enterprise development

To support the steel deep-processing enterprises to become stronger and hit higher revenue level, the government will provide them with funds for five years from the date of their production. The fund shall be equivalent to 100% and 50% of the enterprise's contributions to the local government for the first two years and the following three years respectively.

III. Policies on workshop lease

1. For steel deep-processing enterprises which have leased standardized workshops, their investment in fixed assets of a single workshop shall not be less than 20 million yuan in principle.

2. According to the investment size and technological content of a project, the enterprise will be given rental reduction for two to five years.

3. After the preferential period expires, the enterprise can purchase the workshop buildings or continue to lease them at the market price.

IV. Policies on raw material supply

1. When using steel products for production and processing, products of Henan Jiyuan Iron & Steel Co., Ltd. shall be prioritized, and the supply of raw materials shall be ensured.

2. A "settlement after use" method shall be adopted, and the credit term should be 1-2 months, determined by Henan Jiyuan Iron & Steel Co., Ltd. after comprehensive evaluation of the enterprise.

3. Henan Jiyuan Iron & Steel Co., Ltd. may offer differentiated sales prices for raw materials according to the production scale and order sizes of buyers.

V. Policies on land use

1. Steel deep-processing enterprises that have settled in the city will be exempted from the quota fee for using arable land (only for industrial land) at 30,000 yuan per *mu*.

2. According to needs of the enterprise, industrial land can be supplied by means of "flexible term assignment", "lease first and then assignment", "a combination of lease and assignment", or "long-term lease", and the term of each mode shall not exceed 20 years in principle. For the "lease first and then assignment" mode, the land lease term shall not exceed 5 years in principle.

The specific provisions shall be in accordance with the *Notice of the General Office of the People's Government of Jiyuan City on Issuing the Implementation Rules for the Flexible Assignment of Industrial Land* (JZB [2018] No. 90).

VI. Reward to referrers

1. Referrers will be awarded for introducing a new enterprise after it is completed and put into production. For an industrial project with a foreign investment of 100 million yuan or more in fixed assets, the referrer will be awarded 100,000 yuan and an additional 10,000 yuan for every 10 million yuan increase in the investment. For an industrial project with a foreign investment of 300 million yuan or more in fixed assets, the referrer will be awarded 300,000 yuan and an additional 30,000 yuan for every 20 million yuan increase in the investment. If the foreign investment in fixed assets reaches 500 million yuan or more, the referrer will be awarded 600,000 yuan and an additional 40,000 yuan for every 30 million yuan increase in the investment. The cumulative bonus should not exceed 1 million yuan.

The specific provisions shall be in accordance with the *Notice of the People's Government of Jiyuan City on Issuing the Measures for Attracting Promotion and Supporting Enterprise Development* (Tentative) (JZ [2016] No. 26).

2. A referrer who has introduced a Fortune Global 500 or China's Top 500 with an investment of over 500 million yuan in fixed assets, or a project in high and new technology fields or strategic emerging industries that are supported by the State with an investment of over 300 million yuan in fixed assets to the city will be awarded an additional 50,000 yuan in addition to the said bonus.

The specific provisions should be in accordance with JBW [2017] No. 52 document.

VII. Policies on special support

1. The municipal finance will provide a one-off fund amounting to 30,000 yuan to industrial enterprises that have been included in the financial statistics the same year when their annual revenue of main business hit 20 million yuan.

2. Enterprises rated as state-level green factories, green design products, green parks and green supply chain management enterprises will be given a subsidy equivalent to 30% of the provincial financial reward (2,000,000 yuan) by the municipal finance.

3. A one-off bonus of 100,000 yuan, 200,000 yuan, 300,000 yuan, 500,000 yuan, 1 million yuan, 2 million yuan, and 3 million yuan respectively will be granted to industrial enterprises whose annual revenue of main business hit 1 billion yuan, 2 billion yuan, 5 billion yuan, 10 billion yuan, 20 billion yuan, 30 billion yuan, 50 billion yuan, respectively, for the first time and the growth rate is not lower than the city's average. A one-off bonus of 500,000 yuan and 200,000 yuan will be granted by the municipal finance to new national single-champions in the manufacturing industry and enterprises being cultivated to be single-champions.

The above specific provisions shall be in accordance with the *Notice of Jiyuan Municipal People's Government on Issuing Several Policies on Further Supporting the Development of the Industry-based Economy* (JZ [2018] No. 13).

VIII. Production and living security

1. A steel pretreatment pickling line with annual processing capacity of 150,000 tons of high-quality steel, a sewage treatment plant, and a supporting metal surface treatment (electroplating) enterprise shall be built in the Park to meet the production and processing needs of enterprises in the Park.

2. Infrastructure for power supply, water supply, gas supply, roads, heating, communication and fire protection and site leveling shall be completed.

3. The settled projects shall be subject to unified management, and agent services are available for project filing, EIA approval, construction permit procedures, etc.

4. A steel product quality appraisal agency and a steel deep-processing product R&D center shall be built to provide technology and quality assurance for steel product processers.

5. High-level innovative and entrepreneurial personnel introduced to the city will be given preference in housing and provided with a certain amount of living allowances, and measures will be taken to ensure appropriate medical services, employment and school enrollment for their spouses and children. Graduates from technical secondary schools, vocational (mechanic) colleges or those with a higher educational background who are working in or will work in Jiyuan can apply for a local *Hukou* (registered permanent residence) with their diploma.

IX. Miscellaneous

1. Major projects may be subject to case-by-case discussion.

2. This *Policy* is interpreted by the Huling High-tech Industrial Development Zone, and will take effect from April 1, 2019 and expire on December 31, 2023. In case of any inconsistency between previous relevant provisions and this *Policy*, this *Policy* shall prevail.

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| Organized by: | Huling High-tech Industrial Development Zone |
| Supervised by: | Division II of the General Office of the Jiyuan Municipal Government |
| Cc:  | Departments of the CPC Municipal Committee, the Municipal People's Armed Forces Department, relevant agencies residing in Jiyuan.The Office of the Standing Committee of the Municipal People's Congress, the Office of the Municipal People's Political Consultative Conference, the Intermediate Court, the local People's Procuratorate, the Municipal Court and the Municipal Procuratorate |
| General Office of the People's Government of Jiyuan City | Issued on March 23, 2019 |