

Qianhai investors fret over soaring property prices

By Zhou Mo



A view of the Qianhai special economic zone in Shenzhen. April 27 marked the first anniversary of Qianhai. (Provided to China Daily)

Shenzhen - Hong Kong and foreign enterprises operating in the Qianhai special economic zone have expressed concern over Shenzhen's high property prices and entrepreneurs' ability to integrate with the mainland market.

But, they acknowledge that Qianhai's preferential policies and open environment have made the zone an ideal place for businesses from Hong Kong and abroad to tap into the mainland market.

"From the aspect of government administration and environment, Shenzhen, I believe, is the best place to set up business in the country, and Qianhai is the best area in Shenzhen," said Peter Fuhrman, chairman and chief executive officer of China First Capital, an investment bank registered in Qianhai.

“However, from the aspect of cost, it’s not the best. Soaring property prices in the city have increased costs for businesses, and there needs to be a solution,” the US entrepreneur said.

Wednesday marked the first anniversary of Shenzhen’s Qianhai and Shekou zones coming into operation as part of the China (Guangdong) Pilot Free Trade Zone, which also includes Zhuhai’s Hengqin and Guangzhou’s Nansha districts.

As of April 15, more than 91,000 enterprises had been registered in the zone, with registered capital amounting to 4 trillion yuan (\$616 billion). Among them, over 3,100 were Hong Kong-funded enterprises, which contributed nearly one-third of the zone's tax revenue.

“Qianhai will continue to focus on cross-border cooperation between Shenzhen and Hong Kong, and strive to create a platform to support Hong Kong’s stability and prosperity,” Tian Fu, director of the administrative committee of Qianhai and Shekou, said at a ceremony marking the first anniversary on Wednesday.

Innovation and entrepreneurship are among the key areas of cross-border cooperation. To attract Hong Kong entrepreneurs to set up business across the border, the Qianhai Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub (E Hub) was launched, providing tax incentives, funding opportunities and free accommodation to Hong Kong entrepreneurs. As a result, more and more startups from the SAR are setting up offices in the E Hub.

“The opportunity cost in Hong Kong for entrepreneurs is relatively high, with high rents and labor costs, and the Hong Kong market is small,” said Amy Fung Dun-mi, deputy executive director of the Hong Kong Federation of Youth Groups. “Therefore, it’s wise for them to tap into the mainland market.”

Many of the companies have been doing well, Fung said, while noting that some have not made much progress so far.

Fung said when Hong Kong entrepreneurs start operating on the mainland, it’s necessary that mentors are provided to help them, as environment, laws and policies between Shenzhen and Hong Kong are different.

She also urged the authorities to provide more support to help Hong Kong startups find investors.

http://www.chinadailyasia.com/business/2016-04/28/content_15424101.html