

China collects over 400 bln yuan in taxes from major FTZs

China collected 409 billion yuan (59.3 billion U.S. dollars) in taxes in four major free trade zones (FTZs) last year, data from the State Administration of Taxation (SAT) showed.

The tax revenue growth was driven by fast development, reasonable industrial structure and strong innovation in the Shanghai, Tianjin, Fujian and Guangdong FTZs.

Nearly 90 percent of the tax revenue came from the modern services sector, while high-end manufacturing witnessed strong growth in tax revenue, SAT data showed.

SAT data showed tax receipts from car manufacturing had annual growth of 44 percent last year, 34 percentage points higher than the national average.

Internet, software and information technology services posted stellar growth in tax revenues. The Guangdong FTZ, supported by tech-hub Shenzhen, saw tax revenues from the two sectors increase 470 percent and 390 percent respectively year on year.

FTZs are part of government efforts to test reform policies, including interest rate liberalization and fewer investment restrictions to better integrate the economy with international practice.

China launched its first FTZ in Shanghai in 2013. In late 2014, Tianjin, Fujian and Guangdong were allowed to set up a second group of FTZs. Another seven were approved in August 2016 in a bid to replicate the success of previous trials.