Market Scan: The Opportunities and Niches for Dutch Spatial Planning in China
Market Scan: The Opportunities and Niches for Dutch Spatial Planning in China

Ministry of Infrastructure and the Environment

Kingdom of the Netherlands
This Market Scan Spatial Planning China has been issued on behalf of the Ministry of Infrastructure and the Environment and for specific purposes connected with this project only. It should not be relied upon by any other party or used for any other purpose.

This report was written by Prof. Pengjun Zhao with assistances from Peilin Li, Jingjing Diao, Jianqiao Shi, Yue Wang. The authors are from the Department of Urban and Regional Planning, College of Urban and Environmental Sciences, Peking University. Pengjun Zhao is a professor in Urban and Regional Planning, and the Director of Urban Planning and Transport Studies at Peking University (pengjun.zhao@pku.edu.cn).

We would like to thank the Netherlands Embassy in Beijing for their support towards the realisation of this edition. Special thanks are given to Anne te Velde from Embassy of Kingdom of the Netherlands in China (Anne.teVelde@minbuza.nl), and Marijn.van der Wagt from the Ministry of Infrastructure and the Environment of Kingdom of the Netherlands (marijn.vander.wagt@minienm.nl).

We are also very grateful to the architects, urban planners and other professionals who allowed us to interview them: Prof. Mao Qizhi, Mark Harrison, Kong Lingbin, He Chaodong, Tan Zongbo, Chen Yi, Yu Kongjian, Zhang Qi.

We accept no responsibility for the consequences of this document being relied upon by any other party, or being used for any other purpose, or containing any error or omission which is due to an error or omission in data supplied to us by other parties.

Copyright © 2015 This document contains confidential information and proprietary intellectual property. It may not be shown to other parties without the consent of the authors and the consent of the Ministry of Infrastructure and the Environment.

Contents

INTRODUCTION 1

SECTION I. CHINA’S URBANIZATION, THE URBAN PLANNING SYSTEM AND RELATED POLICIES 2

1. STATUS QUO AND FUTURE URBANIZATION IN CHINA 2
2. EMERGING CHALLENGES FOR THE PLANNING INDUSTRY AS URBANIZATION CONTINUES IN CHINA 4
3. DEFECTS AND FUTURE NEEDS OF URBAN PLANNING IN CHINA 6

SECTION II. OPPORTUNITIES, BUSINESS NICHEs AND THE PROMOTION OF DUTCH PLANNING SERVICES IN CHINA 10

4. OPPORTUNITIES AND BUSINESS NICHEs FOR DUTCH PLANNING SERVICES IN CHINA 10
   4.1 THE ACTIVITIES AND PRACTICES OF OVERSEAS PLANNING ENTERPRISES IN CHINA 10
   4.2 SPECIALTIES OF DUTCH PLANNING 14
   4.3 STATUS QUO OF DUTCH URBAN PLANNING ENTERPRISES IN CHINA 16
   4.4 SUMMARY OF DUTCH URBAN PLANNING AND CONSTRUCTION PROJECTS IN CHINA 23
   4.5 BUSINESS NICHE OPPORTUNITIES FOR DUTCH PLANNING ENTERPRISES IN CHINA 24
5. THE PROMOTION OF DUTCH PLANNING SERVICES IN CHINA 29
   5.1 URBAN PLANNING CONFERENCES AND FORUMS IN CHINA 29
   5.2 LOCATION SELECTION FOR OFFICES AND BUSINESS 30
   5.3 CHALLENGES FACED BY DUTCH PLANNING ENTERPRISES AND PLANNERS IN CHINA 32
6 SUMMARY 35

INTERVIEWEES 37

REFERENCES 37

APPENDICES 40

APPENDIX I 40
APPENDIX II 41
APPENDIX III 42
APPENDIX IV 43
APPENDIX V 46
Introduction

In recent decades, China has experienced remarkably rapid urbanization. The urban population increased by 200 million during the period 2000 to 2010, while the urban planning industry has been booming across the entire country. China has now become the largest market for the business of planning. Today, urban planning in China is facing a transition from growth-oriented planning to transition-oriented planning, against the backdrop of an economics of the ‘New Normal’ and ‘New Urbanization’: both will be explored in this report. New planning policies focus on the efficient use of land, resources, space and investment, and a balance between economic restructuring, environmental conservation and social development. In this context, the planning industry will have great opportunities to grow.

However, urban planning in China also faces many challenges, including an imbalance in regional development, a decline in economic growth, environmental degradation, an ageing society and social inequity, and energy and food security. In particular, institutional deficiencies create barriers to an efficient planning system, such as conflicts between different plans from different departments, the lack of public participation, and problems with the implementation of plans. More innovative planning concepts, strategies, methods, techniques and implementation approaches are needed in China.

A large number of overseas enterprises in the planning field have entered the planning industry in China. The number is still growing. Dutch enterprises have a share of this market due to their advantage in the fields of spatial planning, urban and architectural design, infrastructure planning, environmental conservation, transport planning and management, water management, and coastal region planning.

The directorate for Spatial Development of the Ministry of Infrastructure and the Environment in the Netherlands attaches great value to its government-to-government relationship with China. The directorate recognizes that there should be many opportunities for Dutch businesses and knowledge institutions in the field of spatial and urban development in China. However, market competition in the field of planning in China has become fierce. It is not always clear to the Ministry or to Dutch organizations where they need to focus in China, or in which field of spatial planning. Current activities are often based on requests from Dutch organizations, the Embassy or visiting officials from China. To date, there has not been enough insight into which issues and regions the Dutch wealth of experience could be most usefully drawn upon to enhance China’s urban development. To better assist Dutch organizations and reveal to them the many opportunities in China, it is necessary to gain a better understanding of the market.

This report is the research output of the project, ‘Market Scan: The Opportunities and Niches for Dutch Planning in China’. The objective of the market scan is to gain a better understanding of the market in which we are active in China. To do so, the report will answer several questions: Which countries are active in China – and in what way – in the field of spatial planning and development?; Where do the niches and opportunities for Dutch organizations lie?; and, On which regions or cities within China should Dutch organizations focus?

The data used in the report come from the following sources: face-to-face interviews with experts in frontier planning from overseas organizations and from domestic institutions in China in different planning sectors; face-to-face interviews with government officials and clients of planning services in China; data collected from overseas enterprises and from domestic organizations in the field of planning; public materials from the relevant
governments; academic literature and research on the planning industry in China; and previous reports and research from the Netherlands Embassy in China. The report begins by introducing the status quo on urbanization in China, the related opportunities and challenges. It then summarizes the fields where there will be increasing demand in the future, before analysing the fields and regions in which Dutch planning enterprises might find their edge over the competition, based on the characteristics and strengths of Dutch planning, as well as the current status of Dutch planning enterprises in China. The potential difficulties and challenges that these enterprises might encounter are also analysed, with suggestions and hints provided about the best way to do business in China.

Section I. China’s Urbanization, the Urban Planning System and Related Policies

1. Status Quo and Future Urbanization in China

China has 658 cities and is a highly urbanized country. Urbanization in these cities creates huge demands on urban planning and development. This section starts with a general introduction to some facts about China’s urbanization, including its speed and scale, the main goals of new urbanization, economic structural adjustment, infrastructure investment, and changes in incomes and lifestyles.

A. How Fast and How Large in Scale is Urbanization in China?

From data released by China’s National Statistics Bureau on 20 January 2015, in 2014, the urban resident population reached 749 million, an increase of 18.08 million from 2013, while the rural resident population was 618.66 million, a decrease of 10.95 million from 2013. This is equivalent to a population urbanization rate of 54.77%. The total domestic migrant population reached 253 million, an increase of 8 million on the previous year. This increase in the migrant population in only one year is approximately equivalent to half of the population of the Netherlands, which was 16.8 million in 2013 (World Bank). At the same time, the number of foreign migrants in China has also been growing, reaching 181,000 in 2013, according to the National Statistics Yearbook. The trend towards rapid urbanization will continue. It is estimated that the urbanization level will reach 60% by 2020 and 70% by 2030. This means that China’s cities will face a total increase of about 67 million residents during the period 2013-2020. The demand for a greater quantity and better quality of city infrastructure and services will increase quickly.

B. New Urbanization

![Figure 1. Urbanization Rate from 2008 to 2014](https://example.com/urbanization-rate-2008-2014.png)

Source: China’s National Statistics Bureau (2015)
The central government enacted a new national urbanization strategy in 2014 called ‘New Urbanization’ to tackle a potential economic downturn. China’s government considers urbanization as a way of promoting economic growth rather than as a mere result of economic growth. In other words, China’s plans for urban population growth should lead to more economic growth. Five aspects are set as priorities in order to release more potential and avoid the levelling off of urbanization in terms of quantity. Planning and products that help to improve the quality and structure of urbanization, such as sustainable urban development, the promotion of urban livelihoods and an efficient administrative system will benefit from the new policy over the next five years. Some policy targets for New Urbanization include:

- The urbanization level, in terms of the number of urban residents, could reach 60%; and in terms of households 45% (Compared with 53.7% for residents and 36% for households in 2014)
- Successfully settle 100 million rural and other migrants in its cities
- Restrict urban construction land to 100 m² per capita

C. Economic Structural Adjustment Vision
Economic structural adjustment will still be a key national strategy, in order to increase the overall efficiency of economy growth. The characteristics of the next round of adjustment to the economic structure include:

- **New Consumption Demand.** To promote a shift from low income, low expenditure and low quality demand to high levels.
- **Increase Economic Efficiency.** To increase the efficiency of the economy’s structure and ensure that the percentage of added value in tertiary industry taken as a total of GDP increases.
- **Structural Balance and Economic Equity.** To promote a structured balance between the urban and the rural, as well as between regions.
- **Change in the Financing of Social Benefits.** To increase investments in social development, and find new finance sources which is currently mainly dominated by the selling of land.

D. Infrastructure Investment Vision
According to the ‘National Planning for New Urbanization (2014-2020)’ document, future investment will mainly be directed to the following fields:

- **Urban Public Transportation.** Cities with more than one million inhabitants should all be seamlessly covered by a 500 metre buffer of transit stops.
- **Underground Property.** With less land available for development and an increasing population density in the city centre, underground space will be used more efficiently.
- **Underground Pipeline Network.** To coordinate underground pipeline constructions for electronics, telecommunications, drainage, heating and gas. Utility tunnels should be designed to run under newly built city corridors, newly developed districts and parks.
- **Basic Public Services.** To increase the quality and quantity of services, such as schools, medical services, cultural and sporting venues, which will enhance and guarantee equality in services.
- **Nursing Related Development.** More nursing homes, and other facilities for the elderly in local communities or cities, will be built.
- **Innovative Mode in Building and Operation.** To encourage a Public-Private-Partnership mode which allows both the government and companies to participate throughout the whole life cycle.
E. Facts on Income Growth and Changing Lifestyles
Household income has increased quickly in China in the context of a booming economy. Average disposable income for urban residents increased from CNY 13,785 in 2007 to CNY 26,955 in 2013, an almost 100% increase in only six years. Meanwhile, the Chinese government is making plans, implementing measures and directing funds to bolster life-related industry, infrastructure and the service industry, as well as to reform and simplify the administrative processes required for the approval of small businesses. The lifestyles of residents are changing, due to an increasing distributable income and the government’s package of stimulus plans.

- **Greener and More Comfortable Residential Areas.** There is an increase in demand for new modern and green housing in China. Housing with better heating systems, energy saving facilities and zero emissions are popular in China.

- **Tourism.** Tourism is becoming a popular form of recreation, as residents have more time and money to spend on it. Tourism planning, for sites either far from or close to cities, holds optimistic perspectives.

- **More Choice Available for Life and Recreation.** The growth of a middle class and the growth of social wealth create more demand for recreation facilities. A large number of such facilities and services have been supplied by governments and private companies.

- **Internet and E-society.** The development of Online-to-Offline (O2O) and its impact on people’s lives is impressive. In 2013, e-commerce trade in China reached CNY 9,900 billion, an increase of 21.3% from 2012, and this number is estimated to be CNY 21.6 thousand billion in 2017. Some of the shopping malls in Beijing’s ‘fifth fringe’, such as Ito Yokado, have started to replace many of the clothing shops with recreational facilities in response to the changes in consumer behaviour created by online shopping. This might influence future design demand for buildings, city complexes, communities and transportation.

- **Travel Mode Change.** As Figure 2 shows, private car ownership rocketed from 28.76 million in 2007 to 105.02 million in 2013, a more than three-fold increase in only six years.

![Figure 2. Private Car Ownership in China from 2007 to 2013 (in millions)](source)

Source: China’s National Statistics Bureau (2014)

2. Emerging Challenges for the Planning Industry as Urbanization continues in China
Urban planning in China has achieved great progress in recent decades. Spatial planning has become one of the most important policies used by governments to promote sustainable development. However, urban planning still encounters numerous challenges.
A. Unbalanced Development

- **Unbalanced Development between Regions.** To date, urbanization policies have benefited eastern coastal cities much more than any others. Developed cities continue to expand, forming metropolitan areas or urban agglomerations in the eastern region of China. Since the 1990s, the central government has launched policy initiatives to restrain the development gap between the eastern, central and western regions by promoting development in undeveloped areas, under names such as ‘Development of the West Regions’ and ‘Northeast Area Revitalization Plan’. However, the performance and outputs of these initiatives remain unclear. It seems the development gap between the east and the west has continued to grow nevertheless.

- **Unbalanced Development within Regions.** Within a single region, large cities are usually more economically attractive due to the urban resources they possess. In most large Chinese cities, the population is increasing, while in some small and economically deprived cities it exhibits a tendency to decrease (e.g. cities in the poor western regions areas and old mining cities). However, existing urban planning strategies and urban policies at the national level assume all cities will grow. Moreover, in these large cities, the rapid growth of the urban population seems to exceed the level which the local environment and the ecosystem can support.

B. Less Potential for Growth-oriented Planning

In 2014, the Central Government’s Conference on Urbanization demanded more efficient urban planning in order to meet the new demands of New Urbanization. According to officials such as Mr Zhao Yanjing, urban planning would change from growth-oriented planning to transition-oriented planning, with cities having to accommodate a growing population while dealing with the limited availability of land. In the next stage of development, cities such as Beijing will have to focus on urban renewal and the reconstruction of the inner city, while more large-scale development of new areas in the suburbs will come under strict regulation.

C. Slowdown in Economic Growth

In addition to constraints from land supply, the slowing down of the global economy is gradually having its impact on China, resulting in the waning of the dynamics for incremental planning and development. New infrastructure investment has declined sharply in the inner cities, whereas the market for operations, management and maintenance have gained significantly.

D. Environmental Degradation

- **Downgrading Ecology.** In 2007, the OECD pointed out that ‘China’s economy is rapidly moving closer to developed countries, but its environmental standards are equal to those of the poorest countries in the world’. The challenges brought by urbanization in China include soil erosion, desertification, forest and grassland degradation, groundwater decline, water pollution, air pollution and solid waste pollution.

- **Unsustainable Energy Structure.** Most of the energy resources used in China are non-renewable. Low-carbon developments or eco-city planning are popular among governments but are no more than slogans. Pragmatic moves need to be made and advanced experience needs to be introduced.

- **Crowded Cities.** Problems such as housing shortages and insufficient green space continue, as large cities become more crowded.

E. Aging Population

---

1 Director, Xiamen Planning Bureau.
The previous ‘population explosion’ and the subsequent one-child policy have led to the phenomenon of a huge and rapidly aging population. China has become an aging society.\(^2\)

- A family will on average support four elderly relatives
- Traditional family support modes are changing; parents do not want to be a burden on their children
- Dependence on urban facilities for the elderly will increase, while existing nursing facilities in residential areas and public spaces are far from sufficient
- There is a lack of uniform standards and sound supervision to guide planning and industry development

F. Social Inequity
Over 30 years of market-oriented reform (1978-present) social inequity increased at an astonishing speed. The income gap between the rich and the poor, and between rural migrants and local urban residents continues to grow. Political procedural injustice in policymaking processes between the privileged and average citizen is increasing. Ultimately, social inequities related to the quality of urban life have only increased.

G. Food Security
Recent figures suggest China now has a population of 1.36 billion, accounting for about 20% of the world’s population, while only having 7% of the world’s arable land. The second national land survey showed that arable land is equivalent to 1.52 acre per capita, less than half the global average (3.38 acres). These problems will only worsen with higher levels of urbanization.

3. Defects and Future needs of Urban Planning in China
A. Planning Philosophy
- Overemphasis on Economic Growth. Planning directed at economic growth leads to large-scale development of new areas, urban sprawl, industrial parks, farmland loss and insufficient public facilities and services. Under the ‘New Normal’ circumstances, urban planning in China now has to adjust from a growth-oriented philosophy to a transition-oriented standpoint in order to achieve better efficiency and sustainability. City planning based on the smart growth\(^3\) concept is becoming increasingly popular among local governments, especially in the fields of smart electricity grids, intelligent transportation systems, water infrastructure, medical care and environmental protection. More than 95% of ‘vice-provincial’ level cities and 76% of ‘prefecture-level’ cities have submitted proposals to build smart cities.
- Residues from the Planned Economy. Many planners still believe in compulsory land acquisition rather than public participation and civil consultation in realizing regional development.
- Low Efficiency in Use of Space. City land on the surface is planned extensively, while development underground is usually not considered by planners, which leads to the inefficient use of both surface and underground space. A philosophy of balance, incorporating horizontal and vertical mixed land use, multi-dimensional development and an urban growth boundary is needed.
- Disappearing Local Identity. A focus on city modernization and globalization since the 1980s has led to the vanishing of local heritage, landscapes and lifestyles, which should be conserved in future planning in order

\(^2\) In 2003, the number of people over the age of 60 reached 130 million, accounting for 10% of the total population. This will continue to increase annually by 3%.

\(^3\) Local governments perceive smart growth as entailing a balance between economic development, urban-rural coordination, eco and cultural conservation, environmental protection, urban sprawl control and livelihood improvement, based on greater efficiency of land use. Most local governments believe the smart growth concept is consistent with the new national development strategies, such as New Urbanization and the Scientific Outlook on Development, etc.
to maintain the cultural context of the city and create meaningful lives for the citizens.

B. Planning Techniques

- **Separation of Sectors in Planning.** The use of integrated planning methods is sparse in China. Different urban sectors, for example, transport, land use and housing, as well as fields such as engineering, management and policy, are often planned separately. A more comprehensive framework is needed to achieve the integration of different sub-processes, including economic processes, spatial processes, social processes and environmental processes.

- **Subjective Speculation Rather Than Scientific Evaluation.** The current urban plan-making process is based on subjective speculation rather than scientific forecast models. Scenario planning, modelling-based planning and other advanced planning techniques are not sufficiently drawn upon in China.

- **Lack of Experience and Policy in Guiding Transition-oriented Planning.** Although there is consensus about the need for a transition-oriented planning philosophy in the next stage, existing techniques and policies are not prepared to bolster its design and implementation. According to many of the interviewees, the **possible relaxation of qualification restrictions** in some planning fields for foreign companies should be enacted in order to introduce global expertise and encourage competition in the planning industry.

- **Lack of Sound Methods in Urban Regeneration.** There are many problems in the regeneration of urban villages and old neighbourhoods. The regeneration of these areas is usually enforced by a municipal government. More innovative techniques need to be developed to preserve historical districts.

- **Learn from Big Data.** Rational planning approaches are needed to replace the existing form of subjective speculation. In particular, a modelling-based approach should be encouraged. As a planning tool, a big data approach provides planners with more information and more capability to undertake an accurate analysis and find a feasible solution.  

C. System Deficiency

- **Conflicts between Different Planning Departments.** In China, the spatial planning system consists of urban planning, land use planning and economic development planning. However, different planning responsibilities belong to different government departments across all government levels, from the national, provincial, municipal to local governments. For example, all local towns have an urban spatial planning office. Urban land use planning is under the responsibility of land administration departments; urban spatial planning is the responsibility of urban planning administration; while economic development planning is under the management of municipal governments. The emphasis, as well as the planning periods, differs across these departments. In general, economic development planning has a five-year trajectory, land-use planning ten years, while urban master planning has a twenty-year perspective. Conflict occurs, for instance, when a 2020 land use plan has different restrictions on land use from a 2030 urban plan for economic development.

---

4 On the one hand, residential density is high in order to accommodate residents in urban villages and save governments the compensation costs for relocation. As a result, high income groups will gradually move out due to dissatisfaction with the environment and facilities, and the urban village might gradually become a city slum. On the other hand, in some redevelopment areas with low density, many of the original residents could not afford to live in the new housing being built in their neighbourhoods and had to move to suburban areas where housing prices were relatively low. As a result, middle and high-income earners took the opportunity to move into the city centre, which led to the gentrification of the city centre.

5 For example, data from bus or metro gates or text info from social media platforms such as Weibo and WeChat, or transition data from e-commerce platforms such as Alibaba or Taobao are valuable in analysing the changes in lifestyle and social networks, as well as travel preferences and behaviour. China's market for smart city solutions increased by 15.2% percent year-on-year to CNY 137.7 billion ($22.57 billion) in 2012. It is expected to jump to CNY 500 billion in 2015.
A clear inter-departmental coordination mechanism is needed both from a legislative and administrative point of view. The Urban Planning Act 1990 justifies the role of urban planning in guiding urban development; the revised Urban and Rural Planning Act 2008 further clarifies the legal responsibilities of an integrated urban and rural planning approach. In Beijing, the Capital Planning Commission has been established to cope with management conflicts between different departments. However, this is only the first step.

- **Conflicts between Subordinate Planning and Superior Planning.** There are conflicts between plans made at the national level and plans made by individual cities. The provinces are responsible for the implementation of national plans. However, there is a dilemma confronting the implementation of spatial planning at the municipal level: while local development will assist in the achievement of national planning goals in some ways, in other respects it will detract from this mission, particularly when local benefits are the main concern of local city governments. In the context of increasing political decentralization, coordination between cities is becoming very weak, due to the fragmented development management system at the provincial level. Further clarification of the accountability between governments is still required to avoid competition between local governments and higher level governments.

- **Lack of Public Participation.** Public participation in the planning process is insufficient in China. Professional planners who feel threatened by pluralism in planning often doubt the role and efficiency of public participation. Politicians often keep the public informed but leave little room for them to be consulted or involved in the process of planning. In particular, legitimacy related to public participation is short in China. Moreover, once the plan has been implemented, it is difficult to make adjustments. Some rather deficient local plans are designed in the interests of local governments and developers, with little consideration of residents’ convenience or interests. In recent years, increasing conflict and social unrest has occurred due to a lack of rigorous planning. Today, the public is increasingly becoming aware of its civil rights and protecting its legitimate interests. If plans are designed without public participation, the public may create barriers to plan implementation. In addition, many local people themselves are well educated and have knowledge of the local situation. As such, they might actually contribute constructive advice on planning design. New regulations and laws are required to protect the public’s right to participate in the plan-making process.

Thus, the central, as well as many provincial governments, now consider it necessary to formalize and legalize public involvement, such as having hearings into the planning process, to alleviate social unrest and restrict local power. This is also a way to tackle corruption.

- **Planning Implementation Deficiencies.** The implementation of plans largely depends on political leadership at the local level and the political organization of local authorities. The existing regulatory system in planning creates a tension between plan implementation and local governance. Local governors or leaders usually hold their position for a three-year term (maximum five years). Previously, a change of tenure in government would bring in a new leader, who would normally then make a great effort to display the achievements under their leadership. As a result, many of the ongoing social-economic projects or plans would be modified or even terminated, replaced with brand new ideas. However, a plan usually has a term of 10 or 20 years. Therefore, only a part of the plan would be implemented. Projects that would be beneficial but whose effectiveness would only be revealed in the long-term, would rarely be realized. Since 2013, however, the situation has improved. The central government conference on urbanization clearly emphasized the importance of continuity in urban planning. Master and detailed planning can no longer be so readily transformed with a change of tenure. However, like many other directives, it is without legal effect, relying solely on the conscience of local administrations. On the whole, there is still a long way to go to overcome this systemic deficiency.

- **Monitoring and Evaluation Defects.** There is a lack of assessment, feedback and a maintenance mechanism
in urban planning in China. Once an urban master plan has been made, there is no possibility for review or revision within a ten-year period. A dynamic monitoring system is absent.

D. Management

- Approval System Defects. Although the Urban and Rural Planning Act stipulates that a project can be approved only with the consensus of the relevant departments, including deputy mayors in charge of construction, mayors, party secretaries, the planning commission and the people’s congress, decisions are, in fact, in the hands of the party secretary or the mayor.

- Bidding Defects. The rules for project bidding are specifically designed to regulate bidding in urban planning. Although the bidding process is official and transparent, the final decision is always made behind closed doors. In addition, in China, the principle criteria for judging a planning bid is ‘the lowest price wins’, which filters out some excellent designs. Also, many invitations for bidding allow only three months for planners to come up with their design. This allows inadequate time for companies, especially those from overseas, to delve into local geography, society and culture. Works by famous designers may thus end up with low feasibility.

- Discordance between Planning and Investment. China’s urban planning system usually plays a limited role in guiding investment. Investment is mainly distributed according to the economic development plan. This causes problems with the implementation of planning. It also affects the efficiency of investments. In particular, the discordance between land planning and transport investment tends to increase the overall social costs of transportation.

- Less Attention is Paid to Rural Planning. Urban planning in China is focused on the urban areas within a municipality, with rural areas often overlooked. In the future, village level planning and management efforts should be significantly strengthened by better planning, organizational design and staff arrangements, as well as better financial and material resource allocation.
Section II. Opportunities, Business Niches and the Promotion of Dutch Planning Services in China

4. Opportunities and Business Niches for Dutch Planning Services in China

4.1 The Activities and Practices of Overseas Planning Enterprises in China

A. The Opening to Overseas Participants
After 2001, when China became a member of the WTO, many overseas planning institutions started business in China.

- Under the category of Commercial Trade in Professional Services, all types of urban planning, with the exception of the Urban Master Plan, were principally opened to overseas planning institutions.
- The market in urban public facilities and infrastructure was opened to Foreign Direct Investment (FDI).
- Low requirements for market entry allowed more medium and small-size companies to find a competitive edge in China.

The market and business of planning is becoming more open. Plan-making activities were previously seen as purely government activities, with plans made by a variety of planning institutes which were semi-government organizations. However, the opening of the planning market to overseas institutes and private planning companies seems to be enhancing the quality of planning. Currently, the market has not been opened entirely, but many overseas participants are involved in the business in one of three ways: 1. Employing enough planners with Chinese-related qualifications; 2. Cooperation or joint venture with qualified local planning institutes; 3. Providing consulting services.

Introducing overseas participants would both facilitate competition and complement knowledge and experience that local organizations have in some niche segments. This was the reason why some interviewees thought opening up the sector would be beneficial. Nevertheless, while these overseas organizations have an experiential and interdisciplinary advantage, it is uncertain whether they will bring their most cutting-edge expertise or teams to China. China will only benefit from such cutting-edge involvement. Those who are looking for easy assignments that can be carried out with relative ease will find it more difficult to survive due to lack of budgets in local governments under the New Normal policy and the more strict control of local offices.

B. The Growth of Overseas Planning Enterprises and Activities in China - Dynamics

- **Foreign Investment in Urban Development.** The scale and amount of foreign investment in urban development has been increasing since the 1990s. The large amount of FDI provides strong dynamics for China’s urbanization. There are a wide range of relevant projects, from a single building to a community, and even a region such as the Sino-Singapore Industrial Park in Suzhou (opened in 1994, CNY 200 million was invested in the master plan and 300 detailed plans; covering 80 km\(^2\) and a population of 723,000). Currently, several national-level industrial parks have been developed. In addition to the Suzhou Industrial Park, there is the Sino-Singapore Eco-City in Tianjin (opened in 2008, covering 31.23 km\(^2\) and a population of 350,000), the Sino-Malaysia Industrial Park in Qinzhou, Guangxi Province (opened in April 2012, covering 55 km\(^2\) and a
population of 500,000) and the China-Japan-Korea Circular Economy Model Base in 2103. There is also increasing cooperation at the provincial level (such as the Sino-German Industrial Equipment Park by Liaoning Province and Baden-Württemberg State in 2015) and at the city level (such as the Sino-France Eco-Park by Shenyang, Paris and Lyon in 2015, and Hong Kong-Jiangmen Hardware Industrial Park in 2015) to help allocate foreign investment and provide comprehensive home-like services to overseas companies. Compared with countries such as Britain and France, Germany has most of its FDI in manufacturing in China, but design cooperation in the development of the park mentioned above will assist German planners and planning enterprises in becoming familiar with China’s situation. With many advantages in both planning and manufacturing, Dutch companies may explore similar opportunities to build industrial parks or eco-cities in China.

Local Preferences. Local governments in China show a strong desire for innovative and high-level urban planning approaches from overseas planning enterprises. They also believe plans made by overseas planning enterprises could help them to attract more foreign investment. Overseas planning enterprises have won the bids for many key planning projects, including, for example, the Beijing 2008 Olympic Games, the Shanghai 2010 Expo, and Beijing’s CBD design. Despite high design costs (e.g. the design for Guangzhou Zhujiang Newtown was USD 1 million and for Hainan Boao it was USD 1.8 million, whereas the master plan for the whole Seattle region was only USD 3 million), local governments hoped that by introducing foreign design they would have a better chance of winning in international or domestic campaigns to host major events. Even now, with strong doubts and opposition from senior government officials, scholars and the media, this trend of creating extraordinary landscapes and landmarks is not levelling off quickly.

- Development in Accord with China’s Situation

Because of the differences in culture and legislative regulations, in recent decades overseas planning enterprises in China have tended to adjust either organizationally or in the way they design and do business to accommodate the planning market in China.

- Business Expansion. Many large international consultancy companies such as Atkins, SOM and AECOM have set up independent legal entities in China’s large cities, for example in Beijing, Shanghai, Guangzhou and Shenzhen. Some medium-sized companies such as AS&P, GMP and RTKL have set up business offices or branches in China. There are also many small overseas consulting firms in the planning field. For those smaller and less well known to the clients, it is usual for them to engage in sub-contract projects under the name of larger consulting companies. This helps them to overcome the barriers to market entry.

- Joining Hands with Local Agencies. Due to cultural and institutional differences, overseas planning enterprises have realized the disadvantages of trying to manage every aspect of a planning project in China. It costs a great deal to do background research and communicate with the local administrations. Therefore, cooperating with local planning and design institutions has become a smart choice for many overseas companies. A joint design team has the capacity to lower project costs, fulfil the needs and expectations of different stakeholders, as well as create a real platform to introduce western planning theory and experience into China’s planning practices.

- Partners in International Programmes. In addition to directly setting up local offices and seeking opportunities, some overseas planning consultancy companies choose to become partners of inter-governmental or international organizations which have already built good relations with China’s administration. For example, international low-interest loans programmes or inter-governmental export credit programmes provide opportunities for overseas companies to do feasibility studies or planning consultancy for infrastructure and urban development projects in China. One example, the eco-city project in Yangzhou (Jiangsu Province), which was cooperatively developed by the German government and Jiangsu
Province, created business opportunities for German planning companies. Similarly, Dutch planning agencies could utilize opportunities from loan or credit projects from the World Bank, the United Nations and the UNWTO, etc. to promote their business in China. This channel is not restricted to the national level, with cooperation at the city level possibly nurturing more fruitful opportunities, especially for those cities facing specific difficulties in dealing with flooding, waste management and environmental management, for which Dutch planners are renowned for their expertise.

B. Practices in the Field of Planning and Urban Construction in China

Overseas planning agencies have been in China for more than 20 years. There was a particular increase in the number after China joined the WTO. The projects undertaken by overseas enterprises are located in more than 70 cities. Most of them are concentrated in developed areas in the east of China. Of the 568 projects we found, 84% are in eastern provinces, 6% are in the central provinces and 10% are in the western provinces. Figure 3 shows Shanghai is the most popular place for overseas planning businesses, with 104 projects undertaken by overseas planning enterprises, followed by Beijing (64), Hong Kong (51) and Shenzhen (32). In the top 30 cities, Kunming (14), Chongqing (6), Xi’an (5), Chengdu (4), Mianyang (4) and Lijiang (7) are in the west of China. Mianyang is not a provincial capital city, and Lijiang is a small city which is famous for its tourism industry. The cities in the top 30 which lie in central provinces include Wuhan (11), Nanchang (4) and Shijiazhuang (4). They are all the capital cities of their respective provinces.

Thus, in summary, the data shows that the popular cities for overseas planning enterprises are mainly located in the east of China. These cities are first-tier or second-tier, sometimes even third-tier cities. The cities from the eight central provinces are provincial capital cities, while the market in the west is either provincial capital cities or ‘remote but beautiful’ tourist destinations.
Businesses involved in planning in China lie in the following fields: building design, urban design, landscape design, residential area planning, transportation engineering planning, master plan consultancy, engineering planning, tourism planning, park planning, airport planning, concept planning, GIS (Geography Information System) projects, industrial park planning, regulatory detail planning, project consultancy, logistics of park planning, and campus design. Of the 568 projects that the report researched, Figure 4 shows that most of the businesses are in building, urban and landscape design.

Figure 4. Sector Distribution For Projects by Overseas Planning Enterprises
Sources: Official Websites from the 21 overseas planning companies in China

Figure 4 shows a breakdown of detailed information on major overseas planning participants in China other than the Dutch companies. This table gives some preliminary information on their history, office location, project selection strategies (including fields and locations), and their competing edge. The list of companies in the table includes those recommended by our interviewees and those found using a web search technique that utilized both Chinese and English. We confirmed the capability of these companies by reviewing comments in major urban planning online forums or the BBS in China. Due to limitations in our capacities, we only collected 463 samples from the official websites of these companies (on 25 Jan 2015). It is common to see a company that entered China two decades ago only having completed two or three projects. However, for some of the companies, a full list of projects might not be available. Nevertheless, to ensure the validity of the information, we only extracted information from the official websites, which still provide some useful information.

Combined with other material collected, we find that foreign planning enterprises launched their ventures in China starting from the mid-1980s. It was not until 10 years later that major planning giants stepped into the mainland market. To date, companies from the US and Hong Kong dominate the market, with American enterprises taking a major market share in most of the fields opened to foreign entities, while Hong Kong companies focus more on traditional building, landscape and urban design.

In terms of location selection, according to our interviewees, central cities such as Beijing, Shanghai, Guangzhou
and Shenzhen are the first choice for landing, due to their comprehensive advantages in terms of human resources, the clustering of government officials, clients, partners, consulate services and information. We observed that starting from 2000, some central cities in rapidly developing regions also attracted overseas planning enterprises to open offices, such as in the cities of Chengdu, Chongqing, Wuhan, Xi’an and Qingdao.

| Projects in China (As showed in official company website on 15/01/25) | Beijing | Hong Kong | Shanghai | Guangzhou | Chongqing | Shenzhen | Qingdao | Sanchang | Shenzhen | Tianjin | Shenzhen | Wuhan | Xian | Qingdao | Shenzhen | Shenzhen | Shenzhen | Prague | Shenzhen | Macao | Hong Kong | Shanghai | Shenzhen | Shenzhen | Shenzhen | Shanghai | Shanghai | Shanghai | Shanghai |
| Office Location | Beijing | Shanghai | Hong Kong | Shenzhen | Chongqing | Shenzhen | Qingdao | Shanghai | Shanghai | Wuhan | Tianjin | Shenzhen | Beijing | Shenzhen | Shenzhen | Shenzhen | Shenzhen | Shenzhen | Shenzhen | Shenzhen | Shenzhen | Shenzhen | Shenzhen | Shenzhen |
| Number of Projects in Developed Coastal Cities | 15 | 16 | 12 | 12 | 30 | 24 | 17 | 26 | 32 | 1 | 3 | 38 | 50 | 67 | 1 | 1 |
| Number of Projects in Inland Capital Cities | 6 | 6 | 1 | 2 | 3 | 2 | 8 | 2 | 2 | 8 | 1 | 1 | 1 |
| Number of Projects in Less Developed Inland Cities | 1 | 1 | 1 | 1 | 16 | 4 | 1 | 6 |
| Planning Field | Building Design | 5 | 3 | 3 | 2 | 15 | 6 | 20 |
| Landscape Design | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Urban Design | 7 | 14 | 8 | 4 | 30 | 10 | 2 | 1 | 12 | 9 | 2 | 2 |
| Residential Planning | 24 | 25 |
| Park Planning | 1 | 1 | 1 | 1 | 1 |
| Transportation Planning and Engineering | 2 | 1 | 2 | 5 | 1 |
| Airport Planning | 1 | 22 | 1 |
| Master Plan Consultant | 3 | 5 | 1 | 1 |
| Engineering Planning | 1 | 23 | 1 |
| Tourism Planning | 3 | 1 | 1 | 1 | 1 | 1 |
| Industrial Park Planning | 4 | 1 | 4 |
| Concept Planning | 4 | 1 | 4 |
| GIS Projects | 5 |
| Regulatory Detail Planning | 1 | 7 |
| New Town Planning | 1 |

**Symbols:**
- United States of America
- United Kingdom
- Canada
- Japan
- Hong Kong
- Australia
- France

**Figure 5. Major Overseas Planning Competitors for Dutch enterprises in China**
**Source:** Multiple official company websites

### 4.2 Specialties of Dutch Planning

From a Chinese planner’s point of view, in the Western world the Japanese planning system is famous for its regional and sensitive characteristics; the American planning system is famous for its landscape design and aesthetic characteristics; in Western Europe, Swiss planning is famous for its detailed planning; while the Dutch
The Netherlands is one of the representative countries for European planning. Dutch spatial planning has won a reputation for its strategic and effective characteristics. Several aspects of planning doctrine contribute to this success, including:

- **Effective Administrative System and Approval Process.** The Dutch planning system is closely related to the functions of the government, with the government system composed of a central, provincial and municipal level. The types of spatial planning in the Netherlands include national spatial planning, regional planning and city structure planning. Provincial planning plays a pivotal role in the whole system, providing the link between national and municipal planning. Municipal plans are approved by the provincial government, which requires that all local plans must be consistent with national spatial planning regulations. The municipalities are responsible for devising land use zoning plans, which are subject to provincial approval.

- **Highly integrated planning system.** In the Netherlands, a comprehensive spatial planning system has been created to coordinate a variety of urban development activities; for example, economic development, land reclamation, land use, infrastructure provision, environmental protection, water and costal management and housing development. In particular, land use is highly integrated with infrastructure investment and environmental conservation; for example, comprehensive plans for the creation of polders and the delta plan. National spatial policy guidelines have been updated five times since 1960. All national interests are guaranteed by the national Spatial Vision on Infrastructure and Spatial Planning (SVIR) which highly coordinates the use of space with accessibility improvement and economic growth, linking different government authorities, primarily including the Ministry of Infrastructure and the Environment (for spatial planning and water resources management), the Ministry of the Interior and Kingdom Relations (for housing policies), the Ministry of Economic Affairs (for regional policies) and Amsterdam Metropolitan Area (for Amsterdam metropolitan area development management).

- **Change for innovation.** The Netherlands spatial planning system includes a high level of restrictions, but is also highly dynamic and flexible. For example, in 2006, the national government reduced regulations and increased its support for regions that could contribute more to national economic development. This market-oriented change in spatial planning aims to enhance national competitiveness and promote innovation. Another example is the establishment of the new Structural Vision on Infrastructure and Space, which replaced the traditional National Spatial Strategy and pays more attention to market-oriented growth.

- **Compact and Sustainable Planning.** The Netherlands is one of densest countries in Europe, with a population density of 448 persons/km² (2012). Its planning doctrine is characterized by the highly efficient use of land and infrastructure investment, with great concern for economic prosperity, ecological protection and heritage conservation. Accessibility and the compact city have been two key planning principles in several versions of national spatial policy. Compact city policies still play an important role in saving land and protecting green space, although other new policies have been introduced recently.

- **Emphasis on Communication and Civil Involvement.** In the Dutch planning system, effective communication is ensured between different levels of government, the various departments involved, stakeholders, NGOs and communities.

- **Practical Implementation, includes:**
  - **Decentralized Power and Responsibility.** In response to the EU’s integration process and economic
growth, the Dutch government has transformed its function into instructional management to provide better incentives for local development.

- **Ensure Continuity in Spatial Development during Plan Implementation.** The National Policy Strategy on Infrastructure and Spatial Planning leaves coordination and implementation of urbanization plans mainly to local authorities. To ensure consistency in implementation over time and space it has a national spatial structure. National interests are monitored every two years in order to oversee progress and continuity in relation to urbanization goals.

- **Highlighting Infrastructure Construction.** On the one hand, using spatial planning to promote investment in ground transportation and underground supply pipelines; on the other hand, establishment of inter-departmental committee to coordinate consistent implementation and reduce conflict, as well as avoid the duplication of implementation.

### 4.3 Status Quo of Dutch Urban Planning Enterprises in China

Starting from the 1980s, Dutch architects, planners and planning enterprises began their exploration of China. Today, there are many setting up in China, in different sizes and different forms. The work of an increasing number has been widely recognized and welcomed in the local market. New landmarks in the largest Chinese cities, such as the CCTV building in Beijing and the Canton Tower in Guangzhou, were designed by Dutch enterprises. Based on web research we give some examples of Dutch companies active in China. This overview of companies is meant to present a cross section of the types of companies involved, rather than pretending to be complete. Due to ongoing changes in market presence and the scope of this market scan which relies on web research and interviews it is not the goal to give an extensive overview of Dutch urban planning and architecture companies in China.

Here, we categorize the companies by employee size: 100+, 51-100, 11-50 and 1-10, hoping to assist the Embassy to better identify these types of companies and provide services accordingly. In addition, at the end of each category there is a complementary list of Dutch urban planning or architecture design companies that might not have stepped into the Chinese market. By doing this we hope to assist the Embassy to further introduce these companies to the Chinese market.

#### Category 1: 100+ employees

- **Royal HaskoningDHV**
  
  Engineering consultancies DHV and Royal Haskoning merged in 2012.
  
  - DHV Group is mainly active in four major fields, including:
    - *Aviation* (planning and construction of airports, mainly by the subsidiary company NACO)
    - *Infrastructure* (expressways, tunnels, railways and harbours)
    - *Water* (environmental protection, waterways, water resources management, water supply and wastewater treatment)
    - *Building* (industrial building and clean room technology)

  Projects in China include but not limited to:
  - The Nansha Deep Sea Port project
  - The Taicang Port Masterplan
  - The Olympic Water Sport Centre in Qingdao
  - The Shanghai and Dalian Yachting Industry Master Development Plans
- **Kuiper-Compagnons**
  Founded in 1916, KC has combined spatial and urban planning and design with architecture and landscape development over the last century. With 135 employees worldwide, its main business activities cover a wide range of urban planning and design, city and regional planning, environmental planning, landscaping, architecture, Smart City, Water City, affordable Housing, Health and Nursing Care, aged residences, etc.

  **Projects in China include but not limited to:**
  - Dongli Lake, Phase III (Client - Vanke Real Estate, Co Ltd.), encompassing 290 houses with access at ground level, 240 apartments and a small-scale commercial city centre. Construction commenced at the beginning of April 2007
  - the Eyeland of Falcon (Client - Shenzhen Municipal Planning Agency)
  - Changjiang Road – Tianjin (Client - Tianjin Vanke New & Keen Real Estate Company Limited)
  - Suqian Lake Gardens (Client - Suqian Urban Planning Bureau, Suqian Municipal Government)
  - Sixin Area – Wuhan (Client - Municipality of Wuhan)
  - Urban Conceptual Masterplan for Jiangmen new Riverside Area (Client - Urban Planning Bureau of Jiangmen City)
  - New Netherlands Town – Shanghai (Client - Shanghai New Gaoqiao Development Co. Ltd.). This is an all-new town of 20,000 homes

- **MVRDV**
  MVRDV was founded in 1993 by Winy Maas, Jacob van Rijs and Nathalie de Vries in Rotterdam, the Netherlands. The practice engages globally in providing solutions to contemporary architectural and urban issues. A highly collaborative, research-based design method involves clients, stakeholders and experts from a wide range of fields from early on in the creative process. The results are exemplary, outspoken projects, which enable our cities and landscapes to develop towards a better future.

  The products of MVRDV’s unique approach to design vary, ranging from buildings of all types and sizes, to urban plans and visions, numerous publications, installations and exhibitions.

  **Projects in China include but not limited to:**
  - Large residential development (240,000 m$^2$) in the centre of Tianjin
  - Long Tan Park in Liuzhou
  - Comic Museum in Hangzhou
  - Redevelopment of the Xianyukou Hutong located next to Beijing’s Tiananmen Square
  - The transformation of the Cheung Fai building in Hong Kong with a surface of 18,000 m$^2$
  - The CBD area next to the Hongqiao Airport terminal and railway station
  - The new energy efficient building headquarters for Guosen Securities in Shenzhen
  - An office tower contributing to a positive legacy for the World Expo 2010 site in Shanghai
  - The new campus of the Chu Hai College in Hong Kong
  - The development of Hua Qiang Bei Street (MVRDV proposed a series of interventions into the urban fabric to improve the experience of the area, the most significant of which is the pedestrianization of the street.)
- **Office for Metropolitan Architecture (OMA)**

  Founded in 1975, the Office for Metropolitan Architecture (OMA) is an architecture firm based in Rotterdam that was founded in 1975 by Dutch architect Rem Koolhaas and Greek architect Elia Zenghelis, along with Madelon Vriesendorp and Zoe Zenghelis. Currently, it has more than 200 employees (company’s LinkedIn page). To date the largest project is the 575,000 m² China’s Central Television Headquarters (CCTV) and the Television Cultural Center (TVCC), in Beijing. Besides this project, the Beijing office also engages in development projects such as a residential tower and residential master plan in Singapore. The Hong Kong office is working on the new Chu Hai College campus in Hong Kong, construction of the Shenzhen Stock Exchange, and design development of the Taipei Performing Arts Centre.

  **Projects in China include but not limited to:**
  ✷ Prada Shanghai (2005-ongoing)
  ✷ CCTV with ECADI (East China Architecture & Design Institute)
  ✷ Shenzhen Stock Exchange (2006, Client Shenzhen Stock Exchange)
  ✷ Beijing Books Building
  ✷ The cultural master plan West Kowloon District
  ✷ A new campus for Chu Hai College
  ✷ A major order from the Mass Transit Railway Corporation (MTR) in Hong Kong to produce a new design strategy and identity

- **UNStudio**

  UNStudio (formerly Van Berkel en Bos Architectenbureau) is a Dutch architectural practice specializing in architecture, urban development and ‘infrastructural’ projects. The practice was founded in 1988 by Ben van Berkel and Caroline Bos. The initials ‘UN’ stand for United Network, a reference to the collaborative nature of the practice, comprising individuals from various countries with various backgrounds and technical training in numerous fields. UNStudio Asia was established in 2009, with its first office located in Shanghai, China. UNStudio Asia is a full daughter company of UNStudio and is intricately connected to UNStudio Amsterdam. Initially serving to facilitate the design process for the Raffles City project in Hangzhou, UNStudio Asia has expanded into a full-service design office with a multinational team of all-round and specialist architects. UNStudio has an average workforce of 140 employees and a management team made up of two co-founders and three directors, Harm Wassink, Gerard Loozekoot and Astrid Piber (Wikipedia).

  **Projects in China include but not limited to:**
  ✷ Three Museum One Square in Guangzhou (2013)
  ✷ Xintiandi Installation in Shanghai (2014)
  ✷ The Beijing Creative Zone (2009)
  ✷ New mixed-use Raffles City in Hangzhou (2008-2016)
  ✷ Dalian Shide FC (38,500 m² stadium) in Dalian
  ✷ Dalian Urban Planning Center (2011, 35,368 m² in building surface)
  ✷ Hanjie Wanda Square in Wuhan (2011-2013, a luxury shopping plaza which houses international brand stores, world-class boutiques, catering outlets and cinemas)
Category 2: 51-100 employees

- **KCAP**
  Founded in 1989, KCAP is an internationally operating design firm specialized in architecture and urbanism. KCAP holds offices in Rotterdam, Zurich and Shanghai and works with an international staff of 90 professionals. With a multidisciplinary approach to complex design issues, KCAP has gained extensive experience in large-scale urban design and master planning, waterfront redevelopments, campus design and public transportation hubs. Architectural designs range from housing, education and care to public and utility buildings and mixed-use programmes. KCAP develops concepts and visions that address sustainability, urbanization and infrastructure.

*Projects in China include but not limited to:*

- 2008 Olympic Games Badminton Arena in Beijing

- **NITA Design Group**
  NITA's planning activities in China include planning, landscape, architecture, transportation, energy and ecology. Its businesses cover a wide range, from residential architecture to tourism resorts, themed parks, ecological recovery strategies and commercial planning. After being awarded the Golden Prize at the Kunming International Horticultural Exposition in 1999, NITA started its business in China and founded its China headquarters in Shanghai in 2002.

*Projects in China include but not limited to:*

- Expo Park for Expo 2010 Shanghai
- Hengqin Island, Zhuhai
- Huaqiao, Shuzhou
- Beihu Lake Wetland, Jining
- Sanwan City Park, Yangzhou
- Botanic Garden, Xi'an
- Yuanxiang Lake New Central Area, Jiading
- Lujiazui Binjiang Avenue, Shanghai
- High-Speed Railway Square, Suzhou

*Companies on this scale that have not entered China*

- **BUSIS Group**
  According to the company's mission statement, BUSIS group is dedicated to finding alternative approaches to the development and construction of residential and commercial buildings and sports facilities. BUSIS takes responsibility for entire projects in the field of urban planning, sport complexes and infrastructure, both nationally and internationally. What they offer are comprehensive solutions. BUSIS acts as initiator, developer, architectural agency, engineering agency and contractor.
Category 3: 11-50 employees

- **BEAR-iD**
  Founded in 1986, BEAR Architecten was one of the first sustainable practices in the Netherlands. In the early years its focus was on Sustainable Housing. Later this widened, with offices, schools and education centres becoming part of the projects. In Asia, the focus is on master planning up to around 4,500 ha, agropark design in cooperation with universities and consultants, industrial master planning, including factory design (architecture), business/office parks, landmark buildings, commercial buildings, low and zero carbon buildings. Services include concept and schematic design, preliminary and detailed design, construction site management (last phases in cooperation with LDI) (see company’s LinkedIn page). The Shanghai office was opened in 2011. Its business in China mainly focuses on urban planning and architectural design.

- **Information Based Architecture (IBA)**
  Information Based Architecture (IBA) is a partnership between architects Mark Hemel and Barbara Kuit, set up in London in 1998. The practice specializes in large-scale architectural and urban projects. Having won several high profile competitions, the most famous being the design for the Canton Tower, also known as the ‘Guangzhou TV Astronomical and Sightseeing Tower’. This project is generally recognized as one of the most complex projects in the world today (Wikipedia).

  **Projects in China include but not limited to:**
  - Canton Tower
    (Guangzhou, 2009, client: the Guangzhou Xin Xin TV and Sightseeing Co. Ltd. and Guangzhou Municipal Construction Commission & Guangzhou Urban Planning Bureau)
  - Guangzhou Television
  - Guangzhou Cycling, Roller Skating and Extreme Sport Centre

- **NEXT architects**
  NEXT architects was founded in 1999 in Amsterdam, the Netherlands, by Bart Reuser, Marijn Schenk, Michel Schreinemachers and John van de Water. An independent office was founded in Beijing in 2004. In that year, one of NEXT’s partners moved to Beijing, China, to construct an annex office. While the office in Amsterdam continued to expand its work, an increasing amount of time was invested on projects in China. Now NEXT architects is an Amsterdam and Beijing-based collective of architects, designers, builders and thinkers operating in the fields of product design, architecture, urbanism and research and development.

  **Projects in China include but not limited to:**
  - Beijing Office (2005)
  - Huan Yang Retail (Beijing, 2006)
  - Waterstone Salescenter (Beijing, 2008)
  - HYDS Plaza (Beijing, 2006)
  - ABB Green Building (Beijing, 2009)
  - Office Arena (Beijing, 2008)
  - G6 Twist (Beijing, 2008)
  - IBM R&D Center (Beijing, 2007)
- **Niek Roosen**
  Niek Roosen is a Dutch design company dedicated to landscape and urban design, parks and gardens, themed parks, exhibitions, and the green city. The company has been involved in many Chinese projects, which make up quite a large proportion of the company’s business (cultural exchange).

  **Projects in China include but not limited to:**
  - The Changbai, Inner river, (i.c.w. Frank Roodbeen and ZUS), client: Shenyang City Government China, Shenyang (2006-2008)
  - Wuhu Riverside Park (i.c.w. with Nita Shanghai and architects Meyer & Van Schooten, Hans van Heeswijk, Claus en Kaan), client: Chinese government, Wuhu (2006-2008)
  - Baitang Scenic Park (i.c.w. Nita Shanghai) commissioned by the government of Suzhou (2004-2006)

- **The Dynamic City Foundation (DCF)**
  The Dynamic City Foundation (DCF) is a research and design institute focused on the rapid transformation of Asia’s urban landscape. Spearheaded by Neville Mars, dedicated multidisciplinary teams of urban researchers, social scientists, planners and architects engage in long-running projects that aim to provide a better understanding and more effective planning tools for Asia’s expanding cityscapes. For ten years, the Dynamic City Foundation has been active in China, operating within a unique open framework. It specializes in cross-scale research for green solutions in rapidly changing urban environments.

  **Projects in China include but not limited to:**
  - Shenzhen Biennale (Shenzhen, 2008)
  - Code Blue (Beijing, 2006)

- **VMX Architects**
  VMX Architects consists of two partners: Don Murphy and Leon Teunissen. Don Murphy was one of the first graduates of the Berlage Institute. He is responsible for the architectural position of the office. Leon Teunissen graduated from TU Delft in both Architecture and Building Management. He is responsible for the management of projects and the office as a whole.

  At present, the office is consciously limited to 15 employees and a number of trainees. This enables the partners to pay optimum attention to all projects. Employees of the office are both Dutch and non-Dutch. The differences in cultures, education and technical experience is used to question and research Dutch building traditions. Apart from the secretary, all employees are highly trained architects and technicians (from Facebook page of the company).

  **Projects in China include but not limited to:**
Contemporary International Hotel (32,000 m²) for the City of Ordos

Companies on this scale that have not entered China

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>SeARCH.nl</td>
<td>Architecture &amp; Planning</td>
<td>11-50</td>
</tr>
<tr>
<td>Provast</td>
<td>Real Estate</td>
<td>11-50</td>
</tr>
<tr>
<td>Erick van Egeraat</td>
<td>Architecture &amp; Planning</td>
<td>11-50</td>
</tr>
<tr>
<td>MTD Landschapsarchitecten</td>
<td>Architecture &amp; Planning</td>
<td>11-50</td>
</tr>
<tr>
<td>archi-itectonics</td>
<td>Design</td>
<td>11-50</td>
</tr>
<tr>
<td>Citilinks</td>
<td>Architecture &amp; Planning</td>
<td>11-50</td>
</tr>
<tr>
<td>CSOin Architecture &amp; Engineering Pvt.Ltd</td>
<td>Architecture &amp; Planning</td>
<td>11-50</td>
</tr>
<tr>
<td>CONTEXTUREARCHITECTS</td>
<td>Architecture &amp; Planning</td>
<td>11-50</td>
</tr>
<tr>
<td>DesignlinQ LLC Dutch Design and Trusted Consultancy</td>
<td>Design</td>
<td>11-50</td>
</tr>
</tbody>
</table>

Category 4: 1-10 employees

- Atelier Dutch
  Founded in 2003, Atelier Dutch is a design studio for architecture, urban planning and landscape. The agency develops overall plans for housing, housing care, retail & leisure and landscaping tasks. The overall concepts range from vision, strategy and sketches to architectural or urban design, development and support in realization (Company LinkedIn page, translated using Google translate).

  Projects in China include but not limited to:
  ✦ Railway Station in Wuhan

- Cie. Asia
  Since 2006, Cie. Asia has been based in Shanghai and directed by Jason Lee, who has experience working with de Architekten Cie. in Amsterdam.

  Projects in China include but not limited to:
  ✦ Tianjin Waterfront (collaboration between DHV Amersfoort and DHV Shanghai)
  ✦ DSM Headquarters in Shanghai

Roodbeen Architectuur BV

This company was founded by Frank H. Roodbeen in 2002. Headquarters are located in Hilversum, the Netherlands (the company website).

Projects in China include but not limited to:
✦ Office building Jiaxing (a 40,0000 m² office building with 4,000 parking spaces)
✦ Private houses, offices and shop (Hangzhou)
4.4 Summary of Dutch Urban Planning and Construction Projects in China

The Dutch businesses currently involved in planning in China cover a wide range and mainly the following fields: landscape design, building design, airport planning, park planning, urban design, industrial park planning, residential area planning, master plan consultancy, transportation engineering planning, engineering planning, tourism planning, strategic planning, project consultancy, regulatory detail planning and logistics in park planning. The report investigated 144 projects undertaken by Dutch planning consultants in China. Figure 6 shows that most of the businesses are in Landscape and Building Design, which is similar to the services provided by other overseas planning enterprises in China.

However, the Dutch planning enterprises have a higher market share in spatial planning, including landscape design (34 projects, 38.6% market share), airport planning (24 projects, 100% market share), park planning (15 projects, 51.7% market share), industrial park planning (5 projects, 62.5% market share) and logistics in park planning (1 project, 100% market share). Generally speaking, Dutch enterprises have performed excellently in the fields of aviation, water, and infrastructure planning; for example, the planning and design of the Third Terminal of Beijing Capital International Airport, the Transportation Management System for the Seven Ring Roads in Beijing, and the landscape and greening plan for the 2010 Shanghai Expo.
4.5 Business Niche Opportunities for Dutch Planning Enterprises in China

General Introduction
The market for businesses involved in planning in China is highly segmented. First and second-tier cities are starting to pay attention to specific plans, for example, regeneration plans, transport plans, etc. The need for a one-stop service (including strategic research, structure planning, urban design, building design) is no longer a priority for many local governments. This trend means there is a lower market entry threshold for small planning enterprises highly dedicated to certain planning niches. Generally, there are several opportunities for Dutch planning to explore:

- Dutch companies have a better chance in cities undergoing urban renewal. Urban regeneration will dominate planning practices in China in the coming years. In particular, the Minister for Housing and Urban-Rural Construction has given priority to redevelopment of urban slum areas (penghuqu, in Chinese). A large demand for urban renewal planning provides good opportunities for Dutch planners.

- In China, the enhancement of the quality of urban living will be a primary goal of the New Urbanization policy. There are opportunities in this regard in the field of public facilities planning, including residential communities, school campuses, hospitals, parks, stadiums, libraries, waste disposal and more.

- The provision of infrastructure is seen as a precondition for urban growth in China. There will be a large demand for infrastructure improvement in the coming decades; for example, new motorways, railways, stations, other roads, airports, seaports, etc. This may provide business opportunities for Dutch planning companies.

- With the increasing concerns about climate change, China’s governments are beginning to include new types of plans in the existing planning system. Many new planning businesses addressing these concerns are emerging in China; for example, climate planning, anti-flood planning, water and costal
management, etc.

- Energy security is also becoming one of the key issues in relation to national strategies. Governments in China have realized that spatial planning plays an important role in energy consumption demand management. Building energy efficient cities is a new challenge for China’s planners. This brings new opportunities for Dutch planning companies.

- Planning management and institutional capacity building are increasingly attracting the attention of China’s politicians. In particular, a new form of governance will be encouraged, replacing or at least updating the existing command-control planning system. As the Dutch planning system is a centralized system which has similar features to that in China, the experiences of Dutch planning companies in this field of planning management could prove valuable.

Dutch planning enterprises in China looking for business niche opportunities should consider the following advice.

It is suggested that Dutch planning enterprises determine their niche strategy, combined with the careful consideration of location selection (see detailed advice in section 5.2), entity status, business plan (in accordance with China’s national five-year plan and the local urban development plan), liaison and bank selection, document preparation, intellectual property protection, and a sensitive human resources plan. Also, interested companies are advised to review the possible shortcomings of the Chinese planning system (see detailed introduction in section 3) and the potential challenges they might encounter in China (see detailed introduction in section 5.3) in order to be able to adapt to these situations. Last but not least, as the US Department of Commerce advises their companies to do, Dutch companies are advised to ask for business and regulation guidance in China’s consulates in the Netherlands, to visit China and start to build up relationships with local counterparts and clients, whose trust is heavily built on personal relationships. Professional urban planning conferences and forums in China are good occasions to make a start (see detailed introduction in section 5.1).

Do you know whether companies from other countries are also working in these fields? And which countries are they?

A. Spatial Planning
- Strategic Planning. The most significant features of Dutch planning are the strategies which allow healthy economic growth and high quality of life to coexist with a decent eco-environment. China is also confronted with high population density and demand for intensive land use, creating potential opportunities for both sides to cooperate.

- Urban Design and Building Design. China’s planners and governments have been impressed by Dutch design in recent decades. They ranked urban and building design as the best and most successful business field of all Dutch planning activities. This reputation could bring a special competitive edge for Dutch planning enterprises in the future.

- Urban Renewal Planning. There will be a huge demand for urban renewal planning in the coming decades due to the shift in China’s planning policy from growth-oriented planning to transit-oriented planning. This is a new business field. Dutch planning enterprises could have a competitive edge in this field.

- Landscape Design. The market for business in landscape design will still be active, although the increase in local government demand for landscape design will stabilize or possibly decline in the future. As Dutch planners already
have a good reputation in the field, there could be a competitive edge for Dutch planning in the future.

B. Infrastructure Planning

Public Services Operation Mechanism. China’s governments are faced with two key issues relating to infrastructure construction: the conflict between increasingly huge demand and insufficient supply due to lack of finance; and the limited capability of local governments to manage and maintain infrastructures. Market-oriented approaches are efficient in supplying and managing infrastructures. As the Netherlands has been applying a market-oriented approach in the field of infrastructure planning and construction, Dutch experience in the field could bring a competitive edge to their enterprises. The details of business edges in infrastructure planning for Dutch enterprises include:

- **Smart Grid.** The emphasis on low-carbon development and energy security is providing incentives to produce vehicles that use new sources of energy as well as the supply of more efficient energy in urban areas. The Smart Grid is a new technique for providing energy infrastructure. Currently, China is short of a consensus on the planning, operating and management of the Smart Grid. It might turn to overseas experience for reference.

- **Flooding and Water Management.** Most sewage systems in China’s large cities were built using planning knowledge from the Soviet Union of the 1950s. There is a desperate need to update sewage and anti-flood systems in these cities. In addition, the original water system, including wetlands, rivers and lakes, has been destroyed and in-filled in many cities for reasons of urban development. There is an increasing need for anti-flood planning in China’s cities. Dutch planning has exclusive success and experience in anti-flood planning and water management. This is one of the most valuable competitive edges for Dutch planning enterprises in China.

- **Coastal Zone Planning and Management.** Cities in the east coastal zone contribute to a large portion of GDP and provide settlements for one-third of the population of the country. Extreme weather and future sea level rise in the context of global climate change will bring numerous hazards and losses to these vulnerable coastal cities. Dutch planning experience in coastal zone planning and management are highly valuable to China. In particular, Dutch integrated coastal zone management, which integrates coastal conservation with use for social and economic purposes, is attractive to China’s governments.

C. Transportation Planning

- **Regional Integrated Transport Networks and Accessibility.** After a 30 year reform period, leading to political decentralization, the central government is starting to demand regional collaboration instead of regional competition. Regional integrated transport network planning is imperative in this regard. However, China’s governments are faced with two questions: how to coordinate the current and prospective networks and how to optimize efficiency between road, rail, air, river and ocean transportation. The regional transportation system is advanced and efficient in the Netherlands. The main transport infrastructure, including airports, railways, seaports, canals and motorways, is well integrated for the purpose of promoting high accessibility and economic growth. Such experiences in regional transportation network planning and management would be of value to China.

- **Intelligent Transportation System.** Intelligent transportation systems (ITS) are advanced applications aiming to provide innovative services relating to different modes of transport and traffic management. China’s governments have already started cooperation with overseas enterprises in this field. The Dutch planning enterprise DHV is one of the partners. More Dutch enterprises are needed in ITS business in China.

- **Intercity Rail.** Intercity railways are currently very popular as a way for both the central government and local
governments to promote regional integration. Since 2005, the State Council has approved a large number of
intercity rail projects in the Beijing-Tianjin-Hebei Region, the Yangtze River Delta, the Pearl River Delta and
other metropolitan agglomeration areas (e.g. Zhengzhou, Wuhan, Changsha, Shandong Peninsula). The
Netherlands has numerous experiences in integrating inner and intercity rail. Dutch enterprises have a strong
competitive edge in this field.

- **Transit-Oriented-Development (TOD).** Increasing traffic congestion in China’s large cities is pushing
governments to build a large number of metro lines, or LRT, to meet the travel demand. In the meantime, a
large number of new metro lines bring opportunities for TOD, which is advocated in many cities. China’s
governments have successful experiences in cooperating in TOD with Dutch enterprises. TOD planning for the
Qinghe Station on the Beijing-Zhangjiakou High-Speed Railway is one example. This is one of the pilot
projects in China to explore TOD as a future mode of urban development. There will more opportunities in
the field for Dutch planning enterprises.

D. Environmental Planning

- **Ecological Restoration Planning in Mining Areas.** In China, there are more than 100 cities founded on the
mining and smelting industry. These cities are mainly in the Liaoning, Henan, Heilongjiang and Shanxi
provinces; for example, Daqing, Shuangyashan and Yangsuo. These old mining cities have serious problems
with the ecological environment, such as soil and underground water pollution and land subsidence, just to
name a few. Ecological restoration is imperative. Dutch experience in ecological compensation and ecological
restoration planning in mining areas could be used to deal with the imminent issue of ecological restoration in
these mining areas.

- **Environmental Management and Planning for River Basins.** Concerned about water quality and
environmental pollution in river basin areas, the central government and local governments have started
initiatives aimed at the sustainable management of river basins. In particular, attention has been paid to
inter-provincial rivers such as the Yangtze, Pearl and Yellow rivers, where successful coordination along the
basin is difficult due to the need for economic development in upstream regions. Comprehensive spatial
planning is one of the core tools of river basin management. Dutch planning has successful experience in
environmental management and planning for river basins; for example, the improvement of water quality in
the Rhine River Basin. This experience would be of value to China’s governments.

- **Comprehensive Environmental Management and Planning in Reclamation Area.** As in the Netherlands, with
increasing demand for urban land, reclamation has become an important approach to resolving land
shortages in coastal cities in China such as Shenzhen, Zhuhai and Dalian. Reclamation projects in China have
provided a large amount of land for urban industrial, port, transport, housing and other needs. However, for
many of China’s cities, there have been negative impacts from reclamation due to a lack of overall planning
and effective environmental management. The Netherlands not only has good experience in developing
reclamation land but successful experiences in conserving the related ecosystem. This would be useful in
guiding sustainable reclamation practices in China.

E. Community Planning for Nursing Homes

In China, the size of the population aged 65 years or above is 155 million. This number will increase to 260 million
by 2020. How the elderly can be looked after on such a large scale is a big issue for China’s governments. More
public nursing homes and related services are needed, as traditional family care for the elderly is becoming
unfeasible for their children. There are many reasons for this: the younger generation will face huge financial
pressures because one young couple will need to support four elderly people, due to the one-child policy; there is
less time available for young people to take care of elderly parents because of increasing work commitments in the cities. The Netherlands' experiences in Advance Care Planning (ACP) and building nursing communities and housing would be invaluable to China's nursing facility and infrastructure planning.

**F. Low-Carbon City Planning**

The low-carbon city model has become one of the most popular development models among local governments in China, where 259 cities have made the development of a low carbon and ecological city a key task, equivalent to more than 40% of all cities in China. The Netherlands has excellent expertise in low-carbon planning, low-carbon infrastructure construction, industrial development and ecological agriculture. Sino-Dutch cooperation in low-carbon development has been piloted in Shenzhen. In addition to applying these four techniques, Shenzhen will also become the innovation and practice centre for low-carbon techniques and management for experts, enterprises and governments from China, the Netherlands and the EU. This presents a unique competitive edge to Dutch planning enterprises.

**G. Eco-Industrial Park Planning**

The Netherlands has successful experience in managing and planning eco-industrial parks. Following the eco-city, China's governments are paying attention to eco-industrial park planning in the context industrial structure transition towards a high-tech industry economy in China.

**Summary**

In summary, returning to Figure 6 on other overseas planning enterprises and Figure 6 on the status quo of Dutch planning companies in China. We project and recommend that:

- For Dutch landscape and building design companies, it is necessary and valuable to research what US and Hong Kong companies such as SOM, Bell-Collins, Gensler and EA-DG have done in China. Companies from these two regions have accumulated experience over almost one hundred projects of different sizes and in different places and make up more than 80% of the market. Delving into some details of their masterworks might help Dutch companies to discover the taste of Chinese clients.

- Competition in urban design or master plan consultancy mainly comes from US and British companies such as SWA or Atkins. These companies, with their long history in China, have built up deep and broad relationships in the industry, including clients and government relationships. These relationships are crucial, as mentioned above, due to qualification constraints on foreign companies in China, meaning they cannot independently host master plan projects. A decent relationship with local governments allows these companies to be more flexible and able to respond quickly, thus doing business successfully, either by joint venture or through a form of consultancy (in reality responsible for most of the planning work). A sound reputation among industry also becomes an asset, making subsequent business even easier.

- Dutch residential planning companies should also study cases of their Hong Kong counterparts. In addition to technical knowledge and fair pricing, planners from Hong Kong have a deep-rooted cultural knowledge when it comes to residential housing, such as an understanding of Fengshui. Their reputation for successfully fulfilling their customers’ needs wins them business from real estate developers and local governments.

- Dutch companies might find a solid competitive edge in the fields of airport planning, park planning and industrial park planning. It is also worth noting that transportation planning consultancy and the related engineering, evaluation and cost consultancy, as well as new town planning have a huge potential
demand and the market is less dominated by other overseas planning enterprises. Considering the market status quo and the capability and reputation of Dutch companies in these fields, this might be the new breakthrough area in the coming years for new Dutch planning enterprises wanting to seize opportunities in China.

Although we hold an optimistic attitude towards the prospects of Dutch planning enterprises in China based on the information at hand, the introduction of new concepts and experience into the Chinese market needs to be undertaken in the appropriate manner. China’s government and people are relatively conservative. Although Dutch planning is famous for its comprehensive and systematic design, which integrates different planning sectors in an orderly fashion, it would be ideal to start business in China within a few specific sectors rather than attempt to conquer the whole. In the past decade, local governments were keen to hand over the whole planning package to a single planning enterprise. However, according to our interviewees, municipal governments are becoming smarter and changing the way they work with planning enterprises. Combined with stricter requirements and pressure from the central government to enhance efficiency in planning quality and budget control, there is a trend in these municipal governments, and will be an increasing trend in local governments, to delegate planning and construction tasks in different fields to separate planning enterprises. Medium and small-sized Dutch planning organizations specialized in one or several of the above niches will find increasing business opportunities and more friendly local officials in the coming years, since some Dutch planning techniques and expertise in solving urgent urban problems in China are unique.

5. The Promotion of Dutch Planning Services in China

5.1 Urban Planning Conferences and Forums in China

- **Annual Meeting of China's Urban Planners.** This is the largest and highest level academic conference in the field of urban planning in China. Held annually, it is known as the ‘Festival for Planners’. The annual meeting invites famous domestic and international experts and scholars, presents reports in thematic meetings, a freedom forum, and hosts thematic exhibitions and workshops. In addition, the conference calls for a wide range of papers, allowing the exchange of knowledge on recent achievements in planning design, management and planning education, and exploring a series of popular and difficult issues related to urban planning in China. The meeting is a great platform to become familiar with the latest achievements in the field of urban planning in China. Since 2001, with the exception of 2003, the annual meeting has been held every year in China, with 11 successful sessions having an extensive influence.

- **Chinese Forum for Urban Planning Development.** Organized by the Jin Jingchang Planning Education Fund, the Urban Planning Forum and Tongji University, and others. It is one of the most important platforms in academic communication.

- **The Conference on Urban Development and Planning.** This conference is sponsored by MOHURD (Ministry of Housing and Urban-Rural Development of the People's Republic of China), with the collaboration of local government and urban planning.

See Appendices III and IV for topic lists of the Annual Conference of Urban Planning and planning-related events in 2014.
5.2 Location Selection for Offices and Business

- General recommendations

According to the latest national spatial development strategy in China, spatial patterns of urbanization across the country should be dominated by a variety of urban agglomerations. Each agglomeration consists of several large cities, many small cities and their rural hinterland areas. The size of the population of an agglomeration could be as large as 50 million. There will be 20 urban agglomerations in China by 2020 (Figure 7). For both domestic and overseas planning enterprises, business opportunities are mainly located in these urban agglomerations. These areas are therefore recommended as the main locations for Dutch planning enterprises.

- The market for planning varies greatly among the urban agglomerations, depending on their economic and social development stage. Planning in the western part of China is focused on assisting economic growth, with the cities in the west still dominated by growth-oriented planning (e.g. industrial park planning and tourism planning). With the exception of a few wealthy cities, such as Chongqing, Chengdu, Lanzhou, Urumqi and Xi’an, most planning in cities in the west aims for poverty alleviation. As a result, planning fees or charges are usually low in these cities.

- For Dutch companies, it is suggested that first-tier cities be prioritized, not only because of better market opportunities but also a better market environment. The Netherlands has consulates in cities such as Shanghai, Guangzhou and Chongqing. It is advisable to locate offices in these cities as they offer more convenient market access and diplomatic support. Most projects in remote western areas are supervised by development companies with headquarters in large cities in the east.

- Three traditional urban agglomerations in China

The traditional urban agglomerations in China include the regions surrounding Beijing (Jing-Jin-Ji Region), Shanghai (the Yangtze River Delta) and Guangzhou (the Pearl River Delta). In these regions, the market for growth-oriented planning is decreasing, and emerging markets lie in transition-oriented planning, particularly urban renewal-related fields:

- Urban Renewal and Slum Redevelopment. Compared with companies in the US, Dutch companies are familiar with cities with longer histories, richer cultural heritage and more delicate urban form. Compared
with Chinese agencies, the work of Dutch companies is better in terms of their concern for detail, human scale and norms. These characteristics give them a competitive edge.

- **Waterfront Transformation.** The Netherlands has a wealth of experience and a high reputation in water management and waterfront transformation. The market in waterfront transformation in China has been small over the last ten years, as most of the cities are focused on incremental planning. However, this market will grow rapidly because China’s coastal cities and those with lakes or wetlands have started to promote the redevelopment of waterfront or wetland areas.

- **Public Participation.** Cities in these urban agglomerations have the greatest mixture in the population and a more democratic atmosphere. People from different regions, with different educational and social backgrounds live together, making it more difficult for local administrations to design policies and planning that satisfy everyone. Public participation will be a challenge for local governments but a new business opportunity for Dutch planners.

- **Infrastructure.** In the past decades, the wealthy cities in these three urban agglomerations have made a lot of effort to build new infrastructures based on growth-oriented planning approaches. However, in the new context of transition-oriented planning, the planning of new infrastructures will face many limitations, for example a shortage of land, little space for coordination with existing infrastructures. In addition, local governments are often short of experience in infrastructure maintenance. Dutch companies may find demand in infrastructure or maintenance planning based on their successful experience, technologies and solutions in this field.

- **Nursing Facilities and Related Industries.** Nursing real estate in China is expected to grow rapidly, particularly in the three traditional urban agglomerations. Real estate giants such as VANKE have shifted their focus from developing large projects to nursing real estate in cities in the east of China. Home electronics giants Haier have also joined hands with the real estate company Evergreen in co-developing Smart Nursing communities. Dutch planning and construction enterprises could take a share in this field.

- **Emerging urban agglomerations in China**

  In addition to the three traditional urban agglomerations, many new agglomerations are emerging and growing (Figure 7). Of these new urban agglomerations, the Central Urban Agglomeration (a larger agglomeration containing the main cities in the central provinces such as Wuhan, Changsha and Nanchang) and the Chengdu-Chongqing agglomerations are substantively supported by national policies and are thus growing faster than others. Planning in these newly emerging urban agglomerations will be focused on growth-oriented planning, as both economic and income levels in these areas are relatively low. In particular, tourism planning has huge potential. Ecological conservation planning will also increase in these areas, since most of these regions have a fragile ecological state.

- **Ecological Conservation Planning.** Most of the impoverished areas in central and western China are eco-reserves, accounting for as much as 70% of the nation-wide total. The market for ecological conservation planning should be explored in these areas by Dutch enterprises.

- **Tourism Planning.** For beautiful remote areas in west China, such as Sichuan, Xinxiang, Yunnan, Gansu and Qinghai, tourism might be a good breakthrough market encouraging local economic development. High-quality tourism planning is a useful way for these region to overcome poverty while conserving the local ecological environment. However, the potential large numbers of tourists might have a negative impact on tourism destinations. Planners should take this into account.

- **Energy Planning.** The supply and consumption of energy resources in China is unbalanced, with the west storing much more than the east, the north storing much more than the south. Most of the energy resources
are stored in remote areas with a low population and slower development, especially in relation to solar and wind energy. However, 85% of the energy is consumed in the east. Thus, there is a large market for energy planning, including energy infrastructure planning and energy demand management, in the west. Dutch enterprises could take a share in this field.

5.3 Challenges Faced by Dutch Planning Enterprises and Planners in China

In addition to various shortcomings, issues related to the legislative and administrative systems, as well as cultural differences to cope with, there are other challenges and difficulties that Dutch planning enterprises and planners will have to confront. These challenges include fierce market competition, market access limitation, planning implementation obstacles, planning-related investment and the extra work required, compared with other industries, to understand the complexity of the social stratum that lies beneath urbanization in China.

A. Competitors
In addition to the potential overseas competitors introduced in Section 2.2, competitors from China also need to be treated carefully.

- **Domestic State-owned Planning Enterprises**
  - **Strengths:** They enjoy direct or indirect tax benefits or subsidies from government and discounts on financial costs from the local banks; they are able to access any planning market in China with A-level qualifications of numerous highly trained professional local planners.
  - **Weaknesses:** Overstaffed organizations; low output per capita; inefficient management.

- **University Design and Planning Institutes**
  - **Strengths:** Under the management of universities such as Tsinghua University, Tongji University and Peking University, these institutes are born into a well-known reputation. They have high capacity for solution design, and are strong in combining research and planning. In particular, they have good relationships with local governments.
  - **Weaknesses:** The mechanism for commercial operation and management is their main disadvantage.

- **Private SMEs**
  Private small and medium-sized enterprises have flexible organizational design and a fast response to the market. Some are doing well in specific niches, such as landscape design in tourist resorts, campuses, roads, residential areas and public areas. However, due to their size they only take a tiny portion of the market.

B. Limitations due to Planning Regulations in China

- **Institutional Barriers to Market Access**
  As discussed above, overseas planning enterprises participate in China’s planning market in various ways. However, a lack of recognized qualifications or entry permission can prevent them from engaging in many areas of planning, such as urban master planning and detailed zoning. The Urban Planning Qualification Regulations (Regulation No. 84 of the Ministry of Construction of PRC), released in 2001 stipulate in paragraph 23 that: ‘All foreign companies, enterprises, other economic entities or individuals engaged in urban planning services in China shall set up Sino-foreign equity joint ventures, Sino-foreign cooperative joint..."
ventures, or ventures with exclusive foreign investment and apply for the “Certificate of Qualification of Foreign-funded Enterprises for Urban Planning Services”. Entities or persons without the Certificate of Qualification are forbidden to undertake business in urban planning in any name.

Apart from common requirements based on the laws and regulations on foreign-funded enterprises, the following requirements are especially relevant to the establishment of foreign-funded urban planning enterprises in China:

1. The overseas enterprise applying for the qualification in urban planning must be a legally registered enterprise or professional specialized in urban planning services in the country or region of residence.
2. The overseas enterprises applying for the qualification in urban planning must have more than 20 employees specialized in urban planning, architecture, road transportation, landscaping and related disciplines, with foreign specialists accounting for no less than 25 percent of the total, and have at least one foreign technician specialized in urban planning, architecture, road transportation, and landscaping respectively.
3. The applicants must have the technical apparatus and a fixed work location, as stipulated by the State.

For the detailed steps required to set up a foreign-funded planning enterprise see Appendix I. For Regulations on the Management of Foreign-funded Urban Planning Service Enterprises, see Appendix II.

- Opaque, Inconsistent and Arbitrary Legal System, Enforcement and Administration
Even today, due to poor budget estimation and poor long-term fiscal planning capability, many local governments which accept ambitious urban plans for future development end up with funding problems. This may arise due to inconsistent funding support or arbitrary and sudden changes in government priorities, which occurs often and can gave a huge impact on overseas urban planning enterprises. The pull back of CBD planning in Beijing and Shanghai’s North Bund planning (agreement had been signed) are the most famous.

C. Costs of Human Resources
Human resources-related costs are high in the field of planning in China. In particular, the high costs of employing local planners could be a challenge to overseas enterprises. The ‘Urban Planning and Design Guide on Charging’ is designed to provide guidance on fee charges for different planning projects. Reference prices for different items are listed in Appendix V. Moreover, in the planning consultancy industry, the service fees applied are equivalent to 30% of the project planning charge. Consultant’s fees for experts are CNY 5,000/day for a Professor Level Senior Engineer, CNY 4,000/day for Senior Engineers, and CNY 3,000/day for Engineers. For foreign-funded or joint-venture projects, the fee is determined through negotiation between enterprises and their clients, based on international criteria.

D. Plan Implementation
Three challenges might be faced in terms of plan implementation in China:

- Long Planning Period. China’s urban master planning period is 20 years. Therefore, planning takes place a long way in advance and needs good predictability. However, in reality, deviation occurs in most cases, sometimes this is very large. Dutch planning enterprises should be aware of such uncertainties and complexity in China.
- Growing Tensions between State Power and Civil Society. Although the above analyses suggest that future planning in China will offer more opportunity for public participation, with more civil involvement in the
planning process, Dutch planning enterprises and planners should bear in mind that: the political transition is a gradual process in China; remnants of the centrally planned system still influence the planning system; full public participation is not yet possible in China; and many governors are sensitive to public participation in the context of increasing tensions between state power and civil society.

- **Inadequate National Coordination on Planning Evaluation Standards.** Planning standards or codes are often designed independently by local administrations. This makes it difficult to apply one uniform criteria in all cities.

E. **Related Investment in Urban Projects**
Before planning implementation, investors are required to supply basic infrastructure, including water, electricity and roads. This means that overseas enterprises need to invest in the related fields, including:

- **Supply of Water.** A temporary water pipeline should be installed by construction enterprises to supply the water needed for production and workers’ domestic use, based on the scale, structure and location of the buildings.
- **Supply of Electricity.** Power generation equipment and temporary cables should be installed by construction enterprises according to construction period.
- **Supply of Roads.** The construction enterprises should ensure that roads on sites have a sufficient connection to external traffic to supply basic construction needs. If the road is of poor quality, construction enterprises should quantify the required condition in the memo with investors.
- **Levelling Ground.** Ensure obstructions within the site have all been removed and it meets the construction requirements.

F. **Social Characteristics**
In addition to difficulties in communicating with Chinese counterparts and clients, or understanding common cultural differences that might be encountered by overseas companies entering China, in the planning industry, additional work should be done to better understand clients’ needs in relation to the unique social background of China. For example, urbanization in China generates problems such as settling employees, arable land, the costs of rural immigration, coordinated development across administrative divisions, and differences between urban and rural administrative systems. Even with a liaison or joint-venture partner, fully understanding the complexity of Chinese social characteristics is not an easy task.
6 Summary

1. China has entered a stage of rapid urbanization which provides great opportunities to businesses specialized in spatial planning.

2. Urban planning in China also faces many challenges, including an imbalance in regional development, a decline in economic growth, environmental degradation, an ageing society and social inequity, and energy and food security. In particular, institutional deficiencies create barriers to an efficient planning system, such as conflicts between various plans from different departments, the lack of public participation, and problems with the implementation of plans.

3. There are obvious shortcomings in China's domestic planning methods: a shortage of integrated planning, an insufficiency in scenario planning, modelling-based planning and other advanced planning techniques, and a lack of sound methods in urban regeneration.

4. China's urban planning system will be transformed from a growth-oriented to a transition-oriented planning system, meaning that the highly efficient use of resources and space will have to be addressed in the planning process. More attention will be paid to environmental improvement, heritage conservation and social inclusion.

5. Many foreign-funded enterprises have already entered the market in spatial planning in China. The number of overseas enterprises involved in planning is still growing. However, most projects undertaken by these overseas enterprises are limited to either strategic planning or detailed planning at the construction level, such as architectural design and urban design. There are still market barriers preventing overseas companies from participating in urban master planning and zoning in China.

6. Dutch planning has a very good advantage in relation to integrated spatial planning, water management, coastal region planning, infrastructure planning, environmental conservation, ITS, transport management, compact city, urban and architectural design. As such, Dutch planning enterprises should be able to find their own market niches in China, primarily in urban renewal, strategic planning, urban design, infrastructure planning and construction, anti-flood planning, costal management and planning, energy planning, TOD planning and environmental planning in mining areas, river basins and land reclamation areas.

7. Dutch planning enterprises also have the competitive edge in new planning fields; for example, community planning for nursing housing, low-carbon city planning, eco-industrial park planning.

8. For Dutch planning enterprises, future business opportunities will mainly be found in the urban agglomerations in China, in particular, in the three major urban agglomerations: the Jing-Jin-Ji Region, the Yangtze River Delta and the Pearl River Delta. Newly emerging urban agglomerations also offer great opportunities to Dutch planning enterprises. As market segregation in planning obviously varies across the urban agglomerations, Dutch enterprises might emphasize different planning activities in different urban agglomerations.

9. There are several challenges and difficulties that Dutch planning agencies and planners will have to confront in the Chinese market. These challenges primarily include institutional barriers to market entry in the fields of urban master planning and zoning, difficulties in obtaining the Certificate of Qualification, communication barriers with local governments, high costs of local employees, problems with plan implementation, fierce market competition, etc. Some of the difficulties are met within the planning industry. For example, the qualification issues might not be a problem for overseas manufacturers, but communication with local officers or the increasing costs of labour are common challenges faced by overseas companies in various sectors. It is apparent that some challenges will be difficult to overcome in the short term.

10. The Dutch government might explore opportunities for official cooperation with the Chinese government or
encourage provincial or city governments to cooperate in building a formal bridge or platform for local Dutch enterprises involved in the business of planning.
Interviewees

✓ Mao Qizhi, Professor, School of Architecture, Tsinghai University
✓ Mark Harrison, Senior Director, Urban Planning & Consultancy of Asia Pacific, WS/ATKINS Group, UK
✓ Kong Lingbin, Deputy Director, China Academy of Urban Planning and Design
✓ He Chaodong, Senior Officer, Beijing Municipal Committee of Urban Planning
✓ Tan Zongbo, Professor, Deputy-chair, Department of Urban Planning, Tsinghai University
✓ Chen Yi, Director, Nanjing University Planning Institute, Beijing Office
✓ Yu Kongjian, Professor, dean, School of Landscape and Design, Peking University
✓ Zhang Qi, Senior Planner, Urban Planning Consultancy of China, AECOM, USA
✓ Chen Qi, Deputy Director, Xi’an Urban Planning Bureau, China

References

Liu, G. City Plan Pertinacious Problem is to Solve, China Investment, 2015 (1). (In Chinese)
Zhao, P. 2013. The impact of urban sprawl on social segregation in Beijing and a limited role for spatial planning. Tijdschrift voor Economische en Sociale Geografie, 104, 571-587.
Appendices

Appendix I

*The Statutory Procedures for Setting up Foreign-Funded Planning Service Enterprises*

**Step 1:** Those enterprises applying to establish foreign-funded urban planning service shall apply, in accordance with law, to the State Administration of Industry and Commerce or local administrations of industry and commerce with authorization from the State Administration of Industry and Commerce for examination and approving the titles of the foreign-funded enterprises they plan to set up.

**Step 2:** After passing examination and receiving approval of the titles of the foreign-funded enterprises it plans to set up, the applicant shall apply to the departments of the provincial, autonomous regional or people's municipal government under the direct leadership of the central government in charge of foreign trade and economic cooperation in the region where the enterprise is to be located for the establishment.

**Step 3:** After receiving the “Certificate of Approval of Foreign-funded Enterprise”, the applicant shall register with an administration of industry and commerce in accordance with law to get a business license.

**Step 4:** After receiving a legal person business license, the applicant shall apply to the State Council department in charge of construction for the “Certificate of Qualification for Urban Planning Services for Foreign-funded Enterprises”.

**Step 5:** The foreign-funded urban planning service enterprise shall report, within 30 days after receiving the “Certificate of Qualification for Urban Planning Services for Foreign-funded Enterprises”, to the urban planning administration in the city or county of its registered for the record.

The State Council department in charge of construction shall carry out annual checks to the foreign-funded urban planning service enterprises that have received the “Certificate of Qualification for Urban Planning Services for Foreign-funded Enterprises”. Those found unqualified shall have their “Certificate of Qualification for Urban Planning Services for Foreign-funded Enterprises” revoked.
Appendix II

Regulations on the Management of Foreign-funded Urban Planning Service Enterprises

Pursuant to “the Law of the People's Republic of China on Foreign-funded Enterprises”, ”the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures”, ”the Law of the People's Republic of China on Sino-foreign cooperative Joint Ventures”, and ”the Law of the People's Republic of China on Urban Planning”, the current Regulations are hereby formulated to expand the scope of opening to the outside; regulate foreign companies, enterprises and other economic entities or individuals investing in enterprises providing services to urban planning; and strengthen management of the activities of urban planning services provided by foreign-funded urban planning service enterprises.

The term 'urban planning service' as used in the current Regulations refers to provide drawing and consulting services to urban development plans other than general planning. It is strictly forbidden to entrust any businesses of service to general urban planning to foreign-funded enterprises.
### Appendix III

#### Annual Conference of Urban Planning

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Ningbo</td>
<td>Update Planning Concepts, Building a Harmonious Community¹⁰</td>
</tr>
<tr>
<td>2008</td>
<td>Xiamen</td>
<td>Urban Planning in China in International Perspective¹¹</td>
</tr>
<tr>
<td>2009</td>
<td>Chongqing</td>
<td>The Transition of Urban Planning¹²</td>
</tr>
<tr>
<td>2010</td>
<td>Shenzhen</td>
<td>The China Model in Global Perspective¹³</td>
</tr>
<tr>
<td>2011</td>
<td>Tianjin</td>
<td>Synergy Development¹⁴</td>
</tr>
<tr>
<td>2012</td>
<td>Hangzhou</td>
<td>Urban Planning and the Quality of Life¹⁵</td>
</tr>
<tr>
<td>2013</td>
<td>Wuhan</td>
<td>Urban and Regional Development in Global Network¹⁶</td>
</tr>
<tr>
<td>2014</td>
<td>Nanjing</td>
<td>County Development in New View of Urbanization¹⁷</td>
</tr>
</tbody>
</table>

¹⁰ http://www.upi-planning.org/Meeting/Annual.aspx?ID=25
¹¹ http://www.upi-planning.org/Meeting/Annual.aspx?ID=26
¹² http://www.upi-planning.org/Meeting/Annual.aspx?ID=27
¹³ http://www.planning.cn/huigu_cq.html
¹⁴ http://www.planning.cn/huigu_nj.html
¹⁵ http://www.planning.cn/huigu_km.html
¹⁶ http://www.planning.cn/huigu_qd.html
¹⁷ http://www.planning.cn
## Appendix IV

### Urban Planning Conference in 2014

<table>
<thead>
<tr>
<th>Conference</th>
<th>Time</th>
<th>Location</th>
<th>Organizer</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sino-French Symposium on Sustainable Urbanization Development&lt;sup&gt;18&lt;/sup&gt;</td>
<td>11/17-11/18</td>
<td>Beijing</td>
<td>Chinese Academy of Engineering, Academy of Technology in France, France Academy of Science</td>
<td>Urban Spatial and Development Patterns, Environmental Protection and Energy Utilization, Green Transportation and Green Building, Social Governance and Urban Renewal</td>
</tr>
<tr>
<td>Historical and Cultural City Planning Committee&lt;sup&gt;20&lt;/sup&gt;</td>
<td>11/9-11/10</td>
<td>Linhai</td>
<td>Urban Planning Society of China</td>
<td>Search for Cultural Heritage and the Planning of Change, City Council History, Protection of Urban and Rural Cultural Heritage Development</td>
</tr>
<tr>
<td>China-Up seventh Salon:</td>
<td>11/28</td>
<td>Nanjing</td>
<td>China’s Urban and Rural Planning Network</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
<th>Presenter</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban and Rural Policy Innovation in New Era of Urbanization</td>
<td>9/23-9/24</td>
<td>Tianjin</td>
<td>Commission of Commerce in Tianjin Binhai Area</td>
<td>Comprehensive Control of Air Pollution in China</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Five Mechanisms in the Innovation of Chinese Urban Development</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Recycling Resources Industry Promotes the Development of the Eco-city</td>
</tr>
<tr>
<td>The 2nd City Innovation Development Forum &amp; Youth Forum</td>
<td>4/18-4/19</td>
<td>Shanghai</td>
<td>China Academy of Urban Planning and Design in Shanghai Branch</td>
<td>Research on Urban Systems in the Yangtze River Delta Region and the Yangtze River Middle Reaches Area</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Youth Work Committee of China Urban Planning Society</td>
<td>Shanghai Urban Planning in Transition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Discussion of the Spatial Planning System</td>
</tr>
<tr>
<td>Transportation Planning Annual Conference</td>
<td>4/11-4/12</td>
<td>Shanghai</td>
<td>Urban Planning Society of China Urban Transportation Planning Committee</td>
<td>Research on Strategies of Urban Public Transport Priority Development in China</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Urbanization Trends and Policies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Development of China’s Urban Motorization and Policy Analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Travel Behaviour Shift</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Public Urban Theory and Urban Public Transport Systems</td>
</tr>
<tr>
<td>The 3rd Jin Jingchang Chinese Youth</td>
<td>2014/5/17</td>
<td>Shanghai</td>
<td>Tongji University</td>
<td>Transformation of Master Planning in Shanghai</td>
</tr>
</tbody>
</table>

22 http://www.china-up.com/conferenceVideoFinal.php?id=239
<table>
<thead>
<tr>
<th>Innovation Forum 26</th>
<th>Urban Planning Society of China</th>
<th>Several Thoughts on the Beijing Master Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jin Jingchang Urban Planning Education Fund</td>
<td>Metropolitan Spatial Development and General Planning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Macau’s Overall Planning: Ideas and Implementation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Theory and Method of Urban System Planning</td>
<td></td>
</tr>
<tr>
<td>Business Exchange Meeting of Academy of Urban Planning and Design 27</td>
<td>China Academy of Urban Planning and Design</td>
<td>Mode of China’s Urbanization, Road, Policy Research</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Exploration of Urbanization in Guangdong</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Study on Planning Systems in Rural Areas in Shanghai</td>
</tr>
<tr>
<td>2/17-2/19, Beijing</td>
<td></td>
<td>New Exploration of the Western District Development Mode</td>
</tr>
</tbody>
</table>

Appendix V

Official Reference Price on Fees Charged in Different Planning Projects

Table 1 Reference Price for City Master Plan

<table>
<thead>
<tr>
<th>Scale of the City (in 10 thousand)</th>
<th>Unit Price (CNY 10,000/km²)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Size City</td>
<td>3.5</td>
<td>Township included</td>
</tr>
<tr>
<td>Medium Size City</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Large Size City</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>Mega City</td>
<td>2.0</td>
<td></td>
</tr>
</tbody>
</table>

*Basic fee charged for city master plan is CNY 350,000
Source: Urban Planning and Design Guidance on Charging

Table 2 Reference Price for Zoning Plan

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Unit Price (CNY 10,000/km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newly Developed Area</td>
<td>3.0</td>
</tr>
<tr>
<td>Old Town</td>
<td>3.5</td>
</tr>
</tbody>
</table>

*Basic fee charged for city master plan is CNY 150,000
Source: Urban Planning and Design Guidance on Charging

Table 3 Reference Price for Regulatory Detailed Planning

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Unit Price (CNY 10,000/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newly Developed District, Development Zone</td>
<td>2500</td>
</tr>
<tr>
<td>Urban Ordinary Locations</td>
<td>3000</td>
</tr>
<tr>
<td>Urban Key Locations</td>
<td>3500</td>
</tr>
</tbody>
</table>

*Basic fee charged for city master plan is CNY 100,000
Source: Urban Planning and Design Guidance on Charging

Table 4 Reference Price for Residential Area

<table>
<thead>
<tr>
<th>Scale of Land Use (ha)</th>
<th>Unit Price (CNY/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 or below</td>
<td>20,000</td>
</tr>
<tr>
<td>3-10</td>
<td>15,000</td>
</tr>
<tr>
<td>10-20</td>
<td>12,000</td>
</tr>
<tr>
<td>20-30</td>
<td>10,000</td>
</tr>
<tr>
<td>30-50</td>
<td>9,000</td>
</tr>
<tr>
<td>50 or above</td>
<td>8,000</td>
</tr>
</tbody>
</table>

*Basic fee charged for city master plan is CNY 50,000
Source: Urban Planning and Design Guidance on Charging

Table 5 Reference Price for Urban Ordinary Location

<table>
<thead>
<tr>
<th>Scale of Land Use (ha)</th>
<th>Unit Price (CNY/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 or below</td>
<td>20,000</td>
</tr>
<tr>
<td>3-10</td>
<td>18,000</td>
</tr>
<tr>
<td>10-20</td>
<td>15,000</td>
</tr>
<tr>
<td>20-30</td>
<td>12,000</td>
</tr>
<tr>
<td>Scale of Land Use (ha)</td>
<td>Unit Price (CNY/ha)</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>1-10</td>
<td>12,000</td>
</tr>
<tr>
<td>10-20</td>
<td>9,000</td>
</tr>
<tr>
<td>20-30</td>
<td>8,000</td>
</tr>
<tr>
<td>30-50</td>
<td>7,000</td>
</tr>
<tr>
<td>50 or above</td>
<td>6,000</td>
</tr>
</tbody>
</table>

*Basic fee charged for city master plan is CNY 50,000*
Source: Urban Planning and Design Guidance on Charging