



Xiongan New Area, Catalyst of Inclusive Growth

Xiongan New Area is an enormous new city that is 60 miles south of Beijing and sits within the Jing-Jin-Ji urban megaregion. However, don't even think of making a quick run in the property market in the new city because there will be no hukou but only work permit, and no private real estate but low-cost rental public housing.

By Anita Tang
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On April 1, the Central Committee of the Communist Party and the State Council announced in a joint notice the creation of a new district – Xiongan New Area.

Xiongan New Area, about 160 km south of Beijing, is “a significant historical and strategic choice” and “another new district with national implications following Shenzhen and Pudong,” Xinhua noted. Spanning over Xiongxian, Rongcheng and Anxin counties, the New Area will

initially cover an area of 100 sq. km. but later expand to 2,000 sq. km., and would play a central role in President Xi Jinping's plan to integrate the development of Beijing, Tianjin and Hebei.

Setting up the Xiongan New Area near Beijing will usher in a new chapter in the country's historic transitioning to coordinated, inclusive and sustainable growth. After the New Area takes shape, Beijing will focus on serving as the country's capital, easing its mounting population and pollution problems.

In terms of national significance, the area parallels the Shenzhen Economic Zone and Pudong New District, China's successful test grounds for reform and opening up. The area will operate as a new growth pole for the country's economy, and also aim to curb urban sprawl, bridge growth disparities and protect ecology.

In the State Council's executive meeting, it examined and adopted eight resolutions on the creation of Xiongan New Area:

1. Positions as a city of innovation: for newly created or existing technology companies moving into the New Area, they will be free of tax for 3-5 years. They can also get free or reduced rent for offices and residence.
2. Tax revenues will be shared by Hebei and Beijing.
3. No pollution-oriented enterprise or production-oriented enterprise is allowed.
4. It will be the base of high-end technology industry, China's Silicon Valley.
5. There will be no hukou but only work permit. Work permit can be applied using business license and labor contract.
6. There will be no private real estate but low-cost rental public housing. Public housing rental is opened to families with work permit or business license, and dormitory for individuals with labor contract.
7. Upon retirement, the low-cost residence rental will revert to the State. Workers can return home or retire in the proximity. So, it is most likely that there will be an array of livable satellite cities developed around Xiongan New Area, including retirement communities.
8. Headquarters of SOEs will be moved to Xiongan. Besides Peking University and Tsinghua University, many universities from Beijing will be moved here. Children born in Xiongan will have no Xiongan hukou but Xiongan residence card so that they can be admitted to the local school system. The New Area will have its own college entrance examination standard.