

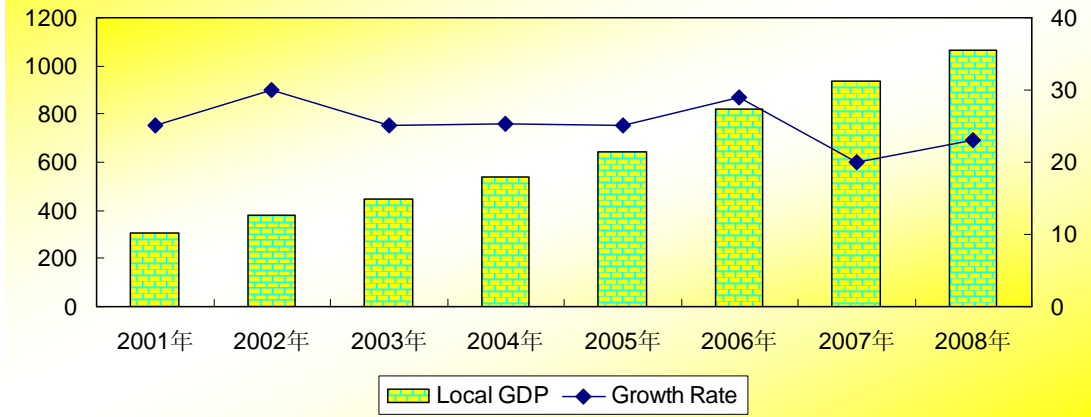
2008 Annual Report on the Economic and Social Development of Tianjin Economic-Technological Development Area

Under the leadership of the Tianjin Municipal CPC Committee, the Tianjin Municipal Government, and the Tianjin Binhai New Area (Hereinafter referred to as TBNA) and abiding by the Deng Xiaoping theory as well as the important thoughts of “Three Represents”, the Tianjin Economic-Technological Development Area (Hereinafter referred to as TEDA) has successfully implanted the scientific development notion into every aspect of its economic and social development and has been unwaveringly sticking to the overriding development principles held by all the state-level development zones of “three focuses, two dedications and one facilitation” (namely, focusing on foreign investment absorption, modern manufacturing, and export structure optimization; dedicating to high-tech and high value-added service sectors; and facilitating state-level economic-technological development zones’ growing into more versatile industrial entities) . In response to the robust development and opening-up of the TBNA, we demonstrated willingness to seize new opportunities, face new challenges, answer new doubts, and timely adjust ourselves to the rapid changing macro economic situation home and abroad. As the front-runner among all the state-level development zones and a growth engine of Tianjin and the TBNA, we have further sharpened our competitiveness, stepped up regional development, and uplifted economic growth.

I. General View

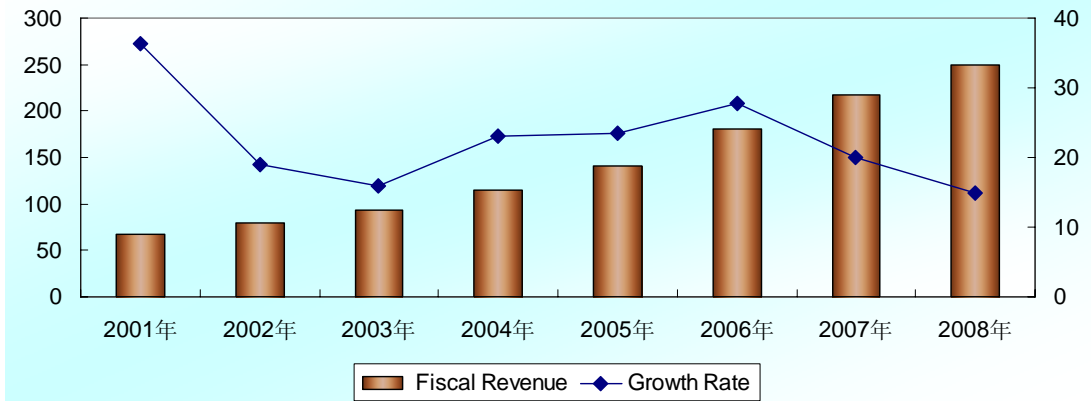
Local economy maintained sound growth. According to the joint auditing of the Tianjin Audit Bureau, TEDA’s GDP stood at 106.633 billion yuan in 2008, a comparable growth of 23.1% over the previous year. Specifically, the value-added of the secondary industry hit 86.087 billion yuan, a comparable growth of 23.3% while that of the tertiary industry 20.547 billion yuan, up by 21.7% comparably. The ratio of the secondary and tertiary industries was 80.7:19.3. Overall labor productivity was 298,400 yuan per person, a comparable growth of 8.6%.

Local GDP of TEDA from 2001 to 2008

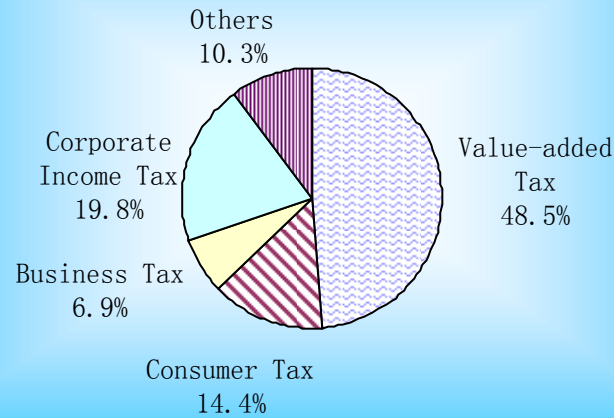


Fiscal revenue and expenditure grew at a stable pace. The region registered a total fiscal revenue of 24.923 billion yuan, up by 14.9% than the previous year. Tax revenue hit 23.766 billion yuan (a year-on-year growth of 19.9%), among which value-added tax accounting for 11.534 billion yuan (up by 7.5%), consumer tax 3.418 billion yuan (up by 25.9%), business tax 1.649 billion yuan (up by 52.5%), and corporate income tax 4.712 billion yuan (up by 43.4%). Local fiscal revenue increased by 10.4% to 8.415 billion yuan, including 7.646 billion yuan of local general budget revenue (up by 27.4%). Fiscal expenditure increased by 7.1% to 8.504 billion yuan, including 7.746 billion yuan of local general budget expenditure (up by 21.9%).

Fiscal Revenue of TEDA from 2001 to 2008



Taxation Revenue Breakdown of TEDA In 2008



The macro investment environment continued to improve. In 2008, TEDA carried on the strategy of “clear-cut targets and step-by-step execution” to make itself more investor-friendly. This year saw the in-depth discussion of “building China’s new economic platform,” the newly drafted and revised policy package for industrial development master plan and industry promotion, and twelve projects to “better investment environment and build a more harmonious TEDA.” For eleven years in a run, TEDA has been ranking number one in the comprehensive investment environment appraisal by the Ministry of Commerce. Its bonded logistics center (type-B) got green light from the central government. Associations and organizations such as the TEDA International Chamber of Commerce and the TEDA Chapter of All-China Federation of Industry and Commerce have been playing active roles in serving local enterprises.

Reform and innovation continued to deepen. In 2008, TEDA positively pushed forward reform and innovation according to the master plan of the *Three-year (2008-2010) Implementation Plan of the Pilot Comprehensive Reform of the TBNA*. China’s first climate exchange was set up in TEDA. Investment and financing reform saw more progresses. State-owned enterprises showed more vibrant development momentum and institutional innovation intensified.

TEDA’s role as a gateway of opening-up was further highlighted. In 2008, TEDA actively got involved in international exchanges and carried out frequent and extensive cooperation with a variety of international agencies and organizations. By setting up TEDA Hong Kong Office, TEDA International Exchange Center, and TEDA International Exchange Association, we have further extended our overseas liaison network. Now with over 2,200 foreign citizens from 33 countries and regions working and living here, this region has become increasingly globalized. So far,

TEDA has established offices in the United States, Japan, Europe, Beijing, Shanghai, and Hong Kong.

Publicity and image building campaigns were highly vibrant. In 2008, the Annual Conference of Growth Champions held by the World Economic Forum (the Summer Davos Meeting) was successfully held in TEDA which turned out to be the largest, most influential and prestigious international conference ever held in the region. Other major events such as the 18th Corporate Conference of Asia Society, the 30-year Retrospective Exhibition of the Reform and Opening-up of China's Auto Industry, and the 2008 World Mobile Summit & Sourcing Fair all visibly added to TEDA's reputation and brand value.

II. The Secondary Industry

Overall industrial scale continued to expand. In 2008, TEDA saw an industrial value-added of 85.201 billion yuan, a comparable increase of 23.2% over the previous year. Its total industrial output value hit 373 billion yuan, a y-o-y increase of 11.3%. Foreign, Hong Kong, Macao, and Taiwan investors registered a total output value of 334.444 billion yuan (up by 3.5%) while private enterprises saw a y-o-y investment increase of 97.8% to 8.295 billion yuan.

Key enterprises carried on their pioneering role. In 2008, seven local enterprises registered a respective industrial output value of over 10 billion yuan. 51 ones registered a respective industrial output value of over one billion yuan, contributing 77.2% to the region's total. 223 ones registered a respective industrial output value of over 100 million yuan, or 92.6% of the region's total. While giants such as FAW Toyota, Bohai Drilling, Bohai Equipment, Vestas, and Tinghsin carrying on their leading role, newcomers like Bunge, Cargill, and the blade project of Dongfang Electric (Tianjin) Wind Power Technology also injected more fuel to the region's industrial engine.

Industrial structure was further optimized. In 2008, eight major industries, namely, electronics & telecommunications, auto, machinery manufacturing, biomedicine, chemicals, food & beverage, aerospace, and new energy & material generated a total industrial output value of 347.743 billion yuan, 93.2% of the region's total. Among them, electronics & telecommunications industry saw an output value of 143.529 billion yuan, 38.5% of the region's total. The auto industry's output value stood at 72.767 billion yuan, which was 19.5% of the region's total and machinery manufacturing saw an output value of 67.725 billion yuan, 18.2% of the region's total.

Key products continued to serve as the backbone of the upgrading and restructuring of TEDA's industrial product portfolio. Electronic products like liquid crystal display, color TV, walkie talkie and digital camera, and machinery products like automobile, elevator, wind power equipment, petroleum-related equipment and gearbox all saw

vigorous growth.

Table One:
Output of Major Industrial Products in TEDA in 2008

Item	Unit	Output	Growth Rate (%)
Mobile Phone	10, 000	9055.50	-7.8
Walkie Talkie	10, 000	65.97	94.7
Large-scale Integrated Circuit	100 million	5.87	-6.1
Discrete Semiconductor Component	100 million	203.40	0.1
Liquid Crystal Display	10, 000	674.44	19.4
Digital Video Camera	10, 000	198.87	0.8
Digital Camera	10, 000	1014.81	42.9
Color TV	10, 000	203.58	2.6 times
Auto	10, 000	36.58	35.2
Gearbox	10, 000	18.64	71.0
Elevator	Set	10942	1.2 times
Meridian Tire	10, 000	487.29	-3.9
Auto Wire Harness	10, 000	2573	36.3
Plastic Resin & Polymer	10,000 tons	39.50	11.2
Soft Drink	10,000 tons	208.19	99.1
Enzyme	Ton	39601	4.4

Hi-tech industries expanded. In 2008, local hi-tech industries saw an output value of 199.92 billion yuan, a y-o-y increase of 1.3% and accounting for 53.6% of the region's total. The contribution of biomedicine, aerospace, new energy and new materials to the region's hi-tech industries continued to increase.

Industrial economy saw smooth operation. In 2008, core business revenue of industrial enterprises in TEDA hit 376.92 billion yuan, up by 9.6% than the previous year, among which 358.366 billion yuan was generated by Hong Kong, Macao, and Taiwan-funded ones, up by 7.9%. Large industrial enterprises registered a total profit of 14.631 billion yuan with the index of synthetical economic benefits standing at 207.5; ratio of total assets to industrial output value, 16.4%; ratio of profit to cost, 4.2%; and ratio of sales to gross output value, 99.6%. The overall industrial labor productivity was 356,900 yuan per person, a comparable growth of 12.5% over the previous year.

Industries in TEDA West saw rapid growth. In 2008, TEDA West carried on vigorous momentum thanks to the joint efforts of both old clients such as Vestas and Kumho Tire and new investors such as MacGregor Plimsoll and Lizhong Alloy. Its year-round total industrial output value hit 9.734 billion yuan, a y-o-y growth of 60.0%.

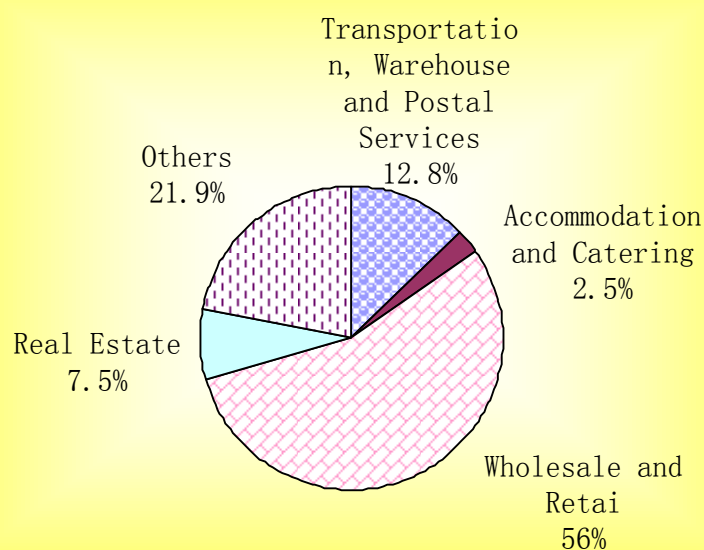
Three sub-zones maintained smooth development. In 2008, TEDA Micro-electronics Industrial Park (MIP), TEDA Yatsen Scientific Industrial Park (YIP), and TEDA Chemical Industrial Park (CIP) registered a total industrial output value of 86.363 billion yuan, up by 1.4% over the previous year. Specifically, TEDA MIP saw its output value up by 0.5% to 78.619 billion yuan while that of TEDA YIP was up by 6.3% to 4.532 billion yuan and that of TEDA CIP was up by 18.4% to 3.212 billion yuan.

Construction industry continued to expand. In 2008, construction enterprises in TEDA registered a total value-added of 886 million yuan, a comparable increase of 38.0%. Total output value increased by 10.2% to 6.596 billion yuan, with unfinished floor area totaling 5.2076 million square meters.

III. The Tertiary Industry

The tertiary industry witnessed rapid expansion. In 2008, various sectors of the tertiary industry in TEDA grew at a pleasing speed, contributing more fuel to the regional economy. Among them, transportation, warehouse, and postal services saw a value-added of 2.622 billion yuan, up by 1.2 times comparably. Wholesale and retail saw a value-added of 11.387 billion yuan, up by 6.3% comparably. Accommodation and catering saw a value-added of 511 million yuan, up by 1.8% comparably. But real estate saw a value-added of 1.538 billion yuan, down by 22.6% comparably. Other service sectors registered a value-added of 4.49 billion yuan, up by 72.2% comparably.

Breakdown of the Value-added of TEDA's Tertiary Industry



Transportation, warehouse, and postal services witnessed healthy growth. In 2008, transportation in TEDA maintained relatively fast growth. Freight volume of various transportation means totaled 22.5 million tons. Freight turnover was 3.86 billion ton kilometers. Passenger delivery volume increased by 19.2% to 40.23 million people, to which 15.93 million was contributed by the Jinbin Light Rail, up by 44.8%. By the end of 2008, the number of freight and passenger carriers in TEDA totaled 334, employing 5,638 passenger and freight vehicles (among which 5,037 are freight vehicles). Postal services also maintained high-speed development. In 2008, the whole region saw a total postal business volume of 13 million yuan. Altogether 3.7274 million letters were sent.

Information logistics, computer services and software business saw continuous expansion. In 2008, business revenue of telecom industry increased by 15.3% to 1.063 billion yuan. Long-distance talk time on fixed lines totaled 121 million minutes, among which international calls accounted for 29 million minutes and IP phone calls 16 million minutes. By the end of the year, installed capacity of program-controlled phones reached 215,000 gates. Subscribers of fixed lines reached 93,400 households. Subscribers of broadband reached 49,000 households.

Wholesale and retail saw steady growth. In 2008, social retail goods totaled 9.226 billion yuan, down by 2.9% year on year. Total purchase was 76.213 billion yuan, up by 50.6% year on year. Total sales was 78.455 billion yuan, up by 48.4% year on year, among which the sales of metal materials accounted for 22.375 billion yuan, up by

65.4% year on year; that of coal and coal products 17.951 billion yuan, up by 2.2 times year on year; auto products 4.557 billion yuan, down by 35.2% year on year; and petroleum and petroleum products 8.665 billion yuan, up by 32.7% year on year.

Accommodation and catering services were quite steady. In 2008, the number of accommodated guests of hotels in TEDA totaled 706,400 people, a y-o-y increase of 7.5%, including 200,200 overseas travelers. Business revenue of accommodation saw a y-o-y increase of 24.7% to 627 million yuan while that of catering was up 18.9% year on year to 362 million yuan.

Financial industry saw rapid growth. In 2008, TEDA has attracted several new financial institutions. Non-banking financial institutions were highly active, thanks to 98 private equity funds such as Hony Capital and CDH whose actual capital contribution totaling 3.917 billion yuan. By the end of 2008, there are altogether 31 banking institutions (including seven overseas ones) in TEDA with 78 business outlets, 11 insurance institutions, six listed companies (two are listed overseas), and three finance companies.

Table 2:
Performance of Financial Institutions in TEDA in 2008

Index	Unit	Year-end Figure	Growth Over Last Year-end(%)
Balance of RMB Deposits	100 million yuan	1034.43	33.71
Including: Deposits of Enterprises	100 million yuan	706.71	12.07
Deposits of Residents	100 million yuan	270.00	109.71
Balance of Deposit in Foreign Currencies	100 million US\$	8.22	21.26
Balance of RMB Loans	100 million yuan	1077.59	32.70
Including: Balance of Short-term Loans	100 million yuan	445.69	37.13
Balance of Medium and Long-term Loans	100 million yuan	480.82	23.10
Balance of Loans in Foreign Currency	100 million US\$	10.09	38.18
Cash Income of Financial Institutions	100 million yuan	970.65	40.84
Cash Expenditure of Financial Institutions	100 million yuan	1106.94	51.64
Insurance Value	100 million yuan	2978.00	30.84

Premium Income	100 million yuan	4.68	-0.90
Insurance Claim Expenditure	100 million yuan	2.48	52.41
Securities Turnover	100 million yuan	4432.23	-46.23
Including: Stock Turnover	100 million yuan	3785.47	-47.63

Real estate industry saw a downturn. In 2009, investment of real estate projects in TEDA totaled 2.294 billion yuan. Floor area of housing under construction was 1.2163 million square meters, among which 1.1685 million square meters are commercial residential housing. Finished floor area of housing was 235,200 square meters, among which 225,100 square meters are commercial residential housing. Sold floor area of housing totaled 110,600 square meters, among which 104,300 square meters are commercial residential housing. Sold floor area of commercial housing totaled 1.042 billion yuan, among which commercial residential housing accounting for 944 million yuan.

Exhibition industry saw continuous growth. In 2008, 20 exhibitions and conventions were held in TEDA, involving 252,900 square meters of exhibition area, up by 44,900 square meters over last year. Audience totaled around 225,4000 people.

IV. Investment Promotion

TEDA carried forward its commitments that “Investors are kings” and “Let investors make money”. Seizing the unprecedented historical opportunities brought about by the opening-up and development of the TBNA, it has been vigorously expanding and creating new channels and models of investment promotion. Unremitting efforts resulted in more investment of higher quality and larger scale.

Scale of incoming investment projects continued to increase. In 2008, TEDA approved registration applications from 133 new projects invested by foreign, Hong Kong, Macao, and Taiwan clients as well as 192 reinvestment applications, involving US\$7.096 billion (up by 15.1% year on year) of overseas investment and US\$5.070 billion (up by 30.0% year on year) of contracted overseas investment. Throughout the year, 633 domestic enterprises registered and another 256 ones increased their investment, involving a total registered capital of 50.516 billion yuan. Also 401 privately-owned enterprises settled down with new registered capital of 1.328 billion yuan.

Quality of incoming projects was better. In 2008, 87 of the newly approved foreign, Hong Kong, Macao, and Taiwan-funded projects made a respective investment of over US\$10 million each. Investment scale of new projects averaged US\$ 31,5582

million. Among these new projects, 25 are funded by multinationals and three by *Fortune 500* Companies. Throughout the year, foreign, Hong Kong, Macao and Taiwan-funded projects increased their investment by US\$2.899 billion, including US\$1.743 billion of registered capital. Reinvestment averaged US\$15, 0973 million per project. Altogether 41 projects such as FAW Toyota, Samsung Telecom, Samsung SDI Mobile Display, Vestas, Rohm Semiconductor, Novozymes, and Bunge Chia Tai increased their investment by over US\$10 million each, thus injecting new fuel to local economy. 162 domestic-funded enterprises were newly set up with a respective investment of over 10 million yuan. The settle-down of Bohai Petroleum Drilling, Bohai Petroleum Equipment, Great Wall Drilling, Dongfang Electric Wind Power Technology, Changjiang Runfa Elevator Guide Rail and other key projects all contributed to the strong lineup of the region's domestic-funded enterprises.

Modern service investment saw dynamic trend. In 2008, TEDA saw a visible increase of new-type service projects, particularly in the financial, service outsourcing, logistics, trade and other modern service sectors. The whole year 82 foreign-funded service enterprises got approval, accounting for 61.7% of all the newly registered ones. Major projects like TEDA Development, Tianjin Guodian Shipping, and Shangbang Leasing have presented the local modern service industry with new business opportunities.

By the end of 2008, TEDA has accumulatively approved 4,618 foreign, Hong Kong, Macao and Taiwan-funded enterprises from 74 countries and regions, involving US\$47.4 billion of project investment, US\$35.1 billion of contracted overseas capital, and US\$19.44 billion of actually utilized overseas capital. The investment of each project averaged US\$10.26 million. Among all the projects, 818 have a respective investment of over US\$10 million and 41 have a respective investment of over US\$100 million. The region has altogether 8,761 domestic-funded enterprises with a total registered capital of 108.18 billion yuan. Among them, 1,311 have a respective registered capital of over 10 million yuan. By 2008, 76 of the *Fortune 500* Companies have invested in 157 projects in TEDA. Multinationals are the investment pillars of the region, to name a few, Motorola, IBM, Coca Cola, Pepsi Cola, Halliburton, Honeywell, UTC, Phillippe Morris, John Deere, and Bunge from the United States; Toyota, Toyotsu, Yamaha, Yazaki, Matsushita, Denso, Kyocera, Idemitsu, Itochu, Marubeni, Tsumitomo, Canon, Mitsubishi Corporation, Mitsubishi Electronics, Mitsui & Co, Nissho Iwai, Aisin, Sekisui, Nykline, and Kawasaki from Japan; Samsung, Hyundai, LG International, and POSCO from the Republic of Korea; Volks Wagen, Continental AG, and Thyssen Krupp from Germany; Schneider, Lafarge, and Veolia from France; GSK and BOC from the United Kingdom; Akzo Nobel from the Netherlands; Novo Nordisk and Vestas from Denmark; and Foxconn, Tingshin, and Inventec from Taiwan. Indigenous giants such as PetroChina, ICBC, and COFCO are also standing firmly on this investor's wonderland.

V. Science & Technology Innovation

The science and technology innovation system saw further improvement. In 2008, TEDA revised the *Provision of Tianjin Economic-Technological Development Area on Promoting the Development of the High and New Technology Sectors* and promulgated the *Action Plan for Science and Technology Development of TEDA (2008-2010)*. The whole year 156 million yuan was earmarked as fund and venture capital for science and technology development. These efforts provided vigorous policy and financial backup for the further optimization of innovation environment. Over the years, TEDA has accumulatively earmarked 1.98 billion yuan as fund and venture capital to support science and technology initiatives. Patent applications continued to increase rapidly. The whole year saw 1,020 patents, including 410 invention patents. By 2008, enterprises in TEDA were granted 1,205 patents, including 188 invention patents. Among them, 630 are granted to domestic-funded enterprises.

Carriers for innovation and entrepreneurship became more diversified. In 2008, the renowned US scientific incubator Alexandria Real Estate Equities settled down in TEDA; The Tianjin International Joint Academy of Biomedicine started construction; The IC Design Platform was launched; The National Nano Product Supervision and Examination Center was established. All these facilities offered more diversified carriers for scientific innovation and entrepreneurship. By 2008, TEDA had 12 incubators (where 255 startup companies are operating) and a total incubation area of 391,000 square meters. It is also home to 28 engineering & technology research centers, 18 enterprise-owned technology centers, 48 multinational-owned R&D centers, and 35 venture investment companies.

Scientific and technology research yielded more substantial results. In 2008, TEDA undertook a batch of major scientific innovation, R&D, and incubation projects of Tianjin and the TBNA, such as the research and commercialization of electric auto and power battery, the research and commercialization of high-performance separating membrane, innovation of crops and commercialization of fine crop breeds, etc. This year TEDA won nine scientific and technology awards of China and Tianjin, among which the technology innovation in cucumber breeding and new variety selection & breeding was awarded the Second Prize of National Scientific Progress. 100 projects were included into scientific plan of China and Tianjin and have received 180 million yuan of grant. By 2008, TEDA attracted 250 hi-tech enterprises and 53 recognized software enterprises. The whole year saw a total hi-tech transaction volume of 530 million yuan, and 293 new registered technology contracts, and 11 new registered hi-tech accreditations.

VI. Trade Promotion

The trade promotion mechanism of TEDA has seen further improvement. In 2008, the TEDA Corporation Service Center played an active part in supporting corporate

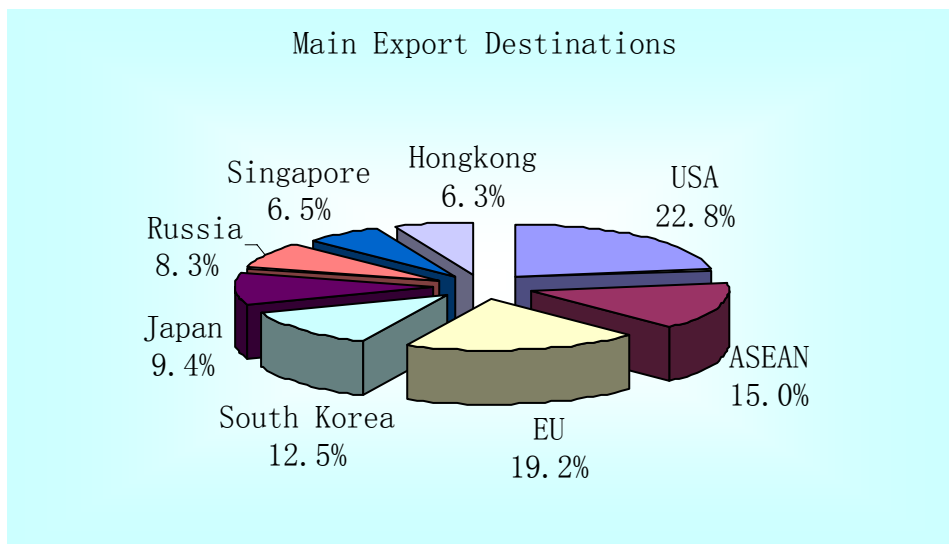
operation, and initiated a campaign called the Service Month for Accelerating the Growth of Exporters. TEDA has also exerted great effort in fair trade and effectively boosted the trade promotion mechanism by optimizing the general customs clearance and trade system.

Imports and exports maintained relatively stable. In 2008, the total import and export value of TEDA reached US\$ 33.355 billion, down by 0.4%. Of this figure, US\$ 31.184 billion was generated by foreign, Hong Kong, Macao, and Taiwan funded enterprises, 2.3% down from the previous year. The total import value rose by 8.1% to US\$ 16.212 billion, of which foreign, Hong Kong, Macao, and Taiwan funded enterprises contributed US\$ 14.841 billion, up by 6.4% from the previous year. The total export value dropped by 7.3% to US\$ 17.142 billion, of which US\$ 16.343 billion came from foreign, Hong Kong, Macao, and Taiwan funded enterprises, down by 9.0%. The export value of processing trade hit US\$ 15.249 billion and that of general trade US\$ 1.875 billion in total in 2008. The export rate of TEDA's industrial products reached 31.3%.

TEDA exported a variety of products. The major ones are telecommunication products like mobile phones and base stations, consumer electronics like color TV sets, video cameras and digital cameras and integrated circuits, semiconductor components and auto electronics, etc.. The total export value of hi-tech products reached US\$ 11.781 billion, accounting for 68.7% of the total of TEDA, and that of machinery and electronic products US\$ 15.350 billion, making up 89.5% of the total of TEDA.

Leading enterprises continued to play a dominant role in the export of TEDA. In 2008, there were 675 local exporters in all. Among them, 112 enterprises had their respective export value over US\$ 10 million, 14 more than the previous year and their total export value hit US\$ 16.222 billion, making up 94.6% of the total of TEDA. With one more local exporters joining the group, 24 enterprises had their respective export value over US\$ 100 million and their total export value hit US\$ 13.567 billion, accounting for 79.1% of the total of TEDA.

Foreign trade has shown more balance. In 2008, TEDA had trade relations with 188 countries and regions around the globe. TEDA exported products to 182 countries and regions. For the whole year of 2008, TEDA's export value to USA hit US\$ 3.295 billion, to EU hit US\$ 2.784 billion, to ASEAN hit US\$ 2.164 billion, to South Korea hit US\$ 1.815 billion, to Japan hit US\$ 1.366 billion and to Russia hit US\$ 1.202 billion.



VII. Urban Construction and Investment in Fixed Assets

Investment in fixed assets has experienced steady increase. In 2008, the total investment in fixed assets increased by 0.2% over the previous year to 25.622 billion RMB yuan, among which 11.216 billion RMB yuan was generated by foreign, Hong Kong, Macao, and Taiwan funded projects. By the end of 2008, the accumulative investment in fixed assets totaled 192.910 billion RMB yuan. In 2008, TEDA accomplished 14.649 billion RMB yuan investment in industrial projects, which accounted for 57.2% of the total investment in fixed assets. In the year 2008, with eight more than the previous year, 138 industrial projects had their respective investment in fixed assets over 10 million RMB yuan and 39 out of them over 100 million RMB yuan. Key projects are the new generation carrier rocket, RAV4 of FAW Toyota, Bohai Drilling, Rohm semiconductor, Samsung SDI Mobile Display, Phase II of Kumho Tire, Dingyi Food & Beverage, Jinyao Biopark, etc.

TEDA has further improved infrastructure. In 2008, TEDA increased its investment in infrastructure, especially in key projects. Construction of the No.4 Heat Plant has been wrapped up and put to use, and the No. 2 water pipeline, Binhai No. 2 gas pipeline, and the third phase of TEDA Water Purification Plant is under construction smoothly. In 2008, TEDA invested 4.693 billion RMB yuan in infrastructure facilities, up by 1.0% from the previous year. TEDA has accumulatively made a total investment of 34.937 billion RMB yuan in infrastructure over the years.

The development of the West Zone is progressing in an orderly manner. In 2008, the investment in fixed assets of the West Zone increased by 10.7% to 5.901 billion RMB yuan, of which 2.746 billion RMB yuan was spent on infrastructure, 0.4% higher than the previous year. Therefore, the industrial environment of the West Zone becomes more pro-business, with its ability to support industrial growth further boosted.

TEDA's urban functions have further improved. In 2008, TEDA accelerated the

construction of such projects like the Modern Service District (MSD), the Service Outsourcing Base, the cultural, sports and commercial facilities of the TEDA Promenade, Science and Technology Development Center, public rental flats and apartments for blue and white collar workers. And the renovation of the old residential buildings also continued. The total floor area of newly constructed buildings and completed buildings amounted to 2.419 million square meters and 2.979 million square meters respectively. The accumulative floor area of newly constructed buildings and completed buildings respectively totaled 20.15 million square meters and 14.13 million square meters. TEDA's urban functions were increasingly better.

TEDA has kept strengthening urban functions. In 2008, TEDA supplied 48.5415 million cubic meters of tap water, 976,500 cubic meters of recycled water, 3.158 billion kwh of electricity, 128 million cubic meters of natural gas, and 3.4043 million tons of heat. By the end of 2008, TEDA accumulatively possessed roads of 370.06 kilometers, roads and bridges of 7.8181 million square meters, water supply pipelines of 458.60 kilometers, and drainage pipelines of 1008.36 kilometers. TEDA was able to supply 355,000 tons of water per day, 1,966.7 tons of heat per hour, 1369.8 mva of electricity, and 2.568 million cubic meters of gas per day. TEDA was capable of disposing 114,500 tons of wastewater per day, and discharging 133.74 cubic meters of rainwater per second and totally 16.65 cubic meters of sewage per second. The total length of TEDA's fiber optic cable reached 46,400 core-kilometers and that of telecommunications pipeline totaled 3,858 hole-kilometers. The bandwidth of the internet interface of the urban area was 120 G and the speed of the main network of the urban area reached 40.62G. Accumulatively 73.80-square-kilometer land has been developed, including the 35.86-square-kilometer land for industrial use.

VIII. Environmental Protection and Energy Efficiency

The quality of TEDA's environment has remained stable. Air quality is in a fairly good state, for the air quality of 310 days in the year 2008, 13 days more than the previous year, met or exceeded the Grade II of National Ambient Air Quality Standards, with an up-to-standard rate of 86.4%. The average environmental noise was 52.9 decibels and the average of traffic noise 66.5 decibels, meeting the national standard on regional environmental noise. Water quality also remains stable. In 2008, 100% of water source for centralized supply of potable water and 100% of wastewater processed by TEDA Sewage Disposal Plant met the required standards. Totally 95.7% of the main water pollution sources supervised by Tianjin Municipal Government were under online monitoring and the flue gas was 100% under online monitoring.

The construction of the eco-industrial parks and circular economy is progressing smoothly. In 2008 TEDA was listed by the central government as one of the first batch of national-level model eco-industrial parks. TEDA also set up an environmental monitoring and pre-warning system and formulated the implementation scheme for setting up a credit system of environmental protection among TEDA corporations. The ISO14001 Environmental Management System worked well. By the end of 2008, accumulatively 104 enterprises of TEDA obtained ISO14001 certification.

TEDA's greening has proceeded smoothly. In 2008, TEDA added green space of 1.79 million square meters. By the end of 2008, the area of green space in TEDA totaled 11.9765 million square meters, among which public green space covered 799,500 square meters. With 30.4% of the built-up areas covered with green patches, the greening coverage rate reached 34.5% and per capita green space 75.09 square meters.

Energy efficiency and emission reduction has seen better results. In 2008 TEDA set up and further improved energy saving procedures and initially set up a energy saving management system. The construction work of the phase I of the No.5 Heat Plant and the upgrading of the desulfurization of the Guohua Energy Plant was finished. In the year TEDA boosted the capability to reduce the emission of COD. Compared with the previous year, in 2008, in light of per 10,000 RMB yuan of GDP, energy consumption fell down by 4.4% to 179.19 kilograms of coal equivalent, electricity consumption down by 4.6% to 595.29 kilowatt-hours, and fresh water consumption down by 7.3% to 6.73 cubic meters. With regard to per 10,000 RMB yuan of industrial added value, the energy consumption went down by 1.1% to 154.33 kilograms, electricity consumption down by 4.9% to 567.07 kilowatt-hours, and fresh water consumption down by 7.6% to 5.34 cubic meters.

IX. City and Community Management

The educational system has been further optimized. In 2008, The Maple Leaf Education Systems, which is based in Dalian, launched operation in TEDA. By the end of 2008, there were altogether 11 schools of various kinds, including five colleges and universities, and two non-government-owned schools. The total enrollment of students were 32,000, of which 801 were foreign students. The number of teaching staff totaled 1,933 and 105 of them came from overseas. In addition, there are six kindergartens providing service to 1,437 children. In 2008, 12% of the senior high school graduates went to study in key universities and colleges of China and 46% of the graduates were enrolled in A-level universities.

The medical and health services have been further enhanced. In 2008, all the residents and the migrant population have the access to medical services provided by the TEDA Community Health Service Stations and the Public Health Service Center. By the end of 2008, there were two general and special hospitals, eight community health service stations, 21 non-governmental medical organizations, and 51 clinics affiliated to enterprises. TEDA boasted 1,070 medical professionals of various kinds, 151 of them possessed senior professional titles and 1,200 beds in hospitals. That is to say, for every 10,000 patients, 83 beds are available in hospitals. In 2008, TEDA's medical institutions provided 558,800 diagnosis and treatment services to patients.

In 2008, a variety of cultural and sports activities were organized in TEDA. TEDA launched a cultural information sharing project and built cultural and sport facilities like the sport park and the public sports field for blue collar workers in the West Zone. Throughout the year, the TEDA Archive, which reserved 430,000 archives, provide 4,400 archive reference services. By the end of 2008, TEDA Library collected

870,000 books, including 320,000 electronic publications. In the year the Library accumulatively provide 290,000 book lending services to 2.15 million readers.

TEDA's urban management progressed to a new level. In 2008 TEDA took the lead to set up a digital urban management system. By the end of 2008, 68.5% of the cases were settled on time through the system. What is more, TEDA actively explored new models of community management by setting up a communication platform, a community service platform as well as a cultural restructuring platform. By the end of 2008, TEDA set up 15 communities and seven residents' committees. It also established 14 volunteer service stations and 50 volunteer organizations in communities. In the year, 21,000 volunteer activities were organized, and volunteers contributed 70,100 hours of services. There were totally 20 public bodybuilding establishments in TEDA. The work related to the non-government relief, employment of ex-servicemen, preferential treatment to ex-servicemen or their family members, senior citizens, ethnic groups, religions, and birth control were all progressing on smoothly.

X. Population and Labor

TEDA's Population has climbed up steadily. By the end of 2008, the permanent population of TEDA grew by 11.5% to 159,500, and the registered population increased by 7.7% to 39,100. The birth rate of the year was 2.19‰, the mortality rate 0.22‰, and the natural growth rate of population 1.97‰. The employed population of TEDA rose by 8.1% to 356,100, of which that in the East Zone grew by 16.6% to 214,500, and that in foreign, Hong Kong, Macao, and Taiwan funded enterprises went down by 3.0% to 223,000.

People's income kept rising. By the end of 2008, the remuneration of employees in TEDA increased by 33.1% to 15.436 billion RMB yuan, of which that of the employees in foreign, Hong Kong, Macao, and Taiwan funded enterprises grew by 17.9% to 9.812 billion RMB yuan. In terms of the four components in the calculation of income-based GDP, the remuneration of employees accounted for 25.5%, two percentage points higher than the previous year. TEDA's per capita remuneration of employees increased by 16.8% to 43,200 RMB yuan.

TEDA further implemented the strategy of absorbing quality HRs to boost TEDA's growth. In 2008, TEDA totally recruited 70 senior talents. By the end of 2008, accumulatively 618 senior talents chose to work in TEDA. There were 53 corporate postdoctoral workstations employing 76 postdoctoral graduates. There were altogether ten HR service organizations, including seven non-government-owned ones. In the year, TEDA trained 15,600 technicians, and 2,491 of them held professional titles at or above medium level. In 2008, 33 job fairs were organized, with the participation of 4,647 enterprises and 70,000 people. A total of 15,000 new jobs were created for the whole year. 14 new youth vocational probation bases were set up, so the total number of such bases has amounted to 46.

The labor and social security system has been further consolidated. In 2008, TEDA

continued to boost the social insurance system reform, promote the mechanism of collective consultations on employees' wages, and kept on strengthening labor management to effectively protect the interests of employees. In 2008, 63 enterprises organized collective consultations on wages, involving 52,200 employees. Industrial injury cases of 1,314 people were handled and identified. A total of 97,400 employment contracts were attested and in the whole year, the employment contracts of 393 enterprises were newly attested.

TEDA's social security has been advancing steadily. As 416 organizations joined in the social security system of TEDA in 2008, the system contained accumulatively 4,506 organizations. The old age insurance covered 229,400 people, and unemployment insurance 215,200 people. A total of 2.631 billion RMB yuan of premium was paid for old age insurance, medical insurance, unemployment insurance, industrial injury insurance, maternity insurance, and children's medical insurance, up by 18.4% from the previous year. Out of the total, 1.716 billion RMB yuan was paid for basic old age insurance and 670 million RMB yuan for medical insurance. In the year, altogether 114 million RMB yuan of old age insurance indemnities were granted, and 5,018 retirees received pension.

Work safety maintained stable. In 2008 TEDA made a lot of efforts to improve the work safety supervision mechanism and proactively push forward the establishment of a work safety accident pre-warning system. The number of deaths per 100 million RMB yuan of GDP in TEDA was 0.0047, much lower than the average of Tianjin and that of China.

XI. The Building of Legal System and Government Administration

The legal environment of TEDA was further optimized. In 2008, abiding by the principle of governing TEDA by law and pursuing the tenet of openness, justice and impartiality, TEDA continued to reinforce the building of its legal system and improve its legal environment. In 2008, 12 regulatory papers including the *Provisions of Tianjin Economic-Technological Development Area on Promoting the Development of the High and New Technology Sectors*, *Provisions of Tianjin Economic-Technological Development Area on Promoting the Development of the Service Outsourcing Industry*, *Provisions of Tianjin Economic-Technological Development Area on Promoting the Development of the Modern Service Sectors* were promulgated. By the end of 2008, there were a total of 48 administrative regulations in effect in TEDA.

Remarkable progress has been made in building a safe and sound TEDA. In 2008, TEDA maintained a safe and stable social environment while its economy grew rapidly, due to the joint support of the court, procuratorate, public security bureau, armed police contingent, fire brigade, and traffic police contingent. For the year 2008, by fully utilizing the integrated system of legal aid in response to citizens' complaints via letters and visits, the Legal Aid Center accepted 4,051 legal aid cases, 23 of which were criminal cases. The Center also dealt with 109 cases of legal emergencies and retrieved 13.916 million RMB yuan of economic loss. By the end of 2008, TEDA boasted 16 law firms and trade unions were operating in 1,636 enterprises and the

number of trade union members reached 133,900.

Informatization continued to progress. In 2008, TEDA continued to accelerate the development of wireless network and the wireless wideband system covered 50% of TEDA. For the year 2008, government service network such as teda.gov.cn, www.investteda.org, and www.tedahr.com, and e-commerce portals such as www.eglobalpurchase.com, www.tedatpc.org, and www.chnsourcing.com continued to play positive roles in investment promotion, publicizing administrative affairs and urban management. TEDA Call Center continued to act as an important bridge of connecting the administrative organs with enterprises and residents.

Governmental administration was further enhanced. In 2008, the TEDA government was selected as one of the 30 excellent organizations in China's 30-year reform and opening-up. TEDA adhered to the principle of reform and innovation, further improved its administrative system and mechanism, strictly implemented the *Administrative Licensing Law* and significantly raised the efficiency of administrative licensing. TEDA continued to promote the building of an e-government and publicity of government affairs, and spared no effort to highlight an environment and image featured by fairness, justice, and transparency.