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Italian firms in the Venice of the East

Supervisor

Ch. Prof. Renzo Riccardo Cavalieri

Graduand

Alessandro Etnasi

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引言

“上有天堂，下有苏杭”

这篇论文的目的在于研究关于意大利和江苏省东部城市苏州之间的联系。该研究已在两个主要阶段进行。第一阶段是在意大利进行。

首先，要考虑整个江苏省。第一部分的目的是创建对城市及其特征的经济环境的认可。这个阶段通过书籍和网站进行，以便在第二阶段之前建立扎实的知识。

第二个也是最重要的阶段是直接在现场进行。苏州的实地研究对于了解苏州的真实动态以及更深入地了解苏州至关重要。通过与苏州一些意大利公司的代表进行访谈和直接接触，可以用真实的经验和见证来丰富这项工作。

苏州靠近南京，杭州和上海，有着悠久的历史，使苏州在全省乃至全国都享有重要的经济地位。论文的第一章着重于苏州本身，

苏州的历史，新政结构和经济概况将是本章的核心。

苏州市地级市。其市辖五个重要的县级城市：吴江，常熟，张家港，昆山和太仓。它们的经济对苏州的经济本身至关重要。确实，所有这些国家都跻身中国百强县的前十名。它的悠久而丰富的故事从公元前 514 年成立到今天一直被分析，突出了其历史上最重要的事件。

自九十年代以来，苏州的 GDP 一直保持着惊人的增长

在第一章中仅提及苏州经济概况，因为其经济数据将在以下各章中进行深入分析。

第二章从对中国开发区的分析开始。什么是开发区，它们的特征是什么，以及存在哪种类型的开发区。

第二章应对城市行政区划。

姑苏区是苏州市的核心。它占地 370 平方公里，是城市中最重要景点。除了姑苏区之外，苏州由城市本身的其他五个区组成：虎丘区，吴中区，相城区，苏州新区和苏州工业园区。

苏州工业园区成立于 1994 年，由新加坡政府与中华人民共和国合资组建。最初，新加坡财团持有工业园区 65% 的股份，而新加坡财团则持有 35% 的股份。新加坡政府希望开发该公园以增加国家的营业额，而中国政府的主要目的是向新加坡人学习经验。到 1995 年底，来自世界各地的不同公司已经开始在苏州工业园区运营。苏州工业园区非常成功。从 1997 年到 1998 年，第一个问题开始出现。金融危机严重打击了苏州工业园区，并且苏州新区的建立在城市本身中创造了竞争者。由于新加坡政府的损失越来越大，它决定将其股份降低至 35%，让中国同行承认获得该项目 65% 的股份。在新加坡脱离接触后，园区迎来了更好的时机，2013 年的国内生产总值达到 1900 亿元人民币的峰值。

苏州工业园区成立前两年，苏州新区成立。旨在吸引高科技产业投资，一开始它就被视为苏州工业园区的竞争对手。2017 年，苏州新区的国内生产总值达到 1210 亿元的峰值，创历史新高。

在同一地区，苏州市辖下的五个县级市为苏州的经济增长做出了贡献。邓小平改革六年后，昆山被称为小台湾，它于 1984 年签署了第一份外国直接投资协议。

昆山市生产总值达 3160 亿元，2016 年列全国县级市第一。它托管着许多重要的公司，即使其激励政策将在第二章中进行分析。

被分析的第二个城市吴江具有其战略地位。它位于上海和浙江省之间，得益于吴江发达的基础设施，很容易到达重庆。

张家港市于 1993 年被宣布为试验性工业区，因其到 2030 年成为中国最大城市之一的意愿而出类拔萃。

太仓是美丽，长江南岸黄金城市，是整个江苏省国际贸易的主要港口。它的特点是德国公司数量众多。实际上，这是德国公司在中国的主要基地。1993 年在这里成立了第一批德国公司。

1987 年更名为常熟市，1992 年成立常熟市经济技术开发区。

在确定了苏州行政区划及其主要发展区之后，本文进入了最重要的部分。第三章从分析两个威尼斯之间的关系开始。真正的威尼斯和东方的威尼斯。自从马可波罗以来，这两个城市自 1980 年以来一直保持着联系，当时两个城市的市长决定使两个城市成为孪生城市，以试图改善他们在不同部门的关系。这种协议在当时变得非常流行。米兰和上海以及南京和佛罗伦萨在同一年签署了同样的协议。它突显了江苏省一直对意大利经济的重视。实际上，在第三章开始时，研究将集中在江苏省，因为许多意大利公司已选择该省作为其投资对象。南京和无锡在这一部分将格外重要。

然后，重点将转移到苏州。苏州是意大利以外意大利企业最大的基地。马可波罗是最早抵达苏州的意大利人之一。事实上，马可·波罗于1276年到达他称为 Sugni 的城市。他形容苏州是一座美丽的桥梁和运河城市，在那里生活的人们都是伟大的商人。他是最早将苏州称为东方威尼斯的人之一，因为他所访问的城市使他想起了威尼斯。

如今，已有 200 多家意大利企业在苏州运营。将考虑在苏州成立的其他重要意大利公司。他们的历史，数据，目标和策略将得到分析。包括 Mini Gears, Danieli, Carel, Faist, Cefla, Salmoiraghi 和 Valvitalia 等公司。最早于 2004 年在苏州有效成立的意大利公司是 Mini Gears。为什么选择苏州？因为 Mini Gears 希望跟随其移居中国的客户。在此阶段，现场研究发挥了重要作用。与不同意大利企业成员会面的可能性是至关重要的。在苏州进行研究期间，对不同意大利公司的成员进行了采访。第一位被访者是 Pelliconi 总经理 Lorenzo Bali。

Pelliconi 是一家成立于 1939 年的意大利公司。它生产瓶盖。它在世界各地设有不同的分支机构。美国和埃及是意大利以外的前两个工厂。由于该策略的成功，Pelliconi 于 2016 年决定在中国境外开设第三家分公司。总经理 Lorenzo Bali 自 2003 年以来一直在中国，他被委托负责 Pelliconi 的中国项目。他选择苏州作为设立 Pelliconi 中国分公司的理想场所。苏州新区入选。

意大利公司的第二次采访是 Modula。多亏 Modula 客户服务总监，进行了第二次采访。Modula 是一家成立于 1987 年的意大利公司，直到 2016 年一直是 System 公司的一部分。它生产垂直仓库。2017 年，莫迪选择苏州工业园区在中国开设新工厂。

吴江有多家意大利公司。 在那边可以进行三种不同的采访。实际上，OMET 是吴江市的主要公司之一。运营经理 Francesco Liuli 和总经理 Fabio Valle 接受了有关 OMET 的采访。欧梅特 (Omet) 出生于 1963 年，自 2000 年头几年以来已与中国建立了不同的商业关系。OMET 的不同部门产生不同的事物。 球轴承，湿润和标签。2007 年，他们决定在苏州管理的县级城市之一的吴江建立工厂。他们是公司中仅有的两名意大利人，他们负责质量和经济监督。

最后参观了另一家在吴江的意大利公司。 Carimali 已结束在苏州的研究。Carimali 是一家意大利咖啡机制造商。 它诞生于 1919 年，其总经理 Andrea Pietrobon 谈到了它在中国的运作方式以及谁是他们的最佳客户。Carimali 决定于 2013 年在吴江成立，以满足客户的要求。采访全部以意大利语进行，然后出于研究目的用英语翻译。

这项研究的最终目的是了解为什么全世界有如此众多的公司选择苏州作为其运营的目的地。了解为什么有 200 多家意大利公司选择苏州。它的优点，缺点，激励措施，有利的政策等等。访谈一直是研究的关键点。 公司的指数经验使人们有可能了解选择苏州的真正原因。 技术需求，客户需求，经济需求已成为最常见的选择因素。

拥有数千座桥梁和数百条运河的苏州是威尼斯的双城，也许正因为如此，它是中国经济增长惊人的城市之一。 它的位置，生活方式和开发区使它成为不同年份美国十大最佳城市之一，并接待了来自世界各地的大型企业。

INTRODUCTION

This work is intended to analyze the linkages between Italy and Suzhou, an eastern Chinese city located in Jiangsu province.

The research has been divided in two main phases. The first phase was conducted in Italy. The aim of the first phase was to create an acknowledgment of the city and of the economic environment it is characterized by.

The second and main phase was conducted directly on field. Field research in Suzhou was vital to understand the real dynamics of Suzhou, and to have a closer look in order to create a better understanding. Through interviews and direct contacts with exponents of some of Italian companies in Suzhou, it has been possible to enrich the work with real experiences and witnesses.

Close to Nanjing, Hangzhou and Shanghai, Suzhou succeeded in reaching an important economic position within the province and within the country itself. The first part of the work focuses on the city of Suzhou. After passing through an historical contextualization to understand the reason why Suzhou has been important since its foundation, the paper will analyse its administrative structure. As a prefecture-level city, its municipality governs over five important county-level cities: Kunshan, Wujiang, Changshu, Taicang and Zhanjiang. They are vital to Suzhou's economy and all of them have been ranked among the first ten of the "Top 100 powerful counties in China". The city itself has three main districts in which companies are concentrated: *Gusu qu*, the city center district, Suzhou Industrial Park and Suzhou New and Hi-tech Development Zone. Through the analysis of its districts and its administrated county-level cities, the aim of this work is to understand the reason behind the economic success of the city, what is happening today and what is going to happen next.

Suzhou Industrial Park is one of the main focuses of the work. The state joint-venture between Chinese and Singaporean governments has brought Suzhou's development to a new level, even though the problem arose during the years. Born in 1994 from the collaboration of the two states and designated as a Special Economic Development Zone

it hosts many important companies from all over the world and, in 2013, its GDP reached USD 26 billion. The other main district within the city is Suzhou New District. Born in 1992, it has received huge investments from companies from more than 30 different countries. In 2017, its GDP peaked at USD 18 billion contributing for a great part to the city's total GDP. All the cities under the administration of Suzhou will be analyzed as well because of their huge impact on Suzhou's economic progress. Kunshan, especially, was ranked as the first among the cities with the highest GDP. The main focus of the work will be the analysis of the Italian environment that has been created in Suzhou. As the matter of fact, with more than 200 companies running operations in Suzhou, it is the city all over the world that hosts more Italian companies out of Italy itself. Through interviews and data analysis, the reason that brought so many Italian companies to decide to run operations in Suzhou will be exposed. Different companies as *Pelliconi Suzhou Closures Manufacturing Company Limited*, *Modula*, *OMET* and *Carimali* will be among the most important case studies of the work.

CHAPTER I

Suzhou, The Venice of the East

Born in 514 BC, Suzhou is one of the most ancient cities in China. Known as the “Venice of the East”¹, It is located in the south-eastern province of Jiangsu. Born on the Yangtze River delta and very close to other very important cities like Shanghai, Nanjing and Hangzhou. It counts around 10.7 million people in its administrative area and around 4.4 million in the city².

Suzhou’s 11.992 hectares of classical gardens were inserted, in 1997, in the UNESCO World Heritage Sites list. Suzhou’s bridges, canals and its pagodas make the city one of the most visited city in all the country.

In 2018 Suzhou’s GDP³ was over RMB 1.8 trillion. Compared to the 2012 GDP an increase over 9.6% was registered. Nowadays, its GDP has brought Suzhou to be both the first city level economy in the Jiangsu Province as well as the 7th of the country after Shanghai, Beijing, Guangdong, Shenzhen, Tianjin and Chongqing⁴.

¹ Giulia CARBONE, “Suzhou, la Venezia d’Oriente”, 2018:
<https://cinainitalia.com/2018/11/23/suzhou-la-venezia-doriente/>

² <http://china-trade-research.hktdc.com/business-news/article/Facts-and-Figures/Suzhou-Jiangsu-City-Information/ff/en/1/1X000000/1X0A11R6.htm>

³ Gross Domestic Product

⁴ Lei WANG, Jianfa SHEN, Calvin King Lam CHUNG, “City profile: Suzhou – a Chinese city under transformation”, 2015

HISTORY

Suzhou was founded in 514 BC, during the Spring and Autumn period⁵. Born with the name of Gusu⁶ or Wu⁷ and destination of many migrations towards the Yangtze River, the golden age of Suzhou only arrived with the Sui dynasty 581-618 AD⁸. Become one of the main commercial gates and linked with many northern cities thanks to the Grand Canal⁹, Suzhou was mainly known for silk industry and embroidery.

During Song, Ming and Qing dynasty Suzhou came to his peak with many retired officials and leading merchants building many private gardens that highlighted Suzhou's splendor. Nine of these gardens were insert into the UNESCO¹⁰ World Heritage List¹¹. Humble Administrator's Garden¹², Master of the Nets Garden¹³ and Lion Grove Garden¹⁴ are among the most ancient and famous ones.

The First Opium War¹⁵ 1840-1842 brought Shanghai to be the new China's national economic centre. Leased to Japanese government, on the other hand Suzhou experienced a period of a big shift. It was forced to abandon the family-based and low-density urban structure to become a cluster of cotton mills and commercial facilities¹⁶. The foreign capital introduced in that period anticipated the foundation of classical silk and textile industries on a small-scale production introducing modern technologies as well.

⁵ A period that goes from 771 BC to 481 BC in which the eastern Zhou had the lead. This period brought the over 170 states to become just 7.

John A.G. ROBERTS, "A history of China", Red Globe Press, 1999

⁶ 姑苏, Gū sū: Old Suzhou. The name that the city centre still has

⁷ 吴, Wú. It was one of the most powerful states during the Spring and Autumn period

<https://www.britannica.com/place/Wu-Chinese-kingdom-circa-500-BC>

⁸ Ibidem.

⁹ 大运河(Dà yùnhé), even known as Beijing-Hangzhou Canal is a series of waterways linking Zhejiang province to Beijing. It is the longest man-made waterway in the entire world. Began during the Sui dynasty, it was widened and dredged during the sixties. Used for both agricultural and commercial purpose, it has been the main link between the southern and the northern part of China for centuries.

<https://www.britannica.com/topic/Grand-Canal-China>

¹⁰ United Nations Educational, Scientific and Cultural Organization

¹¹ An area selected by UNESCO that has a particular significance and it is protected by international treaties.

¹² 拙政园 Zhuōzhèng Yuán

¹³ 网师园 Wǎngshī Yuán

¹⁴ 狮子林园 Shī Zǐ Lín Yuán

¹⁵ 1839-1842 a war that brought Qing dynasty to face a war against United Kingdom

John A.G. ROBERTS, A history of China...p. 162

¹⁶ Y. CHEN, Study on morphological evolution of modern Suzhou, 2003, Urban Planning Forum, 148, 62–71 (in Chinese)

The position reached by Suzhou was spoiled: firstly because of the Taiping Rebellion¹⁷. Suzhou was in fact occupied by the Taiping leader, Li Xiucheng¹⁸. The city was restored at the end of the 19th century but its commercial position was challenged by the commercial strength Shanghai was gaining. With the Treaty of Shimonoseki¹⁹ Suzhou was pushed to a reopening to foreign trade but without great results.

During the First World War, Suzhou experienced a great development becoming the actual birthplace of Chinese modern industry. Japanese invasion²⁰ and civil war²¹ saw Suzhou's development obstructed.

Taken over by the Chinese Communist Party in 1949, Suzhou underwent a period in which its economy was characterized by people's communes, state-owned enterprises and collectively owned enterprises. Due to some political struggles between the sixties and the seventies its economy went through a weak period.

1978's reforms²² and China's re-opening brought Suzhou into a new golden age. In this year it experienced the fastest economic growth²³. Its growth was intensified with the opening of Pudong New Area²⁴ in Shanghai in 1992.

The large inflow of Foreign Direct Investment led Suzhou to another big shift. As the matter of fact, during the nineties, it adopted an export-oriented economic model focusing on technologies development and capital-intensive industries²⁵.

¹⁷ A civil war happened between 1850 and 1864 between the Manchu-led Qing dynasty and the Taiping Heavenly Kingdom

John A.G ROBERTS, *A history of China*...P. 172

¹⁸ A military leader during the Taiping rebellion

¹⁹ Signed in 1858, the 马关条约, mǎguān tiáoyuē led the first sino-japanese war to an end. With the victory of Japan, the agreement was detrimental to China development.

<https://www.britannica.com/event/Treaty-of-Shimonoseki>

²⁰ 1937-1945

²¹ 1945-1949

²² Under the lead of Deng Xiaoping, China enacted some crucial economic reforms.

"We need large numbers of pathbreakers who dare to think, explore new ways and generate new ideas. Otherwise, we won't be able to rid our country of poverty and backwardness or to catch up with—still less surpass—the advanced countries." Deng Xiaoping

John GITTINGS, *The changing face of China: from Mao to market*, Oxford University Press, 2006

²³ Laurence J.C. MA, Fan MING, *Urbanisation from below: The growth of town in Jiangsu, China, 1994*
<https://journals.sagepub.com/doi/10.1080/00420989420081551>

²⁴ A state-level new area that links Shanghai to the East China sea

²⁵ Ye Hua WEI, *Beyond the Sunan model: trajectory and underlying factors of development in Kunshan, China, 2002*

<https://www2.scopus.com/record/display.uri?eid=2-s2.0-0036798774&origin=inward>

The establishment of the city's first railways that linked Suzhou with Nanjing and Shanghai in 1908 was a big step for sure.

ADMINISTRATIVE STRUCTURE

Suzhou is a prefecture-level city. It is administratively less powerful than the provincial-level²⁶ and sub-provincial cities²⁷ but superior to county-level cities. According to the “City administering county” a prefecture-level city is endorsed with administrative leadership over several nearby county-level cities²⁸. Apart from the city of Suzhou, its municipality governs over five county-level cities: Kushan, Wujiang, Changshu, Taicang and Zhangjiagang. Called “Small Taipei” Kushan is located between Suzhou and Shanghai and it is the richest city under the Suzhou's municipality, and it hosts a cluster of Taiwanese enterprises. Computer and software manufacturing are the core of Kushan's industry. These cities have a real strong economy by themselves; all of them were in the top 10 of the Top 100 powerful counties in China²⁹. Of course, they really contribute to Suzhou's economy and to its position as seventh place in the list of China's most competitive cities, based on 294 cities at the prefectural level or above³⁰

The city of Suzhou is well divided on its inside. At the centre of the city, its core: Gusu³¹ district, the old town. The city then hosts two very important industrial zones: Sino-Singapore Suzhou Industrial Park (SIP) to the west and Suzhou New and Hi-tech Development Zone (SND) to the east. SIP, with its 288 km², attracts big transnational corporations while SND, in 55 km², is more likely to accommodate small and medium sized domestic companies.

²⁶ Eg. Beijing and Shanghai

²⁷ Eg. Nanjing and Hangzhou

²⁸ Jingxiang ZHANG, Fulong WU, *China's changing economic governance: administrative annexation and the reorganization of local governments in the Yangtze River Delta*. 2007
<https://www.tandfonline.com/doi/full/10.1080/00343400500449085>

²⁹ Lei WANG, Jianfa SHEN, Calvin King Lam CHUNG, *City profile: Suzhou – a Chinese city under transformation...*

³⁰ P. Ni, *Blue book of city competitiveness 2013*. Beijing: Social Sciences Academic Press, 2013

³¹ 姑苏区, Gū sū

Because of the importance gained after the Deng Xiaoping's reforms Suzhou's urban area switched from its 28 km² in the 1980 to 329 km² in 2010, increasing its size by 11,5 times. This increase led Suzhou's overall GDP to be over 1.3 trillion in 2013. Its economy based on the second China's largest manufacturing sector, IT and textile products are the primary sources of Suzhou's GDP. Thanks to its notably services, tourism is well developed and, in 2013, brought more than RMB 152 billion.

The establishment of the high-speed train railway between Suzhou and Shanghai in 2011 has brought many benefits as the construction of the Suzhou North Railway station that has led to the birth of a new town around it.

A new town was born around Wujiang as well. Designated as an urban district³². It has brought to the creation of "Tai Lake New City", making difficult to comply with 1998's Land Administration Law of the People's Republic of China³³. Because of the necessity of complying with this law a local norm was enacted: The "Four Million Mu"³⁴ program that must create and preserve land for cultivation, aquaculture, greens and wood. Suzhou is a pilot project of this experimental program.

Many environmental problems are still to be solved as to maintain the balance between cultivable lands and urban territories, but a reflection and some programs are already been enacted. As the matter of fact, in 2014, Suzhou was rewarded by UNESCO as the first ranked city in the "Arts and Crafts"³⁵ Category, revealing a creative and innovative environment to change its path. Shifting from an economy based on the industry to an economy based also on services and culture within the city. The factories in the city centre, the net separation of each district as to its main function and mass tourism are problems that Suzhou is still working on.

³² Wujiang District of Suzhou City

³³ "The law is formulated in accordance with the Constitution with a view to strengthening the administration of land, safeguarding the socialist public ownership of land, protecting and developing land resources, ensuring a rational use of and giving a real protection to cultivated land to promote sustainable development of the socialist economy." Standing Committee of the National People's Congress. 1998 (rev.2004)

³⁴ 畝, Mǔ is the traditional measure of land, corresponding to 0,16 acre. This program ensures that every agricultural land, woodland, water and ecological land has to be no less than one million mǔ. 4.1 million mǔ have been set apart for this purpose.

³⁵ The UNESCO Creative Cities Network is a 2004 project that groups city which took creativity as the core of their urban development. Among these cities: Jingdezhen, Chiang Mai, Cairo, Carrara <https://en.unesco.org/creative-cities/node/965>

Suzhou's development is impressive. In 2015 it has not only Jiangsu province's highest growth and expansion but in China as a whole, and a double-digit GDP increase was registered in the last fifteen years³⁶. The key of such a success lies in creating jobs and better standards of living for its people as well as protecting its cultural heritage during the urban expansion. That's why Suzhou's Human Development Index³⁷ is merely comparable to a moderately developed country, placing Suzhou among the most highly industrious and prosperous cities in China.

Suzhou is one of the main destinations for foreign direct investment. Indeed, the city has attracted more than USD 8.54 billion in 2012 and more than eighty of Fortune's top 500 companies³⁸ have offices in the town.

³⁶ <https://www.echinacities.com/news/Suzhou-Business-Guide-Economic-Overview>

³⁷ Human Development Index is a rate that points out life expectancy, per capita income and education indicators to rank countries and their human development
http://www.hdr.undp.org/sites/default/files/china_nhdr_2013_en_final.pdf

³⁸ Published by Fortune magazine, Fortune 500 is a list that ranks the top 500 United States corporation based on their total revenue. Around 90 of them are in Suzhou. Sony, Chevron, Mobil, Motorola, Philips are among the ones in Suzhou
http://english.suzhou.gov.cn/fw/tzfw/sj500q/201611/t20161108_793612.shtml

CHAPTER II
Development Zones
Of
Suzhou

CHINA: DEVELOPMENT ZONES

Under the leadership of Deng Xiaoping, the 1978's reforms³⁹ brought China to a disclosure, to a new age in which the outside world could have been a resource for China's development itself. It was therefore unavoidable to find a tool to reach this goal, to follow the programmed China's path to the national wealth. Development Zones were designated as the mean that would contribute to China's economic growth⁴⁰. The non-Chinese concept of Development Zone describes a geographically limited zone in which favourable tax policies and administrative procedures to help investor and trade activities are provided⁴¹.

There are different types of Development Zone: each kind has its peculiarity and its different aims.

- Special Economic Zone (SEZ): tax incentives and sometimes duty-free benefits are provided in a specific area.
- Economic and Technological Development Zones (ETDZs): smaller compared to the SEZs. The ETDZs are areas in which specific industries enjoys different benefits and incentives
- Hi-Tech Industrial Development Zone: similar to ETDZs, the Hi-Tech Industrial Development Zones encourage research and development and the creation and commercialization of new products for industries like electronics, chemicals and information technology one.
- Free Trade Zone: appointed areas for export processing and international trade. Refunds on exports in this kind of area can be provided because exempt from Chinese regulations.
- Export Processing Zone: usually located inside an already existing development zone, this kind of zone is very similar to the Free Trade Zone but with smaller dimensions.

³⁹ *Ibidem*

⁴⁰ Shiuh-Shen CHIEN, *The Isomorphism of Local Development Policy: A case Study of the Formation and Transformation of National Development Zones in Post-Mao Jiangsu, China*, Urban Studies, 2007

⁴¹ Shiuh-Shen CHIEN, *The Isomorphism of Local Development Policy: A case Study of the Formation and Transformation of National Development Zones in Post-Mao Jiangsu...*p.275

- Bonded Logistic Zone: collocated nearby airports or ports, this kind of zone is where some logistic activity can be done⁴².

In 1979, during a visit, Deng Xiaoping chosen the Guangdong's province city Shenzhen to be the China's first Special Economic Zone⁴³. Because Shenzhen Special Economic Zone's success, in 1984 Chinese government decided to elect port cities to open new Development Zones, more specific the new aim was to set up Economic and Technological Development Zone. Even though very similar, the two kind of Development Zone underlined the China's intention to follow the path to economic growth: if SEZs were mainly set up with and export orientation, the ETDZs were set up with the aim of industrial development instead⁴⁴.

In 1988 the first Hi-Tech Industrial Development Zone was established in Beijing: the Zhongguancun Science Park is known as the "Chinese Silicon Valley" because of its innovation capabilities and because the companies it hosts: Lenovo⁴⁵, Google⁴⁶, Intel⁴⁷, Sony⁴⁸ and Microsoft⁴⁹ are currently running operations in the park. In 2018 more than 168 national Hi-tech Development Zones were present in China and, in the first half of the same year, more than 130,000 new companies were added in the different Development Zones. In 2017, with more than USD 1.3 trillion, all the national Hi-tech Development Zones contributed for the 11.5% of the national total GDP⁵⁰. By now, more

⁴² <https://www.china-briefing.com/news/understanding-development-zones-in-china/>

⁴³ <http://cpc.people.com.cn/GB/85037/85038/7759329.html>

⁴⁴ <https://urbachina.hypotheses.org/3446>

⁴⁵ *Ibidem*

⁴⁶ *The Mountain View's giant is a multinational company providing internet services and products. Its search engine it is the world's most used search engine ever. Founded in 1998, it is among the four most important companies in the informatic industries.*

<https://www.britannica.com/topic/Google-Inc>

⁴⁷ *Intel Corporation is an American multinational company founded in 1968. It is nowadays among the first 5 world's chip manufacturer. Its 2018's total asset was registered at USD 127 billion.*
<http://intel.com/>

⁴⁸ *The Japanese multinational manufactures electronics, entertainment and gaming products. The world's first video game console manufacturer. It employs more than 100,000 workers around the world.*
<http://www.sony.net/>

⁴⁹ *Microsoft Corporation is an American multinational company that with focus on R&D produces computer software, electronics and personal computers. It was founded by the billionaire Bill Gates in 1975. Its total assets of USD 286 billion makes it rank among the first 30 in the Fortune 500 classification.*
<https://www.microsoft.com/>

⁵⁰ <http://www.chinadaily.com.cn/a/201807/17/WS5b4d3ebda310796df4df6cf1.html>

than 400 State laboratories and more than 2500 research institutes are settled in the Hi-tech Development Zones. During the nineties, many national-level High-tech Development Zones were set up all over the country. Hi-tech Industry Development Zones are themselves grouped in six main categories⁵¹:

- High-Tech Industry Development Zone
- High-Tech Industry Demonstration Zone
- High-Tech Industrial Zone
- Torch High-Tech Industry Development Zone
- Science Park
- Industrial Park⁵²

It is interesting to see what are the main benefits that convince investors to set up operations or a branch in one of the Development Zones rather than the normal ones. The first group of benefits can be found in costs. Development Zones provide some favourable policies like low prices to acquire lands, tax awards or exemptions, low cost of investment and the means to make import and export activities easier. But this is not everything. As the matter of fact, in order to improve companies' efficiency in the different Development Zones the support of the government is fundamental: services provided as accounting, lawyer, marketing demonstrate the will of the government, at different level, to help investors to set up in Development Zones⁵³. The autonomy of the park is another key point in the decision-making process. One of the main points, still, are the characteristics of the Development Zones themselves: their concentration of talent and knowledge, make them a real mine of learning and places with a plenty of useful instrument to help specific industries⁵⁴.

Taking the average economic growth of Suzhou, from 1980 to 2012 its growth is about 19.83%. As in its ancient history, Suzhou's economic stability has been challenged very often. With political problems China had to face in the 1989, Suzhou's economic growth

⁵¹ *Ibidem.*

⁵² *Suzhou Industrial Park is, by now, the only industrial park set up in China.*

⁵³ <https://www.china-briefing.com/news/understanding-development-zones-in-china/>

⁵⁴ *Ibidem.*

was stop and it went through a difficult phase. It's the 1993 the year of the turning point. The construction of Pudong New Area in Shanghai let Suzhou get to one of its greatest peaks: its GDP growth rate touched an amazing 70,3%⁵⁵.

After this peak, the Suzhou's GDP growth rate was stable enough. An exception happened in 2003 when China joined the World Trade Organization⁵⁶.

One of the main factors playing in the economic growth of Suzhou is the amount of FDI⁵⁷. As the matter of fact, the total amount of FDI between 1990 and 2012 reached 101.97 billion USD. In 2003 Suzhou surpassed Shanghai for what concerns FDI and it is one of the first three FDI destinations among the Chinese cities.

The open economy, in fact, is one of the main sources of the astonishing economic growth of Suzhou. For many years Suzhou has been fourth in the ranking of import and export volume, preceded only by Shenzhen, Shanghai and Beijing. While import-export volume has lost its position, export volume has stood third in the ranking. In 2017, the export volume of Suzhou was registered at USD 316 billion with an annual increase of 15.5%⁵⁸

Less than 0.1% of China's land and with 0.8% of the population Suzhou's import and export volume is 7.7% of the nation. Because of the importance of its open economy, Suzhou's growth suffered a bad blow during the financial crisis of 2008⁵⁹.

Famous for its gardens, for its canals and for its bridges, Suzhou has drastically changed its path towards an impressive economic growth that went through two main points: relocating Suzhou as a main FDI destination and a safe harbour for new and hi-tech industries.

With more than 50,000 foreigners who had lived in Suzhou for at least one year and more than 30 international scientific and technological cooperation carriers, the city is aiming

⁵⁵ Lei WANG, Jianfa SHEN, Calvin King Lam CHUNG, *City profile: Suzhou – a Chinese city under transformation*.

⁵⁶ World Trade Organization (WTO) is an intergovernmental organization that deals with the regulation of international trade between the nations
<https://www.wto.org/>

⁵⁷ Foreign direct investment

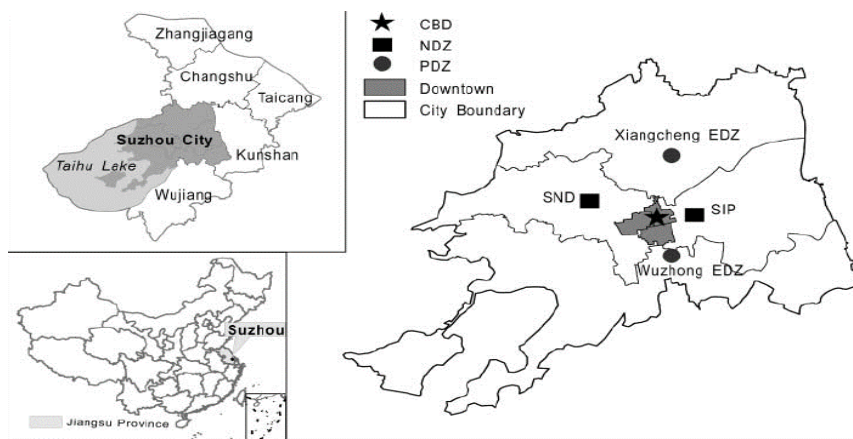
⁵⁸ <https://www.shine.cn/biz/economy/1811054632/>

⁵⁹ The global financial crisis of 2008 is considered the biggest financial crisis after the thirties' Great Depression

<https://www.economist.com/schools-brief/2013/09/07/crash-course>

to an implementation and a great development in the research and development field. Suzhou Medical Institute, created in 2012, is one of the main steps within this process⁶⁰. By its side the Suzhou Dushu Lake Higher Education Town⁶¹ is one of the cores of the process of innovation of the city. With an area of 25km² it hosts universities as the Xi'an Jiaotong-Liverpool University⁶², National University of Singapore⁶³, Soochow University⁶⁴ and the Renmin University of China⁶⁵.

The division of the city of Suzhou is very strict and clear. With more than eight thousand square metres, the Suzhou's economy driving wheels lies mainly in few districts: Suzhou Industrial Park, Suzhou New and Hi-tech Development Zone within the cities and the five county-level cities out of it.



Map of Suzhou. Development Zones⁶⁶.

⁶⁰ <https://baijiahao.baidu.com/s?id=1636803051706198242&wfr=spider&for=pc>

⁶¹ 苏州独墅湖高等教育区, Sūzhōu dú shù hú gāoděng jiàoyù qū. Situated in the Suzhou Industrial Park, to the East of Dushu Lake, one of the main lakes of Suzhou.

⁶² 西交利物浦大学, Xī'ān Jiāotōng Lìwùpǔ Dàxué was founded in 2006 from a partnership between the University of Liverpool and Xi'an Jiaotong University (XJTLU)
<https://www.xjtlu.edu.cn/en/>

⁶³ NUS was established in 1982 and opened a Research Institute in 2010 in Suzhou
<http://en.nusri.cn/>

⁶⁴ Known as Suda, 苏大, Sūdà was founded in 1900 and refounded in 1982, making it one of the oldest university of the country.
<http://www.suda.edu.cn/>

⁶⁵ 中国人民大学, Zhōngguó Rénmín Dàxué is located in Beijing and it was established in 1937.
<https://www.ruc.edu.cn/>

⁶⁶ Yuehua Dennis WEI, Feng YUAN, Felix Haifeng LIAO, *Spatial Mismatch and Determinants of Foreign and Domestic ICT Firms in China*
https://www.researchgate.net/publication/241746145_Spatial_Mismatch_and_Determinants_of_Foreign_and_Domestic_ICT_Firms_in_China

A SINO-SINGAPORE JOINT VENTURE: SUZHOU INDUSTRIAL PARK

Suzhou Industrial Park is one of the most important economic districts in the city. It is located to the eastern part of Suzhou, close to the Jinji lake⁶⁷.

After the 1978's reform and the reopening of China, Singapore was suddenly taken as a role model. Its efficiency during the last thirty years of independence attracted China's attentions⁶⁸.

We should not only aspire for economic prosperity but also maintain good social order and public conduct. We should overpass them in building both material and ethical civilizations and that is the socialism with Chinese characteristics. Singapore's social order is rather good. Its leaders exercise strict management. We should learn from their experience, and we do an even better job⁶⁹.

Singapore government considered the development of the Suzhou Industrial Park as a main step towards the project in which was involved in that period: regionalization program was meant to produce an external income in order to supplement Singapore's domestic economy. Even though after its independence, Singapore was considered a standard developmental state, it was different under an aspect: the government aimed to transnational corporations rather than the domestic ones, to be the engine of its economic growth⁷⁰. Injection of industrial capital, employment creation and connection to local business were the reasons why Singapore government would rather invest on transnational corporations⁷¹. Because of the notable success of the strategy adopted, Singapore government decided, between 1989 and 1994, to develop industrial parks. Batam, Bintang and Karimun in Indonesia were the first industrial parks in which

⁶⁷ 金鸡湖, Jīnjī Hú, is a lake situated at the centre of the SIP. With a 7.4 km² area, it is one of the biggest inland lake in China

<https://baike.baidu.com/item/%E9%87%91%E9%B8%A1%E6%B9%96/2376478?fr=aladdin>

⁶⁸ Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy*, *Asian Journal of Political Science*, 2002, p.123

⁶⁹ Deng XIAOPING, *Shanghai*, 1992

http://www.sipac.gov.cn/english/zhuantifnotpoc/fnotpoc_nmoic/

⁷⁰ Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy...p.124*

⁷¹ Leslie SKLAIR, *Sociology of the Global System*, Prentice Hall, London, 1995, p.27

Singapore government invested its resources. The experience gained in Thailand, in Vietnam and in India led Singapore to the decision to sign an agreement with Chinese government. In 1992 China's Vice Premier Li Lianqing and Singapore's Senior Minister Lee Kuan Yew signed the agreement about the development of Suzhou Industrial Park.⁷² The economic co-operation will of the two governments turned up to be a commercial joint venture. The joint venture was made of two consortiums: the Singaporean one owned 65% of the shares of the project, while the Chinese one held the remaining 35%. While the Singaporean consortium was made of 24 Singaporean and international companies headed by the Singapore government, the Chinese one was headed by the People's Republic of China government and it was made of 12 companies and agencies⁷³.



August 1994, China's Vice Premier Li Lianqing and Singapore's Senior Minister Lee Kuan Yew have just signed the agreement that led to the creation of Suzhou Industrial Park ⁷⁴

The park, officially born in 1994, was designated as a Special Economic Development Zone⁷⁵. During the opening ceremony 14 companies had already chosen to start

⁷² Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy...* p.126

⁷³ These 12 companies included The Bank of China, The Jiangsu Trust and Investment Corporation and China Great Wall Industry Corporation
Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy...* p.128

⁷⁴ August 1994, China's Vice Premier Li Lianqing and Singapore's Senior Minister Lee Kuan Yew have just signed the agreement that led to the creation of Suzhou Industrial Park
<http://www.cssd.com.cn/gywm.asp>

⁷⁵ Area of People's Republic of China where FDI are allowed and encouraged.
<https://www.china-briefing.com/news/chinas-economic-development-zones-types-incentives/>

operations in the Suzhou Industrial Park and among them, the biggest investment came from Samsung⁷⁶ with its USD 450 million and the purchase of 33 hectares.⁷⁷

The Suzhou Industrial Park, just 80km far from Shanghai, was meant to cover an area of 70km² by 2014 and its cost of development was supposed to be around USD30 million. Concerned with the creation of more than 360,000 jobs for the people of Suzhou it was initially projected to generate more than USD 20 billion in investment from foreign investors.⁷⁸

By the end on 1995 many companies already settled and many that had announced the will to settle in the SIP were awarded among the Fortune Global 500 and Asiaweek 500⁷⁹. Among them: American Micro Devices⁸⁰, Betcon Dickinson⁸¹ with USD 50 million, Nabisco⁸² with USD 60 million and Delphi Technologies⁸³ with USD 80 million. The marketing process was of course fundamental; the presence of worldwide known companies and their referrals would have attracted new investors in the next few years.

The “Phase One”⁸⁴ witnessed an exceptional fast annual growth in foreign investments. In these years, only Pudong Industrial Area in Shanghai received a bigger amount of foreign investments. In this period the China-Singapore Suzhou Industrial Park

⁷⁶ *The big South-Korean company, born in 1938, has invested USD 2.11 billion and employing 2,132 local citizens.*

<https://www.samsung.com/semiconductor/about-us/manufacturing-centers/suzhou/>

⁷⁷ Alexius A. Pereira, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)*, p.90

⁷⁸ Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy...* p.127

⁷⁹ *Asiaweek 500 is the ranking of the most important Asiatic companies considering turnover and total assets.*

Alexius A. PEREIRA, *State Collaboration and Development Strategies: The case of the China-Singapore Suzhou Industrial Park (1992-2002)*, Routledge Curzon, London, 2003

⁸⁰ *Founded in 1969, AMD is a global company of manufacture of semiconductor devices for computer processing.*

<https://www.samsung.com/semiconductor/about-us/manufacturing-centers/suzhou/>

⁸¹ *American medical technology company born in 1897, Becton Dickinson is creating more than 700 jobs in Suzhou (<https://www.bd.com/en-us>)*

⁸² *American company of cookies and snacks, famous worldwide for Oreo cookies, is creating more than 1000 jobs in Suzhou (<http://snackworks.com/>)*

⁸³ *Delphi Technologies is a global enterprises that deals with innovation of propulsion systems and aftermarket solutions. All over China it creates more than 3500 jobs with its plants in Shanghai and Beijing.*

⁸⁴ *The first phase of the development of the SIP was named “Phase One”. It went from 1994, its foundation, until 2000.*

Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy...* p.127

Development Private Limited⁸⁵ managed and marketed the Suzhou Industrial Park. Chinese vice president Li Lanqing and Singapore's deputy prime minister Lee Hsien Loong oversaw the joint steering council that met annually apart from exceptions.

The Suzhou Industrial Park Administrative Committee⁸⁶ was appointed by the People Republic of China's State Council to administer Suzhou Industrial Park project. Independent from Suzhou Municipal Authority or the Jiangsu Provincial government it had to administer many services: selling the leasehold rights of the land, approving investment projects, planning the usage of land and natural resources and environmental protections.⁸⁷

The first three years of the project confirmed the perspectives of the two government: the SIP was doing good. It brought many jobs in Suzhou and transnational corporations were starting operations in the SIP.

⁸⁵ CSSD, jointly developed by Chinese and Singaporean governments in August 1994, not only was the protagonist of the development of Suzhou Industrial Park but nowadays it owns more than 40 subsidiaries: China-Singapore Suzhou Industrial Park Land Co., Ltd., China-Singapore Suzhou Industrial Park Public Utilities Development Group Co., Ltd., with about 2600 employees and RMB20 billion of gross assets. It has been registered as a foreign-Sino joint-venture company.
<http://www.cssd.com.cn/gywm.asp>

⁸⁶ SIPAC was a CSSD counterpart. Only constituted by Chinese nationals appointed by Jiangsu Local Government
<http://www.sipac.gov.cn>

⁸⁷ *ibidem*.

SOFTWARE TRANSFERENCE PROJECT

In 1993 a new Singaporean office was set in Suzhou: Singapore Software Project Office⁸⁸ that was administrated by the Singapore Economic Development Board. This Board was itself made by Singaporean agencies and ministries as the Ministry of Trade and Industry and the Urban Redevelopment Authority. Dealing with Singaporean software transference, it was one of the key points of the whole project. The transference of know-how was one of the cores of the project⁸⁹.

The primary objective of the SSPO was to train officials of SIPAC about different aspects of industrial development and administration based on Singapore's experience. In 1996 more than 200 Chinese officials were sent to Singapore for some short training trips. The lessons, held in Mandarin, covered three main fields: economic management, urban management and labor management.

The purpose of this project was to attract more foreign investors that were unfamiliar with Chinese systems and managements. Singapore's efficiency was known worldwide and, after the establishment of the SSPO, many foreign investors expressed their satisfaction regarding the SIP software⁹⁰.

Another important aspect was the transference of hardware. Singapore's priority was to reach international standards about hardware in the Suzhou Industrial Park. Their objective was to reduce time, expenses and efforts of foreign investors settling in the SIP.

Industrial infrastructures and administrative institutions were the two elements that would have distinguished and made the Suzhou Industrial Park superior respect to other industrial parks.

⁸⁸ SSPO

⁸⁹ Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy...* p.130

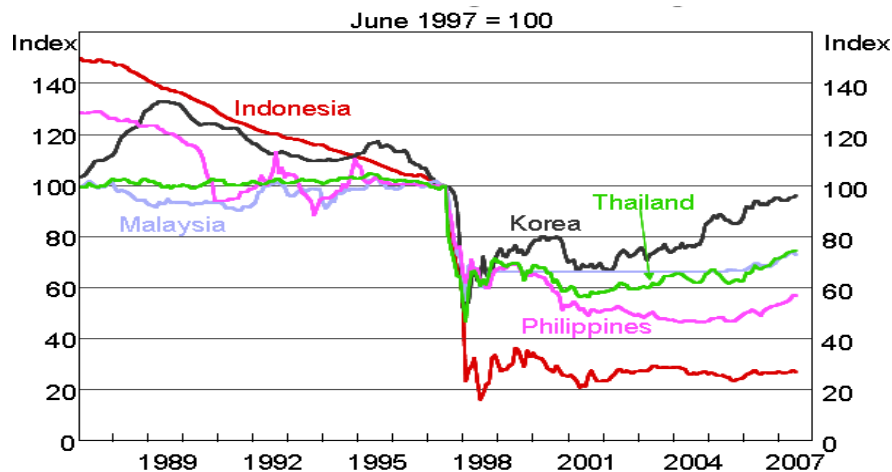
⁹⁰ Lu GAO, Wee TAN, Caroline YEOH, *Transborder Industrialization and Singapore's Suzhou "Experiment": A Paradox of Context?*, Singapore Management University, Lee Kong Chian School of Business, 2005

TROUBLES

After the first three years the Suzhou Industrial Park had to face some troubles. From the 1997 to 1999 the SIP was losing both money and competitiveness. There are two main reasons to explain this loss and the situation SIP was facing during this biennium. The first one is an external factor: the Asian financial crisis.

ASIAN FINANCIAL CRISIS

In 1997 a financial crisis hit many East Asian countries. It began in Thailand with the financial collapse of the bath after a governmental decision due to lack of foreign currency to sustain its fixed exchange rate to the US dollar. Indonesia, South Korea and Thailand were the countries hit the most by these years' crisis. ASEAN⁹¹ economy was hardly hit. Even though some countries were not directly hit, they all were affected by the crisis' shock wave⁹². In 1999 Asia was the region that attracted more than a half of the total capital inflow to developing countries, until being called "Asian economic miracle". Hong Kong, Singapore and South Korea had losses for 60% of USD.



*Selected exchange rates against USD*⁹³

⁹¹ Association of South-East Asian Nations
<https://asean.org/>

⁹² Morris GOLDSTEIN, *The Asian financial crisis: causes, cures and systemic implications*, Institute for international economics, Washington, Dc, 1998

⁹³ Selected exchange rates against USD
<https://www.bloomberg.com>

Even though China was not hardly hit by this crisis, its economy witnessed a slowdown, especially in the import and export volumes towards the nearby countries. Chinese goods became too expensive for the East Asian countries. The export to these countries decreased a lot during these years:

Japan: -6.7%

South Korea: -31.2%

Thailand: -23.5%

Singapore: -5%

Indonesia: -36.4%

Excluding Hong Kong, Japan and Korea were among the main China's export markets. Until 1998, the export growth rate was around 15% every year but, for the first time after 1978, China had to face external factors⁹⁴. Chinese government adopted many policies that will save China from a real economic slowdown during this crisis.

Suzhou Industrial Park was in the eye of the cyclone. As the matter of fact, when starting the "Phase Two", SIP had to face the Asian Financial Crisis problem. Between 1994 and 1997 the Suzhou Industrial Park's foreign direct investment rates was around 20%, meaning high employment in the zone. Between 1998 and 1999 only companies that have signed agreement before the spread of the crisis really set up in the SIP⁹⁵. On one hand there were no new tenants in the SIP, on the other hand the present corporations that had invested in SIP were slowing down, not expanding operations as it was in the main aims of the project. Nevertheless, the production was drastically reduced, none of the present tenants laid off employees. The solution to survive the crisis adopted by the SIP corporations was to slow down their growth.

The situation worried both of the parties involved in the project. This slowdown worried Singapore because it couldn't bring on its plan to supplement domestic economy with

⁹⁴ Wen HAI, Kaifeng ZHONG, *The impact of the Asian Economic Crisis on China's foreign trade*, 1999

⁹⁵ Alexius A. PEREIRA, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)*, Routledge Curzon, London and New York, 2003

investment abroad but worried China as well because of effects on employment and software transfer⁹⁶.

External factors were not the only reason behind these years' slowdown of Suzhou Industrial Park economy slowdown. The creation of the Suzhou New District in 1992, its development and success around the end of the nineties will be a great obstacle that will lead Singapore to disengage the Suzhou Industrial Park project. The Suzhou New District is going to be discussed in lately paragraphs.

SINGAPORE DISENGAGEMENT

At the end of 1998, Suzhou Industrial Park was facing troubles and having a big slowdown because of the problems discussed in the previous paragraph. During this phase the Singapore's plan to supplement its domestic economy with the SIP project was becoming unrealizable. In this recovery period there was a big uncertainty about the project. Many political parties in Singapore started to question the Suzhou Industrial Park project itself. It was seen as a big fiasco and the idea of abandoning the project started to spread in Singapore's lines⁹⁷. Not only the big crisis and the Suzhou New District were bothering this recovery phase, but Singapore's uncertainty was interfering with it as well. Investors were discouraged by all these factors and the USD 10 million debt accumulated at the beginning of 1999 was a clear signal that something had to change. The competitiveness between Suzhou Industrial Park and Suzhou New District was so fierce that, in this moment of uncertainty, Suzhou Municipal Authority, directly involved in the SND administration, was not accommodating Singapore's requests. Promoting Suzhou New District as a major industrial park, Suzhou Municipal Authority pointed out some statistics of the SIP. USD 495 million in FDI were to be received by the first half of 1998⁹⁸. Suzhou Industrial Park, in Suzhou authorities' opinion, was doing well. But things were

⁹⁶ Alexius A. PEREIRA, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)*.

⁹⁷ Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy*, p.142.

⁹⁸ Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy*, p.156.

slightly different: in 1998 foreign direct investment were actually registered before the big crisis between 1996 and 1997 and registered in 1998 and 1999 due to business licenses, beginning of the operation of the factories and other delays. Suzhou Industrial Park was attracting many new tenants no more, but it was attracting a small series of huge investment⁹⁹.

All these factors led, on 28 June 1999, to an announcement by Singapore faction: Singapore was letting the control of the Suzhou Industrial Park to the People's Republic of China's government within 18 months. Singapore will not totally abandon the project, but it was selling part of its steak to the Chinese consortium. The completion of the "Phase One" was given to Singapore that stood with 35% of the steak, while its counterparts' stake increased to 65%¹⁰⁰. The software transfer program would have been brought forward until 2001.

It is estimated that the 30% shares sold by the Singaporean consortium didn't cover the financial investments it made. The loss of credibility of the Singapore's government was strong within global industries and their decision are still considered a bad business by many people. Even though it was handing over project's control, Singapore still had 35% of project's shares, so that new tenants and the already existing ones didn't lose their will to invest on the Singapore-Suzhou Industrial Park. Today, Singapore's steak is 28%¹⁰¹.

Suzhou Municipal Authority was now directly involved in the administration of both the Suzhou Industrial Park as well as the Suzhou New District. The new CSSD CEO, Wang Jinhua was at the same time the vice-mayor of Suzhou and the Chairman of Suzhou New District Administrative Committee. He adopted a new strategy: he wanted the Suzhou Industrial Park to be listed in a stock exchange by 2004. Doing so, he was trying to push forward the project¹⁰². That is because, since 1994, the project accumulated an annual

⁹⁹ Nokia invested USD 100 million plant; Glaxo-Wellcome's USD 100 million plant; Andrew Telecom's USD 120 million plant.

Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy*, p.157.

¹⁰⁰ Alexius PEREIRA, *The Suzhou Industrial Park project (1994-2001): The failure of a development strategy*, p.158.

¹⁰¹ <https://www.straitstimes.com/asia/east-asia/suzhou-industrial-park-10-things-to-know-about-the-china-singapore-project>.

¹⁰² Alexius A. PEREIRA, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)*, p.153.

debt of around USD 15 million, reaching a loss of USD 77 million in 2001. In order to follow the business plan developed during these years, Singaporean managers of the CSSD were slowly replaced because their expatriate wages were way too high.

Many times, it was highlighted by CSSD managers that nothing was changing. Investors' guarantees were still strong, the cooperation would have continued, and no change in the way of development of the park would have been enacted. The guidelines were fruitful. By the end of 2000, one year before the Singapore's handover, the project reached a USD 7.38 billion with 197 tenants choosing the park. The Dutch semiconductor giant Philips¹⁰³ already has five plants in the Suzhou New District. It was convinced to open its sixth in the Suzhou Industrial Park. Its USD 1 billion investment for a plant to be completed within few years, was to create 3500 jobs in Suzhou¹⁰⁴.

After Singapore's disengagement, Taiwanese and Hong Kong companies were targeted to be investors at the Suzhou Industrial Park. In few years, many Taiwanese companies were in fact attracted in the SIP; United Microelectronics Corporation¹⁰⁵, Acer¹⁰⁶ and First International Computer¹⁰⁷ were among them.

Even though Singapore disengaged from the project it has never stopped checking it and supporting it. The economic profit of the project did not satisfy Singapore's part which decided to preserve and international relationship rather than an economic project pursuit.

Our interactions and exchanges have enabled us to build up close rapport and a warm working relationship based on mutual trust and the spirit of cooperation, not only with the Suzhou municipal government but also with the Jiangsu provincial government and the central government¹⁰⁸.

¹⁰³ Phillips Semiconductor is now called Next Experience Semiconductors (NXP). It was founded by Philips in 2006 and its revenues were registered to be over USD 9 billion in 2017-
<https://www.nxp.com/>

¹⁰⁴ Alexius A. PEREIRA, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)*, p.154.

¹⁰⁵ Founded in 1980 it is the first semiconductor company of Taiwan (<http://www.umc.com/>).

¹⁰⁶ Born in 1976, the Taipei's company in 2009 was the world's second producer of PC
(<https://www.acer.com/ac>).

¹⁰⁷ FIC was founded in 1980 and is a computer and components manufacturer (<https://www.fic.com.tw/>)

¹⁰⁸ Singapore's Prime Minister, Lee Hsien Loong, 2002.

THE OUTCOME

The Suzhou Industrial Park project led the Chinese classical-gardens-city to a new level. From 1994 to 2003 its GDP raised from USD 170 million to USD 5.1 billion that was almost the total city's GDP in 1993. In 2013 Suzhou Industrial Park's GDP peaked to USD 26 billion¹⁰⁹. In 20 years, the GDP per capita went from USD 1,607 to USD 19,896 in 2013.

In 2015 the People's Republic of China State Council issued the "Reply to Suzhou Industrial Park Concerning Comprehensive Experiment on Opening-up and Innovation" approving Suzhou Industrial Park to become the first experimental zone for economic innovation and liberalization¹¹⁰. Innovation is now the key point of Suzhou Industrial Park. Investors searched by SIP are now international talent of innovation. Research and development are now one of the cores of the entire park: Dushu Lake Higher Education Town is playing a very important role in this big shift.

Intellectual property is one of the most important points to develop this phase. As the matter of facts, intellectual property in China is often questioned. Many possible investors are frightened by the intellectual property in China. That is why Suzhou Industrial Park is working hard on this point; it has instituted a Patent Exchange Navigation Centre where patents can be registered, sold, bought and, mostly, protected.

Just a year after the decision of the State Council the Suzhou Industrial Park was classified as the most competitive park among the all 147 high-tech parks in the mainland. Celebrating its 25 years in 2019, Suzhou Industrial Park wants to become a world-class high-tech industrial park by 2035.

¹⁰⁹ Bo ZHIYUE, *Commentary: 20 years on, Suzhou Industrial Park turns to innovation for 2.0 upgrade*, Beijing, <https://www.channelnewsasia.com/news/asia/commentary-20-years-on-suzhou-industrial-park-turns-to-9498064>

¹¹⁰ http://www.sipac.gov.cn/english/categoryreport/AuthoritiesAndPolicies/201510/t20151027_395251.html

SUZHOU NEW DISTRICT

Suzhou New District was approved in November 1992. Its opening was in 1994. With 332 km² and a population of 800,000 people it is located to the east of the Suzhou city center, few minutes driving from Gusu district. Suzhou New District was called Hexi New District until 1993. By the first half of the 1991 the Hexi New District was ready and, by the end of the same year USD 87 million of investment were already taking place. In 1993, because of a decision of the State Science and Technology Commission, Hexi New District changed its name in Suzhou New District to become a technological industry development zone.

Offered to Singapore for the inter-governmental project, the Chinese counterpart denied because it rather to start from a blank sheet rather than an already built up area.¹¹¹

In competition with Suzhou Industrial Park until the end of the nineties, it was found, in 1999, that the Suzhou New District's land cost was lower than its opposite on the other part of the town.

During the nineties Beijing wanted Suzhou to move all its industrial center out of the Suzhou old town in order to preserve its culture. The pollution, in fact, was making tourism fall and it was a threat to the possibility of getting UNESCO reward¹¹². The relocation was managed by the Suzhou New District Administrative Committee, a committee appointed by Suzhou Municipal Authority.

Found the place, in 1990 Suzhou New District was given the Economic Development Zone status. It allowed foreign investment¹¹³. At the beginning of the project the targets were Taiwan and Hong Kong in order to increase their overseas investment and begin with someone who was already familiar with Chinese systems. In 1995 many companies

¹¹¹ Alexius A. PEREIRA, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)* ... p.48

¹¹² Alexius A. PEREIRA, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)* ... p.121

¹¹³ Chien-Hsun CHEN, Hui-Tzu SHIH, *High Tech Industries in China*, Edward Elgar Publishing, 2005

with a Taiwanese participation and more than 100 Hong Kong funded companies were starting operations in the SND¹¹⁴.

Multinationals from 30 different countries were investing in Suzhou New District. More than 12 projects, worth more than USD 100 million, were signed by the end of 1995. Dupont¹¹⁵, Motorola¹¹⁶, Siemens¹¹⁷, Philips¹¹⁸, Sony¹¹⁹, Panasonic¹²⁰ and Mitsubishi¹²¹ were among the biggest multinationals investing in SND.

In 2017, Suzhou New District's GDP peaked at USD 18.46 billion listing as 17th among the national high-tech district¹²². Suzhou New District became a crucial port for innovation. Institutes for innovation like the Tsinghua Research Institute for Environmental Innovation¹²³, Suzhou Electroacoustic Industrial Base of the Institute of Acoustics of the Chinese Academy of Sciences¹²⁴ and many other have established project in Suzhou New District. Most of them in 2017¹²⁵.

¹¹⁴ Alexius A. PEREIRA, *State collaboration and development strategies in China: the case of the China-Singapore Suzhou Industrial Park (1992-2002)* ... p.121

¹¹⁵ A chemical company created in 1802. In Suzhou it produces polyester chip and filament yarn for the domestic market. 60.000 tons per year capacity. (<https://www.dupont.com/>)

¹¹⁶ Created in 1928, the American semiconductor producer has opened a chip design center in Suzhou, focusing on research and development of microprocessor (<https://www.motorola.com/us/home>)

¹¹⁷ The Dutch engineering company in 2018 generated a USD 9 billion of revenue in China, creating more than 33,000 employees. (<https://new.siemens.com/cn/en/company/about/siemens-in-china.html>)

¹¹⁸ One of the world's largest electronics companies it has 5 factories in Suzhou New District area and one in Suzhou Industrial Park (<https://www.philips.com/>)

¹¹⁹ The Japanese producer of consumer and professional electronics in Suzhou has created more than 6000 jobs (<https://www.sony.com/>)

¹²⁰ Suzhou Panasonic Semiconductor Co. Was founded in 2001 and it is Panasonic's most important producer of onboard cameras, microphones and it generates more than USD 621.69 million. In 2018 a new Research and Development center was open In Suzhou New District (http://english.snd.gov.cn/2018-04/23/c_220404.htm)

¹²¹ The fourth Japanese car producing company has more than 8 plants in China (https://www.mitsubishi-motors.com/en/global_network/?country=china)

¹²² http://snd.gov.cn/2018-04/03/c_209149.htm

¹²³ Tsinghua University is one of the 9 most important universities in China and among the best 17 worldwide. It has signed an agreement with Suzhou municipality for a Suzhou-Tsinghua Innovative Leading Project with the core of it the Tsinghua Research Institute for Environmental Innovation, 清华苏州环境创新研究院

https://www.tsinghua.edu.cn/publish/thu2018en/newthuen_cnt/03-research-5.html

¹²⁴ The Chinese Academy of Sciences (CAS) decided to run a joint operation with Suzhou to be set in Suzhou New District. The CAS is the national academy for the natural sciences and it was formed in 1949 in Beijing.

<http://cas.cn/>

¹²⁵ *Ibidem*.

Innovative instruments and favorable policies are two of the reasons at the center of the SND development and growth. Its giant data management platform for enterprises helps companies to improve their profit¹²⁶.

Suzhou New District is working on projects beyond the industrial ones. It is carrying on infrastructure as subway to establish more lines, it is renovating roads, it's planning the construction of museums, theatres, it is aiming to select morality model in order to attract as many companies as possible. In order to do this, the SND green development is as important as well. As the matter of fact, goals like the improvement of quality rate of drinking water and renovating green areas to improve its green coverage have been reached. The drinking water rate has reached 100% and green areas got to 46% of the SND¹²⁷.

Following the Xi Jinping's Four Comprehensive Strategy¹²⁸, Suzhou New District is trying to establish a prosperous environment, balancing political, social, economic, cultural and ecological progress. To prove this, the basic medical insurance rates reached 99.9% of the population in SND; it is trying to implement its assurance system in order to reach a poverty alleviation¹²⁹.

SND TODAY

Suzhou New District has an average economic growth of 6% every year. USD 9.6 billion have been reached only in the first half of 2019. The 2019 goal is to reach USD 700 million in foreign investment.

2017 was one of the most important year for the SND whose GDP peaked at USD 17 billion. In that year more than sixty innovative startups have achieved the support of the Park and, by now, two of them have reached a value of more than 10 million¹³⁰.

¹²⁶ <http://govt.chinadaily.com.cn/a/201905/15/WS5cdbd6f8498e079e68020f5f.html>

¹²⁷ *Ibidem*.

¹²⁸ *The Four Comprehensive Strategy is a series of goals for China set in 2014. Reform, accordance to law, prosperous society and the Party are the core of this strategy.*

<http://www.12371.cn/special/xjpzyls/sgqm/>

¹²⁹ <http://govt.chinadaily.com.cn/a/201905/15/WS5cdbd6f8498e079e68020f5f.html>

¹³⁰ http://www.chinadaily.com.cn/cndy/2019-05/20/content_37471064.htm

21 research institutes were added, 80 hi-tech enterprises and more than 11,000 patent application received. Innovation is the real core of Suzhou New District. The import-export value was of USD 38 billion and 14 overseas investment were carried on. Cargo value reached USD 1.42 billion and, thanks to its Integrated Free Trade Zone, it has become the first port for importation of meat to be sell to interior regions¹³¹.

Many companies decided in the last few years to run operations or to settle entire plants in Suzhou New District.

Alibaba¹³² Innovation Center Suzhou New District Base was created in 2016 and it deals with providing startups with useful resources as one-stop services, training, guidance and cloud support¹³³.

The giant multinational Panasonic has decided, in 2018, to open a Research and Development center in Suzhou new District. Japanese enterprises have, in fact, generated USD 6.93 billion from its foundation. Some of them have also settled their regional headquarters there. Seiren¹³⁴ and H2O¹³⁵ have decided to open one of its regional headquarters in SND.

If Taiwan was one of the main target countries at the beginning, it still has an important role within the Suzhou New District. As the matter of fact, PEGATRON Technologies company¹³⁶ has invested more than USD 1 billion in the SND, becoming the leader of investment of Taiwanese companies in Suzhou New District. The District hosts more than

¹³¹ http://english.snd.gov.cn/2018-04/08/c_210981.htm

¹³² Founded in 1999, Alibaba Group Holding Ltd. Is a Chinese multinational that deals with e-commerce, retail and technology. In 2018 its market value exceeded USD 300 billion. It is globally rewarded as the 9th higher brand value worldwide. Its platform as Taobao, Alibaba, Tmall and its innovation as the paying system, Alipay, have led the company to be the second Asian company to go over USD 500 billion value.

<https://www.alibabagroup.com/>

¹³³ http://www.chinadaily.com.cn/cndy/2019-05/20/content_37471064.htm

¹³⁴ Seiren is a Japanese company established in 1924. It is specialized in auto interior supplies.

<https://www.seiren.com/english/company/>

¹³⁵ H2O is a Japanese stock holding company founded in 2007. It works in the retail industry.

<http://www.h2o-retailing.co.jp/>

¹³⁶ PEGATRON Technology Co 和碩聯合科技股份有限公司. Is a Taiwanese enterprise that deals with the manufacturing of computing, consumer electronics to other brands. Notebooks, netbooks, computers, consoles, TVs are their main products.

<http://pegatroncorp.com/>

400 Taiwanese companies that, since its foundation, have brought more than USD 6 billion of investment to the park¹³⁷.

Internally, the Suzhou New District has attracted many companies and many projects. A company from Beijing, Kemei, has planned to establish a base in SND because of its favorable condition and its great medical resources. The investment, according to the president of Kemei¹³⁸, is going to bring more than USD 279 million per year. Research and Development will be set in Suzhou in order to target countries involved in the Belt and Road Initiative¹³⁹. Medical industry is one of the main industries within the Suzhou New District. Its 200 medical device companies have seen an output growth around 20% per year.

Thermo Fisher Scientific¹⁴⁰ decided to set up the Thermo Fisher Instruments Co. in Suzhou in 2011. It mainly produces laboratory resources. In 2019 it decided to expand its investment and to establish a Research and Development facility in Suzhou New District. It will provide solutions for food safety, cellular analysis and green protection.

Telecommunication are one of the fields in which innovation has flourished the most in the recent years. Therefore China Mobile¹⁴¹ has recently started a project, jointly with CM Soft¹⁴², in Suzhou New District. The project's core will be the construction of cloud

¹³⁷ http://english.snd.gov.cn/2019-08/09/c_397310.htm

¹³⁸ Kemei Biotech Co. Is a Chinese supplier of in-vitro diagnostic devices founded in 2007. Last year it received private equity investment of USD 279 million

Allan L. Truant, *Manual of commercial methods in clinical microbiology*, International Editions, 2016

¹³⁹ One Belt One Road initiative is a Chinese global project that is carrying out projects in more than 60 countries all over the world. The project aims to bring the Silk Road back to life and doing so, to open new commercial routes in order to make easy for China to reach all the world. The project is expected to cost more than USD 800 billion and China has already invested over USD 250 billion in this project as the major party in Asia. The initiative is mainly focused on infrastructure: ports, highways and railways' projects are already undergoing all over the world.

The Guardian,

<https://www.theguardian.com/cities/ng-interactive/2018/jul/30/what-china-belt-road-initiative-silk-road-explainer>

¹⁴⁰ Thermo Fisher Scientific is the US world leader in science sector with revenues of more than USD 24 billion.

<https://corporate.thermofisher.com/en/home.html>

¹⁴¹ 中国移动通信集团公司, China Mobile Communications Corporations is the largest mobile telecommunications corporation. It was founded in 1997 and it is state-owned.

<https://www.chinamobileltd.com/en/about/overview.php>

¹⁴² CM Soft is a developer of big data technology for customer as governments, transportation companies or financial companies. It is located in Suzhou New District

http://english.snd.gov.cn/2019-08/30/c_404519.htm

resources to guide China Mobile to be a leader in the domestic cloud service market in the next three years¹⁴³.

The German glass manufacturer Schott¹⁴⁴ decided to invest in Suzhou New District in 2001 with approximately 500 employees. The Schott Glass Tech Suzhou Company mainly deals with hob tops, freezer lids, frig doors and ampoules. In 2019 it has decided to add USD 21 million to its investment in Suzhou in order to raise its production.

Suzhou New District development is really capillary. As the matter of fact, Suzhou New District on its inside has different industrial parks themselves.

Approved in 2001, the Suzhou National Environmental New & Hi-tech Industrial Park is the first entrepreneurial operated national park. Its main focus is to develop technologies to improve environmental protection. It is managed by the Suzhou national Environmental New & Hi-tech Industrial Park Development Company Limited with a capital, in 2003, of USD 13 billion¹⁴⁵.

Suzhou Embroidery Town received an investment of USD 541 million in 2017. Located in the western part, it will promote industrial agglomeration¹⁴⁶.

Suzhou Human Resource Service Industrial Park, established in 2013, tried to target the more than 900 human resources service companies in Suzhou. Predicted to reach more than USD 11 billion by the end of 2019, it is a target sector for the Suzhou New District¹⁴⁷. USD 6.36 billion have been invested in Suzhou Science and Technology Town. This park will be home to more than 100 research institutions¹⁴⁸.

¹⁴³ http://english.snd.gov.cn/2019-08/30/c_404519.htm

¹⁴⁴ Founded in 1884, it has plants and offices in 34 countries, employing more than 15.000 employees. 2018's sales volume hit USD 2.3 billion.

<https://www.schott.com/english/jobs/locations/china/suzhou.html>

¹⁴⁵ Suzhou National Environmental New & Hi-tech Industrial Park
http://english.snd.gov.cn/2018-04/02/c_207490.htm

¹⁴⁶ Suzhou Emroidery Town
http://english.snd.gov.cn/2018-04/11/c_214307_2.htm

¹⁴⁷ China Suzhou Human Resource Service Industrial Park,
http://english.snd.gov.cn/2018-04/03/c_209381.htm

¹⁴⁸ Suzhou Science and Technology Town
http://english.snd.gov.cn/2018-04/04/c_210130.htm

In 2010 in the northern part of Suzhou New District the SND Integrated Free Trade Zone was established. Close to the Grand Canal, it is composed by four main parts: operations area, logistic area, processing and supporting area¹⁴⁹.

Suzhou Tong'an Science and Technology Industrial Park, Suzhou Financial Town¹⁵⁰ and BGI Life and Health¹⁵¹ town are undergoing process that will enlarge Suzhou New District operational zone.

¹⁴⁹ *SND Integrated Free Trade Zone*

http://english.snd.gov.cn/2018-04/02/c_207510.htm

¹⁵⁰ *Aiming to become a port for agglomerated private equity funds it mainly target well-known firms*

http://english.snd.gov.cn/2018-04/10/c_213491.htm

¹⁵¹ *The project tries to put together a healthy life area led by local industries; it will hosts a biomedical industrial park, a sports park, an agricultural demonstration area as well as training, AI, big data and innovative entrepreneurship.*

http://english.snd.gov.cn/2018-04/16/c_216110_2.htm

KUNSHAN

Known as “The little Taiwan”, Kunshan is a county-level city under the administration of Suzhou. Its economy has witnessed a big shift after 1978’s reform. Indeed, from 1978 to 2015 its path totally changed, going from a primary sector-based city to a city home to more than a thousand hi-tech companies. In 1984 Kunshan’s first agreement was signed: it worth less than one million dollars. In 1988 the foreign direct investment flow increased to USD 4 million and, just in the year of Deng Xiaoping’s southern tour¹⁵² in 1992, its FDI reached more than USD 56 million. Because of this goal, Kunshan was given the title of national development zone soon after the title of provincial-level development zone.

In that year Kunshan reduced tax obligations for hi-tech companies, eliminated import-export duties for exporting enterprises and a consultancy company project was enacted to help foreign companies to easily set up in Kunshan. The export as the main objective made Kunshan to attract foreign direct investments on textiles, electronics parts and components. Between the end of the eighties and the beginning of the nineties, the foreign trade average was estimated to grow by 70% every year.

In 1999 it was evaluated that of the park’s USD 1.8 billion, USD 1.2 billion was in foreign direct investment.

Kunshan represents the concrete implementation of a successful open economy pushed by reform and opening-up policies.

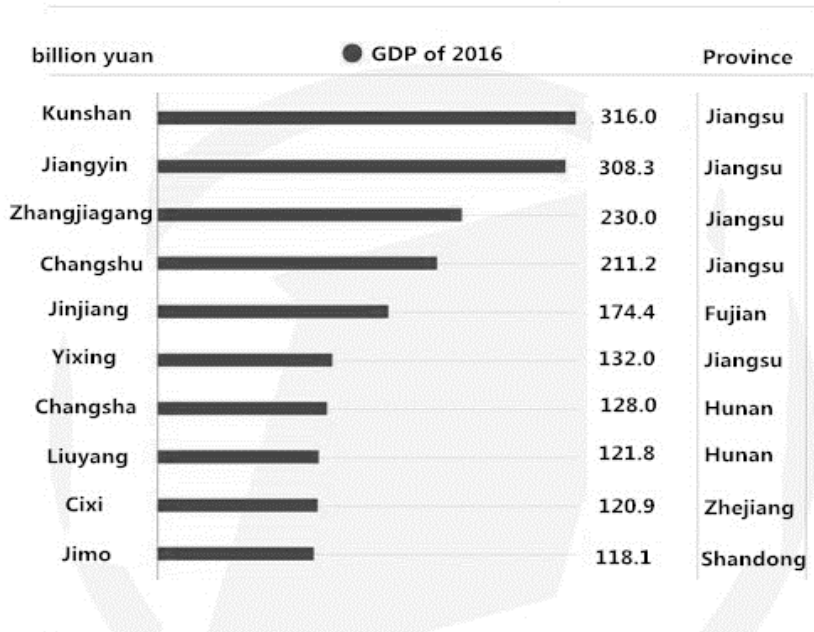
Its GDP was first ranked among county-level cities in 2016¹⁵³.

¹⁵² *In 1992, the former leader of the Chinese Communist Party planned a tour in the southern part of the nation in order of visit and check the Special Economic Zones of which he was the founding father. Just five years before his death, he gave his last major contribution to the economic development of China. Indeed the tour is given great importance because its personality had an huge impact on the economic progress.*

Kerry BROWN, *Deng Xiaoping’s Southern Tour*, Berkshire Publishing Group LLC, 2009
<http://chinaconnectu.com/wp-content/pdf/DengXiaopingsSouthernTour.pdf>

¹⁵³ <https://www.pncc.govt.nz/council-city/about-council/international-relations/kunshan/>

GDP of China's Top 10 County-level Cities



GDP of China's Top 10 County-Level Cities in 2016¹⁵³

Its USD 44 billion GDP was exactly the double of the one registered in 2008. The first factor that attracted Western MNCs was the presence of Taiwanese companies to cooperate with. Foxconn¹⁵⁴, Compal¹⁵⁵ were, at the beginning the target companies the western ones cooperated with.

¹⁵⁴ Foxconn International Holdings Ltd is a Taiwan based multinational company. It was founded in 1974 in Taipei and it produces electronic components for companies like Apple, Dell, HP, Microsoft, Motorola, Nintendo.

<https://www.foxconn.com/>

¹⁵⁵ COMPAL Electronics is a Taiwanese-based companies in the original design manufacture field. It produces notebook, computers, tablets for many clients as Acer, Lenovo, Apple Inc. In 2015, its revenue was more than USD 26 billion.

<http://www.compall.com/>

THE OUTCOME

Kunshan is nowadays home to more than 6,000 foreign projects from more than 56 countries. Names like General Motors¹⁵⁶, Toyota¹⁵⁷ and Siemens¹⁵⁸ are running projects in Kunshan. Its area reached more than 927 km² for 680,000 people living there¹⁵⁹.

Past projects are being renewed because of favorable Kunshan's conditions. The Taiwanese companies GIANT has renewed its investment and in 2011 it has built a new plant to be added to the one built in 1992¹⁶⁰. Thanks to R&D investment, the new plant will be capable of producing more than two million bicycles per year. In 1991, the former chairman of GIANT¹⁶¹ was invited by a Taiwanese investor who had a positive experience with Kunshan¹⁶². The same situation happened with Plainvim International Company Limited¹⁶³. After its initial investment in 2011, in 2018 it decided to make a new investment to build new infrastructure. The Hong-Kong based company helps investors to set up operations in Kunshan thanks to its one-stop office. It deals with consultation about engineering, security, property inspection, logistic and warehousing¹⁶⁴.

As of Suzhou New District, the main focus of Kunshan is the innovation. The reason behind so many companies deciding to set up operation or headquarters in Kunshan is its modern service industry, capable of attract foreign investors' interest. Not for chance

¹⁵⁶ General Motors Company is the US largest automobile manufacturer. It ranked among the Fortune 500 top ten companies.

<http://www.gm.com/>

¹⁵⁷ Toyota Motor Corporation is a Japanese automotive manufacturer multinational. It has been the first-ranked Japanese company for many years.

<http://toyota-global.com/>

¹⁵⁸ Ibidem.

¹⁵⁹ Furong ZHOU, Kushan leads on path to new economy, Chinadaily.com, 2013

http://www.chinadaily.com.cn/m/huaqiao/2013-05/14/content_16794037.htm

¹⁶⁰ <https://www.taiwantrade.com/news/taiwan-s-giant-bicycles-broke-new-ground-in-kunshan-china-26595.html>

¹⁶¹ GIANT manufacturing co. ltd. 巨大机械工业股份有限公司 Is the world's largest bicycle manufacturer in the world. Founded in Taiwan in 1972 it has reached USD 2 billion of revenues in 2017. <http://www.giant-bicycles.com/>

¹⁶² Shih-Shen CHIEN, Litao ZHAO, *The Kunshan Model: Learning from Taiwanese Investors, Built Environment, The Transition of Chinese Cities*, 2008, p.429

¹⁶³ The Hong-Kong based real estate investment company was founded in 1991 and it helps more than 100 domestic and foreign enterprises in its parks.

<http://en.plainvim.com.cn/>

¹⁶⁴ Vivian VI, *An Introduction to Kushan, China's richest county-level city, China briefing*, 2011

more than 50 multinational have decided to build regional headquarters in Kunshan. Logistic, resources, policies and its notable industrial chain are the main aim of the city¹⁶⁵.

Policies and incentives have attracted hundreds of foreign direct investments in the last three decades. Indeed, many companies have set up plants or operations in Kunshan because its location advantage and because of its favorable policies and incentives.

Mainly aiming to hi-tech industry, Kunshan government has enacted different incentives for the companies that focus on research and development setting up in Kunshan.

1. Technology Innovation Coupon (TIC)

The Technology Innovation Coupon is a governmental incentive to push local companies to increase research and development spending to improve their innovation capabilities.

[...]

The TIC is designed to: 1) encourage companies to order technology from foreign and domestic research institutes, institutions of higher education and national university science parks, through the form of "Contract R&D", or directly buy a technology from these organizations for commercialization; 2) encourage corporate R&D spending, technology commercialization and innovative activities such as R&D on key technologies; and 3) support SMEs to buy technology service from universities, R&D institutes and other technology platforms.

Kunshan is not just attracting hi-tech companies but its will is to attract a large range of different industries within its district. Considered the large amount of companies that decide to set up in Suzhou and, more precisely in Kunshan, the city provides financial institution with particular incentives¹⁶⁶.

2. Incentives for Financial Institutions

1) Any bank, finance company, trust company, financial lease company, consumer finance company, securities trading company, futures company and insurance

¹⁶⁵ Furong ZHOU, *Kushan leads on path to new economy...*p.43

¹⁶⁶ Andrew M. MARTON, *China's Spatial Economic Development: Regional Transformation in the Lower Yangzi Delta*, Routledge, 2013 pp. 98-128

company that has been licensed by China's financial regulatory authorities and is incorporated in the city as an independent legal person, will be entitled to:

- a. a lump-sum reward of RMB 1 million if its paid-in capital is equal to or below RMB 100 million;
- b. a progressive reward if its paid-in capital ranges between RMB 100 million and one billion; or
- c. a lump-sum reward of RMB 20 million if its paid-in capital is above RMB one billion.

Venture capital and equity investment business is particularly stressed. As the matter of fact, these two types of investment were very common in China and, in order to attract more foreign investors, governmental incentives were provided in form of lump-sums to these kinds of enterprises setting up in Kunshan¹⁶⁷.

2) Any venture capital or equity investment business that has been registered with the National Development & Reform Commission and Asset Management Association of China and is established as a partnership or a limited company will be entitled to:

- a) a lump-sum reward of RMB one million if its paid-in capital and raised fund are equal to or above RMB 100 million;
- b) a lump-sum reward of RMB two million if its paid-in capital and raised fund are equal to or above RMB 500 million; or
- c) a lump-sum reward of RMB five million if its paid-in capital and raised fund are equal to or above RMB one billion.

The venture capital or equity investment company described in this provision shall be defined as a non-securities investment company (including equity investment and entrepreneurial investment companies) that raises funding from a particular group of investors in a non-public manner and invests in and provides value-added services to non-public companies. The venture capital or equity investment company may be registered as a limited company or a partnership, whose business is to manage and operate venture capital and equity fund. The registration, operation and

¹⁶⁷ *Ibidem*.

custodianship of the venture capital or the equity investment company shall be located within the jurisdiction of the city and subject to the supervision and administration of relevant regulatory authorities.

The venture capital or the equity investment company that has received the reward shall not relocate from Kunshan within five years since its receipt of such reward.

3) Any license-holding institution dedicated to a particular business of the banking, securities or insurance sector that has been registered with or approved by the national financial regulatory authorities will be entitled to:

- a. a lump-sum reward of RMB one million if its paid-in capital is below or equal to RMB 100 million;

- b. a progressive reward if its paid-in capital ranges between RMB 100 and 500 million; and

- c. a lump-sum reward of RMB five million if its paid-in capital is above RMB 500 million.

The license-holding institution dedicated to a particular business of the banking, securities or insurance sector, as described in this provision, shall be defined as the institution that has been approved or registered with the national financial regulatory authorities, is directly affiliated to its head office, holds an independent financial license and business license, handles cost accounting independently, and is dedicated to a particular business field.

4) Any financial institution that has set up a branch in the city will be entitled to a lump-sum reward of RMB 500, 000 to one million based on its institutional nature and size.

The branch of a financial institution described in this provision is defined as a prefecture-level branch of a bank, a securities (futures) company or an insurance company, or a business center, an operations center, a customer service center, a R&D center and other types of organization separately established and directly managed by such financial institution, and the working capital for such branch or center shall be no less than RMB 100 million.

The eligible enterprise pursuant to Provision 1, 2 or 3 will receive the reward paid in five years, each year with 20% of the amount.

Another very stressed point on incentives policies is about the incentives addressed to companies that establish their headquarters in Kunshan area. The incentives resulted very successful attracting more than 20 companies from all over the world to set up their headquarters in Kunshan. In 2011 the capital of companies that have set up headquarters in Kunshan was USD 1.3 billion¹⁶⁸.

3. Incentives for Corporate Headquarters

1) Reward for the size. The corporate headquarters whose status has been recognized will be entitled to a reward equivalent to 2% of its paid-in capital at a maximum amount of RMB 60 million. The reward will be paid in two parts: 30% will be paid in the year immediately following the year when the headquarters status is recognized; the remaining 70% will be paid when the headquarters has reached the criteria. If the registered capital is paid in installment, the reward will be assessed based on the actually paid-in capital and the difference shall be made up.

2) Reward for the contribution. The headquarters may apply for the contribution reward starting from the third year after the year when its headquarters status is recognized. The highest output value (turnover) since the headquarters status is recognized will be deemed as the base value. Every additional RMB 100 million in excess of the base value will entitle the headquarters to a reward of RMB 400,000, which shall be mainly spent on R&D, branding, marketing and HR development of the company based in the city.

Logistic is vital to a Development Zone like this. Logistic capabilities can change the future of a zone like this. It is not a chance that in 2015 it was chosen Kunshan as the host-city of the China International Logistic Technology and Equipment Expo 2015 that has to improve and promote smart logistic. The expo was contextualized within the Belt and Road Initiative, but it brought different companies in Kunshan¹⁶⁹.

4. Incentives for Logistics Companies

1) Incentive for fast-growing logistics companies. To encourage market development and fast growth of local logistics companies, Kunshan will provide

¹⁶⁸ Cang WEI, *Kunshan in right place and time*, 中国日报网 (China Daily), 2012
http://www.chinadaily.com.cn/regional/2012-08/02/content_15811219.htm

¹⁶⁹ *Logistic technology and equipment expo held in Kunshan*, 中国日报网 (China Daily), 2015
http://www.chinadaily.com.cn/m/jiangsu/suzhou/travel/2015-06/19/content_21059933.htm

policy support to those whose size and economic performance are improving fast and, after evaluation, will reward them with a certain amount of money.

2) Reward for large logistics companies. Any logistics company whose yearly turnover exceeds RMB 30 million for the first time will be entitled to a reward of RMB 100,000; RMB 50 million for the first time, RMB 200,000; RMB 100 million for the first time, RMB 400,000; RMB 200 million for the first time, RMB 800,000; RMB 300 million for the first time, RMB 1.2 million; and RMB 500 million for the first time, RMB 2 million.

An eligible logistics company can only be entitled to the reward of either provision 1 or 2.

3) To encourage logistics companies to build their own brands, the city will reward the logistics company that has been recognized by the state as an AAA-level company with a lump sum of RMB 200,000; AAAA-level, RMB 300,000; and AAAAA-level, RMB 500,000. For the logistics company that has achieved a higher level, the difference between the previous reward and the reward for the higher level will be paid as the reward for the upgrade.

4) To encourage expansion of their capacities, logistics companies will be entitled to a subsidy equivalent to 5% of the purchase price of specialized transport vehicles (such as box truck, container truck, refrigerator truck, tanker truck and tow truck).

The yearly total subsidy for a single eligible company shall not exceed RMB two million.

5. Incentives for Talent Attraction

1) The expert that has been registered as a local resident and, upon the city's recommendation, has been selected into a national talent program, such as 10,000 Experts Program, Recruit Program of Global Experts¹⁷⁰ or Bai-Qian-Wan Experts Program¹⁷¹ (Entrepreneur Category), will be entitled to a reward of RMB 300,000;

¹⁷⁰ The Recruitment Program for Foreign Experts is based on long term programs. Working in China for more than 9 months in 3 consecutive years is one of the main goals. Each talent is rewarded with RMB 1 million during the experience.

<http://www.1000plan.org.cn/en/foreign.html>

¹⁷¹ 百千万人才工程, *bǎi qiān wàn réncái gōngchéng* (The hundred million talents project) is a national ministerial program that was meant to create one hundred million talents by the end of the 20th century and addressed to people not older than 45.

the expert that has been registered as a local resident and, upon the city's recommendation, has been selected into a national talent program, such as 10,000 Talent Program, Recruit Program of Global Experts or Bai-Qian-Wan Talent Program (Innovator Category), will be entitled to a reward of RMB 200,000.

2) The expert that has been registered as a local resident and, upon the city's recommendation, has been recognized as an Innovative Team of Jiangsu Province, will be entitled to a reward of RMB 200,000.

3) The expert that has been registered as a local resident and, upon the city's recommendation, has been selected into the Innovative and Entrepreneurial Talent Program of Jiangsu Province (Category A), will be entitled to a reward of RMB 150,000; the expert that has been registered as a local resident and, upon the city's recommendation, has been selected into the Innovative and Entrepreneurial Talent Program of Jiangsu Province (Category B), will be entitled to a reward of RMB 100,000.

4) The expert that has been registered as a local resident and, upon the city's recommendation, has been selected into the Leading Innovative and Entrepreneurial Talent Program of Suzhou City (Entrepreneur Category), will be entitled to a reward of RMB 100,000; the expert that has been registered as a local resident and, upon the city's recommendation, has been selected into the Leading Innovative and Entrepreneurial Talent Program of Suzhou City (Innovator Category), will be entitled to a reward of RMB 50,000.

The resident status of an entrepreneur shall be jointly determined by three parties—the organization that recommends the candidate, the organization that employs the candidate, and the Municipal Bureau of Human Resources and Social Security, before the registration of his/her business, while the resident status of an innovator shall be jointly determined by the same three parties before the registration of his employment contract with the Municipal Bureau of Human Resources and Social Security.

The American giant, Prologis¹⁷², is heading many logistic companies setting up in Kunshan. Dell¹⁷³, Acer¹⁷⁴ and Lenovo¹⁷⁵ have built distribution centers in Kunshan,

Apart from the instruments, Kunshan was sustained by the government in order to make the examination procedures as fast as possible in order to attract more investors. Applications are required to be examined within a certain time limit¹⁷⁶.

Kunshan has declared four main goals to reach in the next few years:

- Upgrade the manufacturing sector
Developing IT, electronics, advanced equipment in order to support strategic emerging industries. Smart manufacturing as to improve manufacturing ability. Foxconn¹⁷⁷ is investing on mechanical arms to replace workers in many procedures.
- Enforce the modern service sector
Emerging sectors as creative industries, technology services, logistic, e-commerce will be supported by Kunshan in order to create a balance clusters of service companies for a just development in the region
- Develop a modern urban agriculture
Manufacturing and service will jointly work in order to create a modern agriculture system to improve quality and ecological capability.
- Implement the “Internet+” action plan

¹⁷² Founded in 1983, the American real estate investment trust is the world's largest owner of warehouse. More than 3,000 logistics are owned by Prologis Inc.
<https://www.prologis.com/>

¹⁷³ Dell Inc. is an American multinational specialize producing personal computers end informatic systems. Founded in 1984 its revenue was around USD 54 billion in 2016.
<https://www.dell.com/>

¹⁷⁴ Ibidem.

¹⁷⁵ Lenovo Group Ltd. Is a Chinese multinational producing personal computers, tablets, smart TVs. It was estimated to be the first personal computer supplier worldwide for two years. Its revenue was around USD 45 billion in 2018.
<http://www.lenovo.com/>

¹⁷⁶ Furong ZHOU, Kushan leads on path to new economy...

¹⁷⁷ Ibidem.

Internet-driven ecosystem in Kunshan will be capable to host and create more than five hundred small and medium-sized¹⁷⁸ internet companies. Its objective is to reach, by 2020, an output of USD 1 billion.

¹⁷⁸ <http://www.ks.gov.cn/zt/english2017/html/business/investment%20guide/third.html>

WUJIANG

Wujiang is one of the cities under Suzhou's administration control. It is located between Shanghai, Suzhou and Zhejiang province. Its area is 1,176 km² with around 1,600 people living there¹⁷⁹.

Wujiang is divided in different zones: Wujiang Development Zone, Tongli, Fenhui Hi-tech Zone, Wujiang Hi-tech Zone and Taihu New City are among the most important ones.

Wujiang Economic and Technological Development Zone¹⁸⁰ is a national-level development zone while Fenhui Hi-tech Zone and Wujiang Hi-tech Zone are provincial-level hi-tech zones¹⁸¹.

In Wujiang the most important industries are silk textile, electronic, optical cable and manufacturing. Different departments administrate Wujiang District. Among the most important ones there are the Development and Reform Commission¹⁸², the Economic Information and Technology Commission¹⁸³ and the Bureau of Supervision¹⁸⁴.

As of Wujiang's economy, its 2017's public budget income was registered to be around USD 2 billion.

Different reasons lead firms to run operations in Wujiang. Its position, of course, plays a big role in terms of decision process. Close to Suzhou, Shanghai, Hangzhou its

¹⁷⁹ <http://english.zgwg.gov.cn/index.php?c=article&id=122>

¹⁸⁰ WEDZ

¹⁸¹ *Ibidem.*

¹⁸² *The Commission has different tasks: it plans long-term strategy for national economy and social development, it promotes economic and strategic readjustment of the economic structure of the District, it coordinates the District itself.*

<http://english.zgwg.gov.cn/index.php?c=article&a=type&tid=89u>

¹⁸³ *The Economic and information Technology Commission of Wujiang District deals with economic operation, informalization and industrial planning of the District*
Ibidem.

¹⁸⁴ *The Bureau deals with the control and punishment of violations of political decisions within the district. It supervises over the park and it can suggest readjustments to the different commissions of Wujiang District.*
Ibidem.

transportations linkages are so strong to link it to Congqing thanks to the Huyu¹⁸⁵ expressway.

Its ecological efforts are, for sure, among the main reason why some companies decided to run operations in Wujiang. As the matter of fact, with its more than 300 different lakes Wujiang has planned to invest more than USD 500 million to sustain its ecological plan. It is not a coincidence that Wujiang was rewarded with the “China Human Settlements and Environment Award¹⁸⁶”.

Wujiang’s data are fundamental in order to choose it as the operations’ destination. In 2018 its import-export volume reached more than USD 22 billion and the registered capital of all the private enterprises settled there was registered to be over USD 50 billion. Today 16 listed companies have settled in Wujiang while other 54 companies are listed on the National Equities Exchange and Quotation, the NEEQ¹⁸⁷.

In few years, Wujiang managed to diversify Suzhou’s main industries. Even though the silk industry still maintains its importance in the China’s largest textile production¹⁸⁸, chemical fiber, optical fiber, elevator and cable industry have acquired an important role within Wujiang. As the matter of fact, the district ranks among the province’s top producer in smart manufacturing thanks to its notable industrial chain¹⁸⁹.

The services provided by the district administration can make the difference in the decision-making process. Thanks to their amazing improvements, the administration of the district managed to reduce the procedures for founding new enterprises. The result is that in less than three working days a new company can be actually founded. Five days

¹⁸⁵ Known as Huyu Expressway (沪渝高速公路), the Shanghai-Chongqing Expressway begins near the Shanghai’s Hongqiao International Airport and it finishes in Jiangbei District. More than 1,900 km to link Jiangsu province with the most central ones.

http://www.cfguide.com/st/G50-Huyu-Expressway_1338.htm

¹⁸⁶ In 2000, in China it was established the China Habitat Award. Every year a project is chosen to apply for the Habitat Scroll of Honor Award for the Best Practices to improve the Living Environment. Since 1999, China has won more than 20 times the Habitat Scroll of Honor Award

<http://www.worldurbancampaign.org/global-forum-human-settlements-gfhs-new-wuc-partner>

¹⁸⁷ The National Equities Exchange and Quotations Company Limited is a People Republic of China’s over-the-counter system that deals with trading shares of public limited companies not listed on Shanghai or Shenzhen stock exchange.

<http://www.neeq.com.cn/>

¹⁸⁸ Silk Textile Industry

<http://english.zgwg.gov.cn/index.php?c=article&id=142>

¹⁸⁹ Why Wujiang

<http://english.zgwg.gov.cn/index.php?c=article&a=type&tid=91>

to the registration of the real estate and less than fifty for the approval of industrial construction. These time limits are region's record. The district's number of administrative items to be examined and approved was drastically reduced and, from 2016, a one-stop service was created in order to help investors and make all the processes way faster¹⁹⁰.

During the last years many supporting policies have been enacted. Giving incentives to different industries, Wujiang district tries to attract more investors every year¹⁹¹.

Sectors as intelligent designing, intelligent equipment, technological innovation, modern agriculture, headquarters economy or commercial real estate companies are being given big incentives in order to run operations in Wujiang. Reward up to RMB 5 yuan can be given to new innovation center and to smart equipment manufacturing enterprise whose annual sales is over three thousand yuan¹⁹². Companies settling headquarters in Wujiang can receive up to CNY 10 million every year depending on their contribution to Wujiang's economy.

More than fifteen of the world's top companies are located or running operations in Wujiang. In 2011 the American giant Caterpillar¹⁹³ decided to open one of its facilities in Wujiang after opening other facilities in Beijing, Shanghai, Foshan, Tianjin, and Suzhou itself in 2009. Wujiang was designated as a design, test, manufacturing and visitor centre. Caterpillar (Wujiang) Limited was designated as one of the main export centre of the region in 2012¹⁹⁴.

¹⁹⁰ *ibidem*

¹⁹¹ *Policy Support*

<http://english.zgwy.gov.cn/index.php?c=article&a=type&tid=95>

¹⁹² *Ibidem.*

¹⁹³ *Born under a different name in 1925, the Dealaware company produces machinery, engines, insurances and it has been for a long time and it still is the biggest construction equipment manufacturer. Always ranked among the top 100 world enterprises. In 2018 under the lead of Jim Umpleby, its revenue was registered to be USD 54.7 billion. An office was opened in Beijing in 1992. Since then, Caterpillar Inc. has opened different facilities all over China. Every facility deals with different things: design, engineering, remanufacturing, manufacturing, research and development.*

<https://www.caterpillar.com/en/company/global-footprint/apd/china/china-facilities.html>

¹⁹⁴ <http://s7d2.scene7.com/is/content/Caterpillar/C10880433>

The world's biggest food company, Nestlé¹⁹⁵, decided to open a subsidiary in Wujiang. Named Suzhou Hexing Food Company Limited, Nestlé has the 80% of participation to the company whose capital in 2014 was registered to be over USD 5 billion¹⁹⁶. It is not the only subsidiary Nestlé has in China. Indeed, it counts more than 35 different subsidiaries with different participations in China. With a higher total asset of China's subsidiaries, Wyeth Nutritional (China) Company Limited¹⁹⁷ in Suzhou, it has the 100% participation.

Another foreign company that is running operations in Suzhou is the Jiangsu Asics Company Limited of the Japanese group of Mitsubishi¹⁹⁸. Born in 1993 Jiangsu Asics Co. Ltd.¹⁹⁹ It has 500 employees and it principally produces shoes and clothing²⁰⁰.

Apart from the Swiss Nestlé, another one of the world's top 500 companies decided to open a plant in Wujiang. The German company Sumitomo Electric Bordnetze²⁰¹ decided in 2004 to create the Suzhou Bordnetze Electrical System Limited to be settled in Wujiang. The plant was destined to produce electronic equipment for the automotive sector.

¹⁹⁵ Nestlé S.A. (S.p.A.) is a Swiss food processing multinational. Born in 1905 it is the world's largest food producer with its USD 92 billion revenue registered in 2018. It employs more than 300,000 people in its 447 factories in more than 180 countries.

<http://www.nestle.com/>

¹⁹⁶ Nestlé Group Financial Reports, 2014

https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/financial_statements/2014-financial-statements-fr.pdf

¹⁹⁷ Opened in 2009, this plant's area is more than 9 hectares.

<http://www.isleng.com.cn/en/projects-en2/featured-project-en/21-cn-industrial-en/393-project-industrial-en-suzhouwyeth.html>

¹⁹⁸ Mitsubishi Group of Companies is a group of Japanese multinational companies in different industries. Companies as Mitsubishi Cable Industries, Mitsubishi Motors Corporation, Nikon Corporation and different others.

<https://www.mitsubishi.com/>

¹⁹⁹ Jiangsu Asics Company Limited employs less than 1000 workers. It belongs to ASICS Corporation. ASICS corporation is a Japanese shoes and sports equipment designer. Founded in 1949, its 2018's revenue were around USD 5 billion.

<https://www.asics.com/>

https://assets.asics.com/page_types/3838/files/ASICS%20Corporation%20Primary%20Supplier%20List%202018_originalv2_original.pdf?1545697151

²⁰⁰ <https://www.bloomberg.com/profile/company/0262472D:CH>

²⁰¹ Sumitomo Electric Bordnetze is a producer of electronic components for the automotive industry. It works in more than 14 countries and it can boast customers as Volkswagen, Audi, Seat, Bugatti and Porsche.

<https://www.sebn.com/en/about-us/our-history/>

From South Korea, instead, different important companies decided to move some of their operations to Wujiang. The former Sunkyong Group²⁰² decided to create the SK Chemical Suzhou Company Limited in 2006. Located in Wujiang it mainly deals with research and development and production of new materials. The production of modern electronic component was given to SKC Hi-tech (Suzhou) Company Limited.

As for the mainland of China a company ranked 181 in the Fortune Global 500²⁰³ rank decided to open a plant in Wujiang. The Hengli Group²⁰⁴ decided to open a branch in Wujiang: the Jiangsu Hengli Chemical Fiber Company Limited was created in 2002. With more than 30,000 employees it mainly produces chemical fiber in Wujiang.

Regarding other Chinese territory, other two important companies have decided to develop a branch in Wujiang. Greenland Holdings²⁰⁵, a real estate developer, decided to open Suzhou Lvjie Property Company Limited to deal with real estate development.

The other big company opening a subsidiary was Johnson Control²⁰⁶. The Johnson Controls New Energy Batteries (Suzhou) Company Limited is a Research and Development branch that also produces hi-tech green batteries mainly for the automotive industry.

²⁰² SK Group is one of the largest conglomerates in South Korea. Petroleum and energy industries are its core businesses, but it deals with many other industries. In 2018 more than USD 200 billion were registered. In China it has opened different subsidiaries: among the most important ones SK Chemical Suzhou Co. Ltd. And SK Chemicals Qingdao Co. Ltd.
<https://www.skchemicals.com/page/about/subsidiary06.do>

²⁰³ Ibidem

²⁰⁴ Founded in 1994 and ranked three times among the world's top 500 companies, Hengli Group Co. Ltd. Is one of the largest Chinese chemicals producer.
<https://www.hengli.com/>
<https://fortune.com/global500/2019/hengli-group>

²⁰⁵ Greenland Holdings Corporation Limited (绿地控股集团股份有限公司) is a state-owned enterprise and it has been for a long time the bigger real estate developer. Three years ago, a total asset of USD 103 billion was registered.
<http://www.greenlandsc.com/>

²⁰⁶ With customers in more than 150 countries, Johnson Controls Hong Kong Ltd. Produces energy solution and it is committed to sustainability. It has more than 100,000 employees in its 2,000 locations around the world and its ranked at the 272th position in the Fortune Global 500.
<https://www.johnsoncontrols.com/about-us/our-company>

ZHANGJIAGANG

Zhangjiagang²⁰⁷ is one of the county-level cities under the administration of Suzhou and its contribution to Suzhou's economic growth is remarkable. The year-by-year growing population reached one of its highest peaks in 2010 when its population was of more than one million people in a less than 900km² area. Named after the port it hosts in 1986²⁰⁸ the city was declared an experimental industrial zone in 1993²⁰⁹. Zhangjiagang Economical & Technological Development Zone²¹⁰ was set up in the same year. The Development Zone was designated in an area of 153km² and it mainly aimed to the six emerging industries: manufacturing, robotic, green energy and illumination and electronic components were among these ones. In few years, the Zhangjiagang Economical & Technological Development Zone managed to bring more than 50 Overseas companies and to obtain different awards. In 2013, ZETDZ was inserted in the list of the ten most competitive industrial parks in all the nation²¹¹. In the same year, Zhangjiagang's regional GDP peaked over USD 32 billion, namely one of the highest records in the whole region²¹².

The regional economy grows year after year because of the location potentialities that, in part, can be identified with the same that characterize Suzhou and all the city under its administration. Good infrastructures as railways and highspeed ways contribute to Zhangjiagang's economic development. Even if Zhangjiagang, as Suzhou, doesn't have an airport on its inside, Shanghai's Pudong airport is very close. In 2017 its GDP recorded at USD 156 billion with an astonishing annual growth of around 7%. Awards are many as well as future challenges. Indeed, Zhangjiagang has taken the path to become one of the 15 biggest cities in China by 2030. Zhangjiagang wants to exploit its position and its port to become an important logistic centre for the whole region²¹³. In 2017 Zhangjiagang

²⁰⁷ 张家港

²⁰⁸ Before 1986, the actual Zhangjiagang was called Shazhou, 沙洲

<http://zjg.gov.cn/>

²⁰⁹ 张家港国家再制造产业示范基地 *zhāngjiāgǎng guójiā zài zhìzào chǎnyè shìfàn jīdì*, Zhangjiagang National Remanufacturing Industry Demonstration Base

http://www.zjgreman.com/en/list/?121_1.html

²¹⁰ ZEDTZ

²¹¹ *ibidem*.

²¹² 中国日报网 (China Daily), Zhangjiagang economic overview

http://www.chinadaily.com.cn/m/jiangsu/zhangjiagang/2013-02/28/content_16264147.htm

²¹³ 中国日报网 (China Daily), Zhangjiagang on its way into big city status,

was able to perfectly exploit its position: USD 32 billion were reached in the total import-export volume, especially thanks to its main industry, the clothing industry, that registered more than USD 6 billion of the volume. As for the other development zones, Zhangjiagang is divided on its inside in different areas. Apart for the Zhangjiagang Economic & Technological Development Zone, one of the first being established was the Zhangjiagang Bonded Zone in 1992. This big area was transformed in a bonded port in 2008 and today it hosts more than 9,000 companies and among them, more than 30 companies ranked in Fortune 500 list²¹⁴. In the same year, Zhangjiagang's port declared by the State Council as a Free Trade Port Area²¹⁵. The Zhangjiagang Free Trade Port Area hosts more than 4,000 different enterprises and, among them, over 20 of them are ranked in the Fortune 500's list. The FTZ²¹⁶ has the largest organic silicon production base in the world and it is the largest base for food processing all over Asia. More than 100 enterprises in the FTZ have an annual turnover over USD 16 million. On its inside, the Zhangjiagang's Free Trade Port Area has different parks:

- Zhangjiagang Bonded Logistic Park. It is the largest park of this kind in China and it enjoys Free Trade Zone and Export Processing Zone's benefits at the same time. It is a key point for the whole region dealing with import-export business and with international transit trade.
- Jiangsu Yangtze International Chemical Industrial Park. It mainly deals with producing chemicals and medicines.
- Yangtze River High-Tech Industrial Park. The park focuses on developing IT, new type of energy and on environmental protection²¹⁷.

http://www.chinadaily.com.cn/m/jiangsu/zhangjiagang/2015-09/09/content_21833088.htm

²¹⁴ 中国日报网 (China Daily), Zhangjiagang Bonded Zone

http://www.chinadaily.com.cn/m/jiangsu/zhangjiagang/2019-03/19/content_36786648.htm

²¹⁵ A Free Trade Port Area (FTPA) is a Free Trade Zone located on a port. It enjoys the same benefits that zones declared FTZ do.

<https://www.britannica.com/topic/free-trade-zone>

²¹⁶ Free Trade Zone

²¹⁷ 中国日报网 (China Daily), Zhangjiagang Free Trade Zone

http://www.chinadaily.com.cn/m/jiangsu/zhangjiagang/2019-03/19/content_16274614.htm

Out of the Free Trade Zone different other Industrial Parks can be found in the Zhangjiagang's area: Yangtze Metallurgical Industrial Park, Zhangjiagang High-Tech Industrial Development Zone and Zhangjiagang Korean Industrial Park²¹⁸.

European presence in Zhangjiagang is very vivid. In 2019 a German company has decided to invest USD 90 billion in a plant in Zhangjiagang. ZF Friedrichshafen AG inaugurate its new plant on April the 11th. Having different agreements with the Free Trade Port Area of Zhangjiagang the German auto parts company started operation in Jiangsu in 2015 reaching over USD 400 million turnover. ZF Friedrichshafen AG has been working in China for a long time. Its four facilities in Zhangjiagang are just a part of a big network that covers the entire nation with facilities in Beijing, Shanghai, Xi'an, Qingdao and Changchun for example²¹⁹

Shagang Group, the biggest private steel enterprise in China and has its headquarter in Zhangjiagang. The group is been listed in the Fortune Global 500 different times. Today the Shagang Group employs more than 30,000 people in its facility in Zhangjiagang. The company was established in Zhangjiagang in 1975 with USD 63,000 and now it owns an asset that exceeds USD 14 billion. The company manages to produce more than 20 million tons of steel and iron every year²²⁰.

In 2019 Zhangjiagang government decided to sign an agreement with Huawei Technologies Company. Huawei Technologies will help Zhangjiagang government to improve the information infrastructure and big data industries in order to help the government to build a smart city in Zhangjiagang²²¹.

²¹⁸ 中国日报网 (China Daily), Parks, <http://www.chinadaily.com.cn/m/jiangsu/zhangjiagang/parks.html>

²¹⁹ Sedi ZF in Cina continentale, RAS di Hong Kong, RAS di Macao
https://www.zf.com/mobile/it/company/company_profile_zf/locations_worldwide/asia_pacific/china_locations/china.html

²²⁰ Brief Introduction, Shasteel
<http://eng.shasteel.cn/jtgk/jtjj/index.shtml>

²²¹ 中国日报网 (China Daily), Zhangjiagang joins hands with Huawei on smart city construction
http://www.chinadaily.com.cn/m/jiangsu/zhangjiagang/2019-04/10/content_37457898.htm

TAICANG

Taichang, the Beautiful Golden City of the Southern Yangtze, is one of the most important ports in Jiangsu Province. It is the closest city to Shanghai under the administration of Suzhou city and it is recognized as the major port meant for foreign trade in Jiangsu Province²²². The undergoing project of the Shanghai-Nantong Railway²²³ will allow Taichang to reach Shanghai in less than 20 minutes. Taichang has reached different goals during the years. It has been defined as the happiest city in China and its urbanization project have received many awards. It was ranked among the Forbes' Best County-Level Cities in China and among the top 100 cities for its comprehensive development. Its USD 14 billion GDP revealed an increase of more than 10% compared to the city's GDP in 2009. In the same year, in Taichang there were more than 20 enterprises whose annual output was over USD 280 million and more than 5 whose annual output was over USD 700 million. Japan, United States and Germany are the countries that invest in Taichang the most. In 2014, more than 20 companies ranked in the Fortune 500's list set up in Taichang. Nike²²⁴, Unilever²²⁵, Toyota²²⁶ and Siemens²²⁷ were among them²²⁸.

Taichang has been recognized as one of the biggest German bases in the world for commercial purpose. In 1993 the first German company decided to set up in Taichang, the Kern-Liebers Taichang Limited Company²²⁹. From 1993 on, more than 220 German enterprises have decided to establish in Taichang with a total investment, in 2014, that

²²² *Research Report on The Investment Environment of Taichang, Jiangsu Province*, https://www2.deloitte.com/content/dam/Deloitte/kr/Documents/china-business-center/2016/kr_cbc_investment_jiangsu-taichang_en_201612.pdf

²²³ *The Shanghai-Nantong Railway is a project started in 2014 and it is expected to be completed by 2020. The Hutong Railway will link Shanghai and Nantong along its 137km track.* <http://news.huochepiao.com/2012-12/2012122419242969.htm>

²²⁴ *Nike is an American multinational corporation designing and producing shoes, accessories and other equipment. It is the largest supplier of athletic shoes in all the world. Founded in 1964 in the United States it has registered over USD 36 billion in revenues in 2018.* https://web.archive.org/web/20130724231458/http://nikeinc.com/company_overview/history/1980s.html

²²⁵ *Unilever is a European multinational owning more than 400 brands in food and beverage and healthcare industries. It was established in 1930 in England and in 2018 it reached USD 53 billion.* <https://www.unilever.it/about/>

²²⁶ *Ibidem.*

²²⁷ *Ibidem.*

²²⁸ *Ibidem.*

²²⁹ *Kern-Liebers Group was founded in 1888 by Hugo Kern. It operates in different industries: electrical engineering, automotive, consumer goods, textile and medical industries. It employs more than 7,000 people worldwide and in 2018 it has reached an over USD 750 million turnover.* <https://www.kern-liebers.com/en/company/facts-figures/>

exceeded USD 2 billion. Shanghai German Centre²³⁰ chose Taicang as the place where German enterprises can enter and study the Chinese market before starting to run operations there²³¹.

Most of the German enterprises setting up in Taicang have chosen the Taicang Economic Development Area²³². The area was inaugurated in 1991 and it hosts more than 1500 enterprises from all over the world²³³. The rest of the enterprises instead, decide to set up in the Taicang Port Economic Development Zone²³⁴. The TPEDZ is a main port for all the nation. It is nation-wide recognized as one of the most important ports because of its proximity to Shanghai. It covers more than 38 kilometres along the coast and in 2011 it recorded the astonishing amount of more than 100 million tons of cargos with an annual increase over 10%. The Taicang Port Economic Development Zone has received the title of the development zone with the highest investment value among the city on the Yangtze River Delta.

²³⁰ *Shanghai German Centre is an area in Pudong where German enterprises can join different possibilities of studying and networking between them. In a 30,000m² area the German Centre of Shanghai provide German investors with all the instruments to make their entrance in the Chinese market easier.*

<https://www.germancentreshanghai.com/en/>

²³¹ *Ibidem.*

²³² *TCEDA*

²³³ *German Centre, Taicang*

<https://www.germancentretaicang.com/en/taicang/>

²³⁴ *TPEDZ*

CHANGSHU

Located in between Suzhou city and Zhangjiagang there is the former Yu city: Changshu. In the 1,300km² of Changshu it is estimated that live more than one million people. As the rest of the cities under the Suzhou's municipality, Changshu's economy has been flourishing since ancient times and it was. Named Changshu city in 1983, it was given the title of National Famous Historical and Cultural City because of its glorious history. Today it hosts one National Development Zone, one Provincial Development Zone and one provincial specialized market²³⁵.

In 1992 in Changshu it was established the Changshu Economic and Technological Development Zone²³⁶. The Zone managed to attract more than 500 foreign enterprises with investments that were over USD 25 billion. In 2018 the National Development Zone of Changshu recorded over USD 35 billion in foreign direct investments. Within the park a national-level Free Trade Zone was set up in order to attract more and more investors²³⁷.

Key industries in Changshu are the automobile industry, new energy industry, chemical and pharmaceuticals industries and big data and cloud services as well as logistic services and manufacturing. As of the other Development Zones close to Suzhou its position is strategic but, unlike the other cities, Changshu can count on two different ports: Changshu Port and Xinhua Port. Furthermore, these two ports allow cargos to easily reach important cities like Chongqing, Tianjin and Guangzhou. In 2013 the Changshu Port registered more than 70 million tons of bulk cargos. CEDZ had reached different awards²³⁸:

- Best national-level Economic Development Zone in Jiangsu Province
- Best national-level Economic Development Zone in all the nation.
- 56 projects with an investment above USD 100 million.
- Over USD 13 billion GDP

²³⁵ *History and Culture, Changshu governmental website*

<http://www.changshu.gov.cn/English/About/008004/>

²³⁶ CEDZ

²³⁷ *Changshu Economic & Technological Development Zone*

<https://www.investmentplattformchina.de/portfolio/changshu-economic-technological-development-zone/>

²³⁸ *Fabio STELLA, Changshu- A premier access to capitalize your business in China,*

<https://www.hawksford.com/knowledge-hub/china-business-guides/changshu-is-a-premier-access-for-investment-in-china>

Different worldwide known enterprises have decided to set up operations or plants in Changshu. The Sino-British joint venture Chery Jaguar Land Rover has its headquarter in Changshu. With an initial investment of more than USD 2 billion, the objective was to create a new automobile brand as well as improving Research and Development. The joint venture between the Chinese auto manufacturer Chery Automobile Limited Company²³⁹ and the British auto manufacturer Jaguar Land Rover²⁴⁰ was established in 2012. This is the first Sino-British joint venture in the automobile industry in the Chinese history²⁴¹.

²³⁹ Chery Automobile Limited Company is an automobile manufacturing enterprise based in China. It is a state-owned corporation founded in 1997 that produces passenger cars, minivans and SUVs mainly. It is one of the main automobile manufacturers in China: in 2011 its export volume was 25% of the nation total automobile export volume.

http://www.cheryjaguarlandrover.com/mob_static/company/index_en.php

²⁴⁰ Jaguar Land Rover Automotive Public Limited Company is a British multinational in the automotive industry. Began activities in 1922 it made the export one of its core businesses, recording an annual 80% export on the total production.

Ibidem.

²⁴¹ *Ibidem.*

CHAPTER III
Italy and Suzhou

TWIN CITIES: VENICE AND SUZHOU

Sugni²⁴² is a very noble city. [...] it has a lot of silk and they live by art and selling; they produce a lot of silk and they are rich merchants. It (Sugni) is so big that it goes 60 miles and there is so many people nobody could tell the number. [...] They are not warriors but wise merchants of everything. [...] You should know that there are more than 6.000 stone bridges [...] And it has, under its control, 16 huge cities and very able in selling and in arts²⁴³.

More than 700 years ago, Marco Polo, during its trip to the Eastern part of the world tells how Suzhou appeared to his eyes. Suzhou has always been the main producer of silk all over China and, this peculiarity always attracted many visitors. The bridges, the canals, merchants' abilities recall of a closer city, recalls of a city that is the city of the canals for antonomasia: Venice. Because of these similarities, Suzhou has always been called the "Venice of the East". In 1980, the two city themselves decided to sign a twin-cities agreement. Few months before the same kind of agreement was signed between Shanghai and Milan and, few months after, the one between Nanjing and Florence was signed as well underlining the importance of the Jiangsu province.

²⁴² Marco Polo refers to Suzhou as Sugni in its diary

²⁴³ Marco Polo, *Il Milione*, 1297-98, p.122, personal translation



March 1980, Mayor of Venice Mario Rigo and Suzhou mayor Jia Shizen are signing the twin-cities agreement²⁴⁴

Since then and, especially since the opening of the different Development Zones in the Jiangsu province, many Italian firms have started considering the possibility to run operations in the province that was developing very quickly.

On the other side the Chinese investments volume in Italy were increasing year by year arriving at more than USD 800 million in 2014. In 2017, Italy was the first G7²⁴⁵ country to join the Chinese One Belt One Road initiative²⁴⁶. China is not just aiming to investment on infrastructure in order to exploit Italy's favourable geographical position but, since 2000, it is estimated that almost 600 Italian companies have received investment from China for a total amount of more than USD 14 billion. China, instead is the destination of more than USD 13 billion in export from Italy while, import from China to Italy worth more than USD 29 billion²⁴⁷. The two countries, then, decide to sign a memorandum of

²⁴⁴ The moment in which Venice mayor Mario Rigo and Suzhou mayor Jia Shizen signed the twin-cities agreement in March of 1980 in Venice.

Photographic archive of the press office of the municipality of Venice

²⁴⁵ G7 or, less commonly, the Group of Seven is an international intergovernmental economic organization including the seven most advanced economies: Italy, Germany, France, United States, United Kingdom, Japan and Canada.

https://ec.europa.eu/info/food-farming-fisheries/farming/international-cooperation/international-organisations/g7_it

²⁴⁶ Ibidem.

²⁴⁷ Financial Times

<https://www.ft.com/content/4b170d34-40f9-11e9-b896-fe36ec32aece>

understanding²⁴⁸ worth USD 2.5 billion. Jiangsu province, since 2003, is the province that attracts more foreign direct investments all over China. Italian investments started in the provincial capital: Nanjing.



Important cities in Jiangsu Province for Italian enterprises²⁴⁹

ITALIAN ENVIRONMENT IN JIANGSU

With more than 8 million inhabitants and a GDP around USD 160 billion in 2017 Nanjing hosts around 30 Italian companies in the city itself and in the closest areas²⁵⁰. Iveco²⁵¹ and Brembo²⁵² were among the first Italian companies that decided to invest in Jiangsu, more precisely in Nanjing. Iveco was effectively operating in China since 1986. As the

²⁴⁸ *The memorandum of understanding is an agreement between two or more parties in which a common strategy is planned to be enacted and in which parties are not legally committed.*

<https://www.collinsdictionary.com/it/dizionario/inglese/memorandum-of-understanding>

²⁴⁹ https://www.researchgate.net/figure/sampled-cities-in-Jiangsu-China_fig1_304105290

²⁵⁰ *Presenza Economica Italiana Nella Provincia del Jiangsu, Italian Trade Agency of Shanghai*
<https://www.ice.it/it/sites/default/files/inline-files/Scheda%20Jiangsu.pdf>

²⁵¹ *Iveco S.p.A. (Industrial Vehicles Corporation) is an Italian company that manufactures industrial vehicle. It was founded in 1975 and in 2018, its revenues were around USD 6 billion dollars. It worth underline that it employs more than 25,000 workers in plants all over Europe, China, Argentina, Africa, Australia and Brazil*

<http://iveco.com/>

²⁵² *Brembo S.p.A. is an Italian manufacturing company. It offers special breaks systems to customers producing high geared cars or motorbike like Ferrari, Porsche and BMW. Founded in 1961, Brembo works in more than 15 countries including China, Brazil, Japan and United States. In 2016, its revenues were registered to be around USD 3 million.*

<http://www.brembo.com/>

matter of fact, in 1986, the Nanjing Automobile Corporation²⁵³ acquired a license of production from Iveco in order to produce a van created by Iveco, leading the Italian company to be the first European producer of commercial vehicles to associate with a Chinese partner²⁵⁴. In 1996 the two companies joined a joint venture: Naveco Motors is the first Fiat group's joint venture in China. In 2017 Naveco Motors decided to open a new plant in Nanjing: Qiaolin. This new plant will reduce production cost and it will bring production capacity to 100,000 vehicles per year²⁵⁵.

Brembo (Nanjing) Brake Systems Company Limited's majority was acquire in 2008, reaching the total control in 2013. In 2019 a new plant was announced. USD 150 million was invested, after the initial USD 100 million one in order to create this facility capable of creating more than two million pieces every year and that gives the possibility to have a 40,000 m² hub²⁵⁶.

In Nanjing, the automotive sector is not the only sector Italian companies have decided to invest in. Manufacture industry, furniture industry, food and service industries are very attractive for Italian firms deciding to run operations in Jiangsu. SAES Getters²⁵⁷, Thor²⁵⁸, Veneta Cucine²⁵⁹ and SMI packaging²⁶⁰ for example have decided to open facilities in Nanjing.

²⁵³ 南京汽车集团有限公司, Nanjing Automobile Corporation (NAC) is the oldest Chinese automobile manufacturer. It is a state-owned company founded in 1947.

<https://nanjingqichejituan.cn.gongchang.com/>

²⁵⁴ https://www.ansa.it/canale_motori/notizie/industria/2017/07/13/iveco-inaugura-in-cina-nuova-fabbrica-di-qiaolin-per-daily_b7aac925-f4af-434b-b0b4-c29af12fc01b.html

²⁵⁵ Ibidem.

²⁵⁶ <https://www.brembo.com/en/company/news/brembo-inaugurates-its-new-production-plant-in-nanjing>

²⁵⁷ SAES Getters S.p.A. is an Italian manufacture company that produces electric components as dispenser and functional chemicals. It was founded in 1940 and in 2017 its total revenues were over USD 250 billion.

<http://www.saesgetters.com/>

²⁵⁸ THOR S.p.A. is an Italian manufacture company born in 1960. It mainly produces rubber hoses. It has different facilities in Italy, one in Australia and a representative office in Nanjing.

<https://www.thorhoses.com/contact>

²⁵⁹ Veneta Cucine S.p.A. is the kitchens largest manufacturer in Italy. The group has different shops and facilities all over China: Beijing, Shanghai, Luoyang, Tianjin, Chongqing, Guangzhou, Nanjing and Suzhou.

<http://www.venetacucine.cn/zhs/store-locator/worldwide/asia/china/>

²⁶⁰ SMI S.p.A. is one of world's largest producer of food and beverage packaging. Among its most important customers there are Nestlé, Danone, Coca-Cola, Kraft Heinz, Heineken and Carlsberg. It was born in 1987 and it has facilities in Mexico, Brazil, Russia, Australia and representative offices in Nanjing and Guangzhou.

<https://www.smigroup.it/profilo/smigroup-history?lang=it>

Another little small cluster of Italian firms can be found in the city above Taihu Lake²⁶¹, the fourth biggest lake in China.

Wuxi counts around 3 million inhabitants living just in the city area and more than 6 million in the entire area. Wuxi is, like Suzhou, a prefecture level city²⁶². Its position is very strategic in order to attract investors: the Sunan Shuofang Airport is collocated near the city centre, and the high-speed railway linking Shanghai to Nanjing have a stop in the city. Its main development zone, the Wuxi New District, was built in 1992. The park GDP in 2013 was one of the highest GDP ever recorded by a development zone: USD 19 billion²⁶³.

Because of its flourishing economy, Wuxi has been attracting many foreign direct investments. It is estimated that more than 102 projects coming from Europe are been done in Wuxi and hundreds of Italian companies have decided to set up in Wuxi.

One of the first Italian enterprises that decided to invest on Wuxi was the Ariston Thermo Group²⁶⁴. Ariston Thermo (China) company limited was inaugurated in 1996 and employs around 450 people. This plant mainly produces heating systems and boilers.

Nine years later CPE Italia²⁶⁵ decided to open the Wuxi CPE Electronics limited company. Established in 2005, the Wuxi CPE Electronics limited company is strictly tied with CPE Italia S.p.A. that remains its main investor. The Wuxi facilities is meant to develop industrial sophisticated sensors and HF²⁶⁶ cable assemblies. They have different first-class customers in the Asia region.

²⁶¹ 太湖

²⁶² *Ibidem*

²⁶³ <http://www.chinatoday.com/city/wuxi.htm>

²⁶⁴ *Ariston Thermo Group is an Italian company and it is one of the world's main producers of heating systems. Its total revenues, 89% of which generated outside Italy, is about USD 2 billion. It employs 6,800 workers and Asia is one of the company's biggest markets.*

<https://www.aristonthermo.com/it/Il-Gruppo>

²⁶⁵ *CPE Italia S.p.A. was founded in 1978 and its specialized In the production of professional components for electronics. It has different branches in Asia, Eastern Europe, North, Central and South America. It has many customers as Rai Radio Televisione Italiana, Vodafone, Wind and Fincantieri in Italy*

<https://www.cpeitalia.it/case-history/>

²⁶⁶ *HF cables are low voltage and flame retardant power cables*

<https://www.elandcables.com/cables/cablesxcmk-hf-cables>

A year later, the Italian logistic company Kopron S.p.A.²⁶⁷ decided to open its new branch in Wuxi: Kopron (Wuxi) Logistic Facilities limited company was inaugurated in 2006. The facility not just aim to the Chinese market, but it aims also to the Southern-Asia areas²⁶⁸. The Kopron (Wuxi) is now in charge of the management of the products arriving and leaving Shanghai University's canteen²⁶⁹ and one of their projects is permanently exposed in the Chengdu University to be a sort of case study for the logistic degree course students²⁷⁰.

ITALIAN PIONEER IN SUZHOU: MINI GEARS

Gears, cables, glasses and other products were the first elements to attract Italian investors coming to Suzhou. This were the reason that mostly attracted the first manufacturing company that arrive in Suzhou: Mini Gears²⁷¹. The general manager of Mini Gears explained that, in 2004, the situation was way different from today:

The adventure started seven years ago (2004). The situation here was way different then. Nobody could speak English, there was a lot of uncertainty, but you could tell this industrial area had some huge perspectives²⁷².

The 17,000m² facility in Suzhou was planned in 2003 but actually inaugurated in 2004. The Mini Gears S.p.A. at the end of the nineties was witnessing many of their major

²⁶⁷ *Kopron S.p.A. is one of the world's most important provider of logistic services. It produces warehouses, loading bays and industrial doors for any kind of situation. Founded in Gorgonzola (Milan) it has facilities in France, in China and Brazil. The group has a share capital of USD 1.5 million.*

<https://www.kopron.com/en/aboutus>

²⁶⁸ <https://www.made-in-china.com/showroom/hli1234>

²⁶⁹ <https://www.kopron.com/en/newsdetails/loading-unloading-systems-shanghai-university>

²⁷⁰ <https://www.kopron.com/en/newsdetails/the-best-of-kopron-wuxi-chengdu-university>

²⁷¹ *Founded in 1976 is one of the biggest manufacturers of gears and components for the automotive sector. It employs around 560 workers and It is part of Carraro Group (A company that produces transmission systems for agricultural machines). In 2014 the plants of Padova and Suzhou was given to a Dutch investment group: Finatem. mG Mini Gears and Herzog have joint together in a new society: HGears.*

<https://hgears.com/it/azienda/storia/>

https://www.ilgazzettino.it/home/carraro_fa_cassa_mini_gears_ai_tedeschi-345918.html

<https://www.carraro.com/en>

²⁷² *Il Sole 24Ore, L'Italia mette radici a Suzhou: Così è possibile produrre a costi competitivi, 2011*

https://st.ilsole24ore.com/art/notizie/2011-06-12/litalia-mette-radici-suzhou-081332.shtml?uuid=AaZp0BfD&refresh_ce=1

clients to move to China. Black&Decker²⁷³ and Bosch²⁷⁴, for example, decided to move to China at the end of the nineties decided to move some operation that were crucial to Mini Gears. Mini Gears S.p.A. decided then, in 1999, to open a trading office in Shanghai in order to keep running operations with these clients moving to China. During these years, Mini Gears exploited its position to achieve information and in 2001 it decided it has to take an internationalization process that will lead the company to create the Mini Gears Suzhou Limited Company in 2003²⁷⁵. Because of the specific need of the company it was decided to open the plant in the Suzhou Industrial Park that, in that period, was experiencing one of the best periods since its creation.

ITALIAN FIRMS IN SUZHOU

CAREL

On the opposite side of the town, a year later, Padova's CAREL Industries S.p.A.²⁷⁶ was opening its first branch in China: CAREL Electronic (Suzhou) Limited Company was opened in the Suzhou New District. CAREL Suzhou Factory is a wholly foreign owned enterprise and it is 100% owned by CAREL Industries S.p.A. The CAREL's first plants in China is 4,000m² large and it employs more than 270 workers both in the section in charge of the manufacturing as well as in its warehouses and offices. The plant in Suzhou works in the same way the headquarter plant does. The aim is to maintain the high

²⁷³ *Black&Decker Corporation is an American producer of power tools, hardware and home technology product. It was founded in 1910 and its revenues was around USD 11 billion few years ago. It employs more than 25,000 workers all around the globe.*

<https://www.blackanddecker.it/it-it/about/milestones/params/2>

²⁷⁴ *Bosch (or less commonly Robert Bosch GmbH) is a German multinational in engineering and technology industries. It was founded in 1886 and its assets in 2018 was over USD 83 billion. Bosch in one of the first companies entering in China. Indeed, it entered in China in 1909. Nowadays it has more than 60,000 employees in China in its 59 companies.*

<https://www.bosch.com.cn/en/our-company/bosch-in-china/>

²⁷⁵ *Francesco PERRINI, Matteo PICCINALI, Investimenti e contratti in Cina, Egea S.p.A., 2010*

²⁷⁶ *CAREL S.p.A. was founded in 1973 in Padova, in the Northern part of Italy. It is a manufacturing company that produces and sells highly technological equipment in the heat and refresh systems, both in domestic and commercial sector. In the early two-thousands the company's revenues peaked at USD 60 million. In the same years CAREL Australia was created. Its first branch was open in France at the end of the nineties. It has plants in United Kingdom, Germany and South America as well.*

standards reached in Italy for their product. The plant is the base to cover all the Eastern Asia markets and the company treats the product from its very begin to the very end. It has been underlined by the company itself that one of the highest values of the Suzhou's plant is having a very professional team that has never changed since the opening of the facility²⁷⁷. Only three kilometres away, CAREL Electronic Suzhou has been working on a new plant where to transfer all the operations and increase the productivity reducing the cost. On July the 16th of 2019 a new and bigger plant has been inaugurated by CAREL Group of Suzhou. The new facility has been built in Suzhou New District as well, but its dimensions are more than three times than the old plant. With its 15,000m² the new facility will include a big section dedicated to research and development activities that have always been one of the main strengths of CAREL Industries²⁷⁸.

When we built the first plant in 2005, we were convinced of the importance to invest in this market.²⁷⁹

Francesco Nalini, CAREL Group's CEO said during the inauguration of the new plant in Suzhou

Today, this inauguration of the new facility is the prove that the decisions we've taken were good and it opens great perspectives for the future.²⁸⁰

As the matter of fact CAREL Electronic Suzhou's Research and Development represents the 24% of the Research and Development of the entire group.

FAIST

In the same district in 2006 another Italian company was inaugurating its first plant in China: Faist²⁸¹. For the same reasons that pushed MiniGears to move to China, Faist

²⁷⁷ CAREL official website

<https://www.carel.it/carel-electronic-suzhou->

²⁷⁸ Industria Italiana website,

<https://www.industriaitaliana.it/carel-posata-la-prima-pietra-del-nuovo-impianto-in-cina/>

²⁷⁹ Francesco Nalini, CEO of the CAREL Group during the opening ceremony of the new plants, personal translation.

<https://www.zerosottozero.it/2019/07/23/carel-inaugurato-il-nuovo-impianto-in-cina/>

²⁸⁰ Ibidem.

²⁸¹ Born in 1978 between Umbria and Tuscany in the central part of Italy the manufacturing company produces components for different industries. Automotive, computing, telecom and energy are the core business of the group. Faist Group has more than 33 branches all over the world

decided to follow their clients moving to China. Faist Emission Controls China was created in 2006 to cover the Chinese and the Asian markets. With it, Faist Precision Technology and Faist Cotech were created as well. While the first is specialized in controls and propulsion systems, the other two facilities deals with light metals. Just the Faist Precision Technology employs more than 600 people in Suzhou²⁸².

CEFLA FINISHING EQUIPMENT (SUZHOU)

In the same year and in the same area Suzhou New District a company founded by Cefla Capital Services S.p.A.²⁸³ was setting up: Cefla Finishing Equipment (Suzhou) Limited Company. Cefla has adopted the same model used in Italy. The branch was founded in order to consolidate the Cefla's position of world leader in the wood-finishing sector as well as to develop research and development activities as to diversify its product focusing on glass, metal, plastic and other materials. Since its foundation the Cefla Finishing Equipment Limited Company has seen its turnover increasing year by year with an astonishing contribution to the group's total turnover in 2017²⁸⁴. As the investment in China was good, Cefla group decided to make another investment in the same area: Suzhou Victor Medical Equipment Limited Company is a company 100% owned by Cefla Capital Services S.p.A. and it was created in 2016. Thanks to the experience of Cefla Medical Equipment²⁸⁵, the branch Victor Medical Equipment belongs to, it has

Faist official website

<https://www.faistgroup.com/>

²⁸² *Il Sole 24Ore*

<https://st.ilsole24ore.com/art/impresa-e-territori/2016-04-19/faist-si-rafforza-mercato-cinese-062953.shtml?uuid=AC0urXAD>

²⁸³ *Cefla s.c. was founded in 1932 in Imola, where they decided to maintain the headquarter. Cefla owns 13 facilities in Italy, China, Germany, Russia and United States and it employs more than 1900 people. With many years of experience, Cefla has consolidated its position as world leader in the wood painting. Research and Development of new machineries is the core business of Cefla that has settled big R&D center in Pesaro, Charlotte (USA), Meckenheim (Germany) and Suzhou*

Cefla official website

http://tekma-stroje.com/wp-content/uploads/2018/05/01_2017-MITO.pdf

²⁸⁴ *Cefla Annual Report, 2017*

https://www.cefla.com/wp-content/uploads/2018/09/CEFLA_AnnualReport2017_ENG.pdf

²⁸⁵ *Cefla Medical Equipment is one of the world's leaders in the dentistry industry. It provides highly technological instruments and it has different brands on its inside: Anthos, Castellini, MyRay, Newtom and different others in order to guarantee the maximum efficiency because every brand has its own tasks.*

Cefla official website <https://www.cefla.com/it/medical/>

gained a strong position and the entire branch has seen an 80% growth in turnover in 2017. Victor Medical Equipment produces highly technologic dentist and radiology instruments and it is located in the Wuzhong District in Suzhou²⁸⁶.

DANIELI AND SALMOIRAGHI

In 2007 another Italian excellence decided to open a plant in Suzhou. Founded in 1914, Danieli²⁸⁷, along with Mini Gears, has been one of the first Italian companies to deal with the Chinese market. As the matter of fact, Danieli Group started exploring Chinese market since 1979 until the 1982, year in which its first export contract was signed with a Chinese partner. The first reason that convinced Danieli to explore Chinese market was the labour cost. In 1983 Danieli decided to open its first representative office in Beijing in order to fulfil the growing demand for their products. In 2002 another representative office was open in Shanghai. This second office was way more strategic than the first one. As the matter of fact being at the centre of one of the most productive zones of the entire country allowed Danieli to seek for new clients and suppliers²⁸⁸. Few years later the Asian demand started to become unsustainable and the cost of selling and exporting were becoming hard to bear. In 2007 Danieli Group decided to make a big investment and to buy a plant in Suzhou. The Danieli Changshu Metallurgical Equipment & Service Limited Company built a 300,000 m² plant in Changshu. In its plant more than 1200 workers were hired in twelve years²⁸⁹.

Many other companies have decided, during the years to open some facilities in China in order to optimize production cost and capabilities. Many of them are considered to be Italian excellences that decide to join Chinese market because its potential.

²⁸⁶ *Ibidem*.

²⁸⁷ *Danieli & Co. Officine Mecniche S.p.A. was founded in Brescia in 1914. It produces steel products and it is one of the world's leaders in the sector. In 2017 its revenues were registered to be over USD 3 billion.*

<https://www.danieli.com/en/about-us/history/history-1914-1960.htm>

<https://www.bloomberg.com/profile/company/0173317D:CH>

²⁸⁸ *Guido NASSIMBENI, Marco SARTOR, Sourcing In China: Strategies, Methods and Experiences, Palgrave Macmillan, 2006, p.198-203*

²⁸⁹ *Made In China website*

https://it.made-in-china.com/co_danielisxy/

Salmoiraghi Automatic Handling²⁹⁰ is an Italian company that produces automatic machines to be used in the industrial sector. Its president, Sandro Salmoiraghi has been working in China for more than twenty-five years. They have 19 plants all over China and the first one was settled in 2012²⁹¹. With the main focus always on research and development sector, Salmoiraghi Automatic Handling has reached, in few years, many awards. In 2018 it has won the China Award²⁹² in the category of “Creators of values”. In China, Salmoiraghi Automatic Handling produces spools of thread, producing one billion units every day in all its facilities around China²⁹³.

In 2018 the facilities in China represented the total turnover’s 70%, reporting almost USD 20 million to the entire group²⁹⁴.

In 2005 an Italian holding, the EDT Italia S.R.L., decided to start running operations in Suzhou. By the first half of 2007 the EDT (Suzhou) Limited Company has already reached the mass production and created more than 100 jobs in Suzhou.

²⁹⁰ *Salmoiraghi Automatic Handling S.p.A. was founded in 1963 in Monza (Milan). At the begin it was meant to project and build equipment and machines for the textile industry. Now it is specialized both in the production of textiles instruments as well as in the production of automatic machinery for any kind of industry. It has different branches all over the world: China, Brazil India, Russia, United Kingdom, United States and Canada.*

<http://www.salgroup.it/CN/company.php>

²⁹¹ *Carla Signorile, Italy-China: the experience of Salmoiraghi Automatic Handling, An Interview with Sandro Salmoiraghi, President of Salmoiraghi and Federmacchine, CNBC (Tv), 2019*
<http://video.italiaoggi.it/classcnbc/notizie-commenti/Italia-Cina--lesperienza-di-Salmoiraghi-Automatic-Handling-85102/>

²⁹² *China Awards is an Award for Italian and Chinese companies that have exploited the opportunity respectively in China or in Italy. The award was made to underline the importance of the internationalization of the different companies and it is held by the Fondazione Italia-Cina and it is sponsored by the Italian Chamber of Commerce in China.*

Website of Fondazione Italia Cina, <https://www.fondazioneitaliacina.it/it/la-fondazione/attivita/china-awards/>

²⁹³ *Press Realease by Salmoiraghi Automatic Handling S.p.A.*

<http://www.acimit.it/COMUNICATI/Salmoiraghi%20comunicato%20stampa%20-%20China%20Awards.docx>

²⁹⁴ *Website of Industria Italiana*

<https://www.industriaitaliana.it/meccatronica-salmoiraghi-il-70-del-fatturato-in-cina/>

VALVITALIA AND SOGEFI

In 2006 Valvitalia S.p.A.²⁹⁵ decided to set up a Chinese branch: Valvitalia (Suzhou) Valves Limited Company was settled in Wuijiang in that year. With many years of experience in the oil, gas and power sector, the Valvitalia (Suzhou) was created in order to produce specific equipment. The Wujiang plant is 60,000m² large and it includes different workshop, offices and the production area. The Chinese plant manages to produce more than 200,000 valves every year²⁹⁶.

In Wujiang another Italian company decided to open one of its facilities. Indeed, in 2014, Sogefi²⁹⁷ decided to open two facilities in Suzhou and, more precisely, in the Wujiang district. The Sogefi (Suzhou) Auto Parts Company Limited was divided in two plants. The first 15,000m² plant was meant to produce suspension components for motor vehicles for customers as BMW²⁹⁸, Fiat²⁹⁹ and Ford³⁰⁰. The second 11,000m² plant was designed

²⁹⁵ Born in 2002, Valvitalia S.p.A. is one of the world's main producers of valves and components for the energy market and it is recognized worldwide as one of the best producers of antifire systems.

Valvitalia S.p.A. official website

<http://www.valvitalia.com/it/gruppo/valvitalia-nel-mondo/stabilimenti>

²⁹⁶ Valvitalia S.p.A. official website

<http://www.valvitalia.com/it/gruppo/valvitalia-nel-mondo/stabilimenti/valvitalia-suzhou-valves-co-ltd.html>

²⁹⁷ Sogefi S.p.A. is an Italian excellence in the automobile components industry. It produces suspension systems and air and cooling systems for car's engines. It was founded in 1980 and in the first semester it has registered USD 867 million of total revenues. The group owns more than 36 companies in 23 different countries. It is part of the Compagnie Industriali Riunite S.p.A., one of the biggest Italian holdings.

Sogefi Group official website

<https://www.sogefigroup.com/it/index.html>

La Repubblica, Sogefi ricavi semestrali a 778 milioni, 2019

https://www.repubblica.it/economia/finanza/2019/07/22/news/sogefi_ricavi_semestrali_a_778_milioni-231769366/?refresh_ce

Sogefi S.p.A. Financial Statement, 2016

<https://www.sogefigroup.com/static/upload/sog/sogefi-spa-rel.fin.semestrale-2016.pdf>

²⁹⁸ The Bayerische Motoren Werke (BMW) was founded in 1916 as to be a producer of aircraft engines. With its headquarter in Munich, in 2018 its total assets was registered to be over USD 300 billion.

<https://www.bmwgroup.com/en.html>

²⁹⁹ Fiat Automobili S.p.A. is the largest Italian producers of automobiles. It was founded in 1899 and it is worldwide recognized as one of the main automobile manufacturers. Part of the Fiat Chrysler Automobiles (FCA) in the first half it has registered a decline in the total revenues that was registered at USD 30 billion.

FCA official website

<https://www.fcagroup.com/it->

[IT/media_center/fca_press_release/FiatDocuments/2019/july/FCA_RISULTATI_SECONDO_TRIMESTR_E_2019.pdf](https://www.fcagroup.com/it-media_center/fca_press_release/FiatDocuments/2019/july/FCA_RISULTATI_SECONDO_TRIMESTR_E_2019.pdf)

³⁰⁰ Ford Motor Company is one of the most important and one of the world's oldest car manufacturer. It was founded in 1903 and it has many facilities all around the world (China, Thailand, Russia, Turkey)

<http://corporate.ford.com/>

to produce air and cooling systems for customers as Daimler³⁰¹ and Jiangling Motors³⁰². By the end of 2015 more than 500 people were employed in the two plants. The initial investment was of USD 40 million to build the new facilities and, in 2016, the Sogefi group decided to inject another USD 30 million investment in the Suzhou facility³⁰³.

³⁰¹ Daimler AG S.p.A. is a German automobile manufacturer for civil and military industry. It was founded in 1926 and in 2018 its total revenues were USD 200 billion.

<https://www.daimler.com/>

³⁰² 江铃汽车股份有限公司 Jiangling Motors Corporation Limited, founded in 1993, is a Chinese producer of automobiles. It employs more than 16,000 people and in 2018 it has closed with total revenue of USD 3 billion.

JMC official website

<http://www.jmc.com.cn>

³⁰³ With total revenues of USD 160 billion in 2018 it is one of the world leaders in the car manufacturer industry

Ford official website: <https://corporate.ford.com/history.html>

PELLICONI

A simple and little bottle cap is what in 80 years has brought an Italian company to be the world leader in this kind of industry. It was the 1939 when Angelo Pelliconi decided to set up Ditta Angelo Pelliconi (DAP). The founder is so straightforward he understands that the equipment of the American army can make the difference: he transforms soldiers' small metal containers into crown caps. The success of this process is astonishing. In few years Angelo Pelliconi has to find new way to produce more caps and its company is becoming one of the most important companies in the beverage industry. In the early sixties the production was moved to Ozzano dell'Emilia, a small Italian municipality twenty minutes far from Bologna. These are the years in which the Pelliconi's caps start to be sold in other countries and thanks to its 40 employees, Pelliconi's production capacity was 3 billion caps every year. Beside the production of caps, Pelliconi used to produce corkscrew, trays and the package of the Re Sole³⁰⁴ pills. In 1991 Pelliconi's network witnessed a new branch opened in Italy, near Chieti in the central Italy. With the two facilities synergistically working, the production capacity was raised to 10 billion caps every year. Research and development as one of the main focus brought Pelliconi to replace cork seal with PVC seal in order to improve its product.

In 2008 the company decides to open the first branch outside Italy: Pelliconi Egypt was founded in El Cairo. The target is the northern Africa market. Because of the achievement of the goal, Pelliconi decided to open a new production plant two years later. The new production plant was set up in the United States, in Florida. The Pelliconi Florida brought Pelliconi to a new level in its development.

The invention of the Maxi P-26, the first cap that does not need a bottle opener was a turning point in Pelliconi's development.

³⁰⁴ *The Re Sole pills are licorice candy invented by Gazzoni company, one of the most important producers of groceries in Italy that has brand as Dietorelle.
La Repubblica
<https://ricerca.repubblica.it/repubblica/archivio/repubblica/1995/04/09/il-compagno-merckx-mister-dietorelle.html>*

In 2016 Pelliconi decided to broaden its production and started to look for a new plant where to produce. Because of the impressive economic growth, the chosen country was China.

It is 2016, Pelliconi calls me and says they want to open a new plant in China, but the precise location is not clear yet. We started from zero³⁰⁵.

Lorenzo Bali is in China since 2003 and he has done different things, especially in the automobile industry, until Pelliconi has entrusted to him the setting up of the production plant in China.

We started the research from a technical need. Our machineries suffer the temperature if it is too high or too low, humidity and so we decided that northern China and southern China were not suitable. Furthermore, we wanted to be as close as possible to Shanghai because of its importance but prices there were too high. At the end we chose Suzhou because it is one of the biggest Italian communities of the world and all the companies here help each other³⁰⁶.

With an initial investment of USD 15 million, on November the first, the new plant was inaugurated. 8,000m² large and with 60 employees at the beginning, one of the plant's objective was to foster the business with Carlsberg³⁰⁷, one of Pelliconi's main clients.

Today we have 75 employees in this facility. Why Suzhou? Because it provides you with everything you need. Technologies, qualified personnel, suppliers and so on. Logistically, Suzhou is in a great position. Every part of China can be reached from here.

Thanks to the opening of the different plants, the capacity production of Pelliconi got to a new level. Starting from the 3 billion pieces that were produced in the early beginning of the company, now the entire group is capable of producing more than 30 billion units per year. Nowadays the entire group counts more than 600 employees in the 5 different

³⁰⁵ Lorenzo Bali, General Manager of Pelliconi Suzhou. May 14th, 2019, Personal interview

³⁰⁶ Ibidem.

³⁰⁷ Carlsberg Inc. is one of the world's largest brewery groups. It was founded in 1847 and it has started export in Asia since 1889.

Carlsberg Group official website

<https://www.carlsberggroup.com/who-we-are/about-the-carlsberg-group/our-rich-heritage/>

facilities that have been opened in different part of the world and, thanks to new line of production the employees' number will keep on raising.

Of course, there are vantages and disadvantages. The majority of the personnel can speak English, and this is a big advantage. Personnel, tough, is not so cheap, the rental costs are very high and furthermore there is a big environmental problem that here in China is wide open.

Once Suzhou was chosen as the city where to set up the new plant, the focus was moved on in which part of Suzhou is better open a plant.

At first, we went to the Suzhou Industrial Park. In that period the Suzhou Industrial Park was seeking for enterprises whose core business was research and development. They showed us some lands, but they were not suitable for us. [...] we met then some people from the Suzhou Working Group, the Italian companies' group and they introduced us to Suzhou New District.

Suzhou Woking Group was born in 2006 when just six Italian companies were in Suzhou. The six general managers met every month to discuss problems they had in commons. In few years, many companies started to run operations in Suzhou, and they became an important association. They joined the Italian Chamber of Commerce in China and tit became a real association where Italian enterprises can share problems and find solutions³⁰⁸.

Suzhou New District is very well organized. Thanks to their one-stop office many practices can be quickly done. They really helped us when setting up the plant. Their office managed to help IKEA and Volvo, for example, to set up here. Here in Suzhou New District different big Italian companies decided to run operations as Faist and Carel. I think that China has changed a lot. Who came here to save money on the employers now has changed strategy or has closed any kind of operation. Wages are growing and I think they are more or less equal to the European ones.

Today, the total group's turnover has reached USD 170 million and Pelliconi is always looking for new ways to improve production capacity and to innovate its product.

³⁰⁸ *Il Sole 24Ore*

https://st.ilsole24ore.com/art/impresa-e-territori/2013-09-24/parchi-tecnologici-suzhou-065156.shtml?uuid=AbJcxWaI&refresh_ce=1

We have decided to adopt the same production lines we use in Italy. The difference is that our machineries are new, so their efficiency is a little higher of course. [...] Chinese market is very peculiar. It is impossible to use the same strategy used somewhere else. At the beginning our objective was to produce one billion and two-hundred million caps. Last year, with the same machineries we have produced one billion and five-hundred caps. We are now working on two new production lines. I think this year we will manage to produce two billion caps and, maybe, the next year two billion and four hundred million. In a normal day we produce two-hundred thousand caps. We work with the main breweries here in China. Tsingtao for example. The 97% of our production here is destined to the brewery industry.

Pelliconi supplies more than 600 customers all over the world. Carlsberg, Castel³⁰⁹, Coca-Cola³¹⁰, Danone³¹¹, Heineken³¹² and Pepsi Cola³¹³ are among its best clients. It is now working on pharmaceutical and personal care sectors as well as in the baby-food industry to keep on improving its position³¹⁴.

³⁰⁹ *Groupe Castel is a beverage company founded in Bordeaux, France in 1949. It is the largest wine producer in France, and it employs more than 29,000 people in its facilities.*

Groupe Castel official website
<http://www.groupe-castel.com/en/>

³¹⁰ *Coca-Cola Company is one of the largest beverage company in the world. It was founded in 1886 in the United States and with its 61,000 employees it has reached a total revenue of USD 35.5 billion in the last few years. It sells drinks in more than 200 countries all over the world. It owns brands like Fanta and Sprite that, as well as Coca-Cola, are available worldwide*

Coca-Cola Company official website
<http://www.coca-colacompany.com/>

³¹¹ *Danone S.p.A. is a French company and one of the world's leader in the food industry. It was set up in Spain in 1919 and in 1967 all of its production lines were moved to France because of an agreement. Its products are sold in more than 120 countries and its net profit in the first half of 2019 was USD 3 billion.*

Danone S.p.A. official website and Press Report
<https://www.danone.com/about-danone.html>
<https://www.danone.com/content/dam/danone-corp/danone-com/investors/en-result-center/2019/quarter1/PR%20Danone%20Q1%202019.pdf>

³¹² *Heineken S.p.A. is a Dutch brewery company established in 187. It owns more than 250 different brands like Tiger, Ochota, Star and Birra Moretti. In 2018 it entered a joint venture in order to enter the Chinese market. Its revenues were registered at USD 25 billion in the last few years.*

Heineken S.p.A. official website
<http://www.heineken.com/>

³¹³ *Pepsi Cola Inc. is an American multinational in food and beverage industries. It was established in 1897 in the United States. It is the Coca-Cola Company's main competitor and it owns brands as 7 Up, Gatorade, Lay's and Cheetos. In 2017 its revenues were registered to be USD 63 billion.*

Pepsi Cola Inc. official website
<http://www.pepsico.com/>

³¹⁴ *Monica HIGUERA, Growing sustainably, The Canmaker, Sayers Publishing Group, 2017*

What we do is not very complicated. What is very complicated is not to produce a cap. What is very complicated is producing 5 million perfect caps a day. We have one main competitor here. It is a Japanese cap producer as well as a can producer. In China, few years ago, they were not so successful, so they had to change their strategy. For the moment, they do not have intentions to move to China again, but they have customers we can't reach. But we know for sure that from 2020 many Chinese competitors will start producing here and so we have to be a step ahead them to maintain our position. [...] Intellectual property here is a big deal. But I think disadvantages here are way less than the advantages. With a good organization and a budget high enough, every problem here can be solved. I mean, when people are happy, they drink. When they are not happy, they drink as well.

DAP is the acronym of the company at its dawn as well as the acronym that can be found on every cap. If the production of caps is very important to Pelliconi, research and development is a core business as well. After the invention of new kind of caps, Pelliconi is now working on the DAPP platform. DAPP will be a new way of considering a cap. Any information as ads, videos or games will be included in a simple code to scan with a smartphone or something similar in order to give the customer something more³¹⁵.

³¹⁵ DAPP official website
<https://dappdigital.com/>

MODULA

Modula S.p.A. is an Italian producer of vertical warehouses. It used to be part of the System Logistic S.p.A., an Italian company part of the System Group³¹⁶. Modula was created in 1987 as part of System Logistics. It is specialized in the production of vertical warehouses, a game changer in the intra-logistic industry. As the matter of fact, a Modula³¹⁷ can save up to 90% of the space inside a company, it increases the safety and it makes easier to track every logistic movement and to pick up equipment. From 2016, Modula is not a System Logistics' unit, but it is a separated company that is part of the same group. In the same year System Logistics decided to inject a USD 15 million in Modula in order to enhance its production in Salvaterra di Casagrande, in Reggio Emilia's province³¹⁸

Since 2005, Modula has tried to expand its market. It begun with a French branch in 2005 and, in 2009 in Germany. It is in 2015 that Modula decides to open a new production plant. United States is the country chosen and, there, is made the first informatic system to control Modula.

In 2014, with just the production in Italy, Modula breaks a record: it sells 1000 Modulas in twelve months. In 2016, thanks to 200 Modulas sold in the United States, the products sold raise up to 1500 units. In 2017 Modula decides to open a plant in China in order to be as close and as fast as possible to the Eastern Asian markets. The new plant Of Modula China Automation Equipment is set up in Suzhou, in the Suzhou Industrial Park. Since its opening in Suzhou, Modula has tried to cover all the country with representative offices and technician all around. As the matter of fact, in 2017 more than 2150 machineries have been sold³¹⁹. Modula is located at the center of the Suzhou Industrial

³¹⁶ System Logistics S.p.A. is a world's supplier of innovative solution for the intra-logistic industry. Specialized in food and beverage industries it is part of the Krones group, the world leader in selling technologies of automation process with more than 14,000 employees and a total revenue of more than USD 5 billion.

System Logistic official website: <http://www.systemlogistics.com/ita/azienda/chi-siamo>

³¹⁷ Modula is the name of the company as well as the name of the vertical warehouse.

³¹⁸ The place where Modula were established in 1987

³¹⁹ Modula S.p.A. official website
<https://www.modula.eu/ita/l-azienda/la-storia.html>

Park and the System Logistics plant and the Modula plant are divided linked together, just divided by a wall.

Terry Rigo is the director of customer care of Modula China Automation Equipment. Him and Riccardo Campanile, the general manager, are two of the seven Italian people operating in Modula in Suzhou.

The first Modula arrived here in 2003. Actually, we started selling here in 2012 and the production has started in 2017. We had to work on our network because when we established the production here, everything has changed³²⁰.

Modula is called so because it is a modular product: it can be produced in different dimensions, according to the customer. The height can reach up to 14 meters and it can bear up to 750 kilos. It can be used in Lan as well as manually. Modula is linked to the company's Lan and it can speed up process of picking stuff from the warehouse. The first Modula in China was brought from Italy. If the production is now held in China, the engines of Modula are still produced in Italy and exported to China. The land was entirely bought by Modula and it is now building a new plant 3 kilometers far from the existing one.

In China, the place where there are more Modulas is the Chinese Air Force. In 2016 I have been there to assemble the 43 Modulas they have ordered. [...] we pay a lot of attention to workers' safety. Our machineries are provided with highly technological systems in order to prevent accidents³²¹.

Terry Rigo has been working with System for three years and from 9 months he has been working with Modula. He has been the president of the association of Veneti Di Cina³²².

I have been here since 2008 [...]. Here we produce vertical warehouses up to 14 meters high while in Italy, instead, we produce 16 meters high Modula. We have different competitors around there, but our safety standards are so high they are playing an important role.

³²⁰ Terry Rigo, *Director of Customer Care of Modula China Automation Equipment, Personal Interview, May the 31th, 2019.*

³²¹ *Ibidem.*

³²² Veneti di Cina is an association whose purpose is to group people from the Italian Veneto region in China. It creates networks between different kind of people: from entrepreneurs moving to China to normal people moving here.

<http://www.venetidicina.com/associazione>

Modula is approaching the industry 4.0 and this is one of the keys of its success. General Electric³²³ and Boeing³²⁴ are nowadays using Modula's warehouses. Today Modula is suitable for more than 500 kinds of ware³²⁵. Today, Modula employs more than 300 people in its 3 plants in Italy, United States and China. In its 20,000m² plant in China it employs 120 people.

Because our product suits different situations, we are now working with a hospital nearby. It started its project from some Modula they have ordered. [...] Brembo³²⁶, one of the Italian companies here in Suzhou, has decided to buy some of our warehouses few years ago. I think at the moment Modula is one of the best companies here in Suzhou.

In 2016 an Italian manufacturer decided to buy two Modula in order to improve its organization and its efficiency: Xacus, a famous Italian shirt producer. Because of the entry in the e-commerce, Xacus³²⁷ needed a tool to improve its capabilities and to fulfill e-commerce's needs. Thanks to the possibility of remote control of the warehouses, Xacus managed to save space and improve work conditions and production capacities in few months after adopting Modula³²⁸.

³²³ General Electric Company is an American multinational that operates in different industries: healthcare, digital, manufacturing, oil and gas and renewable energy. It was officially established in 1896 and it is one of the world's Fortune 500. It counts more than 250,000 employees and a total assets of more than USD 300 billion was registered in 2018 in its 180 countries.

General Electric official website

<https://www.ge.com/>

³²⁴ Boeing Company is an American multinational that designs and produces aircrafts, rockets and telecommunication tools. It is the United States' largest exporter. Established in 1916 it has registered a total revenue of USD 100 billion in 2018.

Boeing Company official website

<https://www.boeing.com/>

³²⁵ Laura MAGNA, Modula: l'abilitatore logistico 4.0 scelto da Boeing e GE, *Industria Italiana*, 2017

<https://www.industriaitaliana.it/modula-labilitatore-logistico-4-0-scelto-da-boeing-e-ge/>

³²⁶ *Ibidem*.

³²⁷ Xacus is an Italian manufacturer of shirt both for men and women. It was founded in 1956 in Vicenza, in the northern Italy. The name Xacus that embodies the name of the family, of its founder and the place of foundation is worldwide as one of the most historical shirt producers.

Xacus official website

https://www.xacus.com/en/media-feed/blog/the-history-of-the-shirt-the-middle-ages-part-i_70_25.htm

³²⁸ Case studies, Modula official website

<https://www.modula.eu/ita/case-studies/tessile-abbigliamento-accessoristico/xacus.html>

OMET

On February the first 1963, an employee of Fiocchi Munizioni³²⁹ was fed up with working in unsatisfying conditions and decided to open a very small corporate in his own garage. That garage will become the first plant of OMET in few years. In that garage the first machineries for tissues and labels. Just a year after its establishment, OMET received its first job from Eurolabel. Eurolabel, a company that produces labels and that is still working nowadays wanted a special machinery for label printing. Just two years later the first machinery for tissues was ordered and produced. It was the first machinery created to produce tissues in Italy. In 1967 Angelo Bertesaghi started to think how to reach other countries. In this year, OMET join a fair in Dusseldorf where they show their machinery for tissues, the TV 500³³⁰. Officina Meccanica E Tranceria starts to be noticed out of Italy. In 1968 the founder was able to sell a machinery to a French company settled in Metz. In few years the OMET's business will be enlarged, including tissue converter machines, labels and packaging printing³³¹.

Hardworking, few people appreciating the ideas of the founder, Angelo Bartesaghi, is what brought OMET to open the first real plant in the seventies. During these first years OMET starts to be appreciated more and more. This growth brings the founder to the decision of opening a new plant in Lecco in the northern part of Italy. Because of the great success in Italy, OMET decides to open two branches in Europe: OMET Nord GmbH in Germany and OMET Ibericas in Spain³³².

OMET was able during the years to maintain his status of familiar business. After Angelo Bertisaghi's death, his son, Antonio Bertisaghi was elected CEO. Research and development have always been two of the core businesses of OMET. Indeed, since its beginning, OMET managed to create innovative machinery starting from innovative ideas. The exploit of the machineries themselves brought OMET to produce innovative things.

³²⁹ *Fiocchi Munizioni S.p.A. is an Italian company that produces ammunitions for defense, sport and hunting weapons. It was established in 1876 in the northern Italy and it has 652 employees.*

Fiocchi Munizioni official website

www.fiocchigfl.it

³³⁰ *Chiara MAURI, OMET. Un percorso di eccellenza che continua...p.18*

³³¹ *Chiara MAURI, OMET. Un percorso di eccellenza che continua, Franco Angeli Editore, Milano, 2014 p. 16.*

³³² *OMET official website*

<https://printing.omet.com/en/corporate-info/printing-presses-and-tissue-converting/>

At the beginning of the eighties, Angelo Bartesaghi started to produce wet wipes using his own machineries. The OMET's company O-Pac was born in 1989 and it produced wet wipes³³³.

Diversification of the products brought OMET to produce since its beginning ball bearings. Ball bearings were requested by producers of furniture, elevators, sliding doors or anything that needed a ball bearing. Angelo Bartesaghi understood that his competitors were just aiming to a mass production while he wanted OMET to aim to a elevated-quality product in order to satisfy customers' requests. In the first years of 2000 OMET started to lose customers because of Chinese competitors that sold ball bearings at a lower price. This is the moment when Angelo Bartesaghi starts thinking of China as a plausible destination for OMET. He discovered that the majority of the ball bearings came from the Ningbo area, a city 300 kilometers far from Shanghai. In 2003, the OMET Ball Bearing Department travels to China in order to understand the dynamics of this unexplored country. Here, OMET discovers how Chinese suppliers were gaining so many customers in China and in Europe as well³³⁴. Mass production and every means used in order to produce enough ball bearing. Third parts suppliers and a workforce very elevated.

It is 2007 when OMET, after settling some representative office, decides to open a real plant in China. OMET Wujiang was inaugurated in 2007 and it was meant to join together Italian know how and cheap Chinese materials to produce. In few years the Chinese know how starts playing an important role in the research for added values carried out by OMET. Four years later, 50% of the OMET turnover came from the Chinese market. Even tough during the first twenty years OMET managed to sell machineries to 25 European on 28 existing, the foreign market was not so flourishing until 2009. Indeed, in 2009 foreign market gave OMET more than 40% of the total turnover. In 2010, because of foreign markets' needs, OMET Ball Bearings became OMET Systems in Motion. OMET, today, owns more than 31 subsidiaries all over the world³³⁵.

In China, OMET opened its first representative office in Shanghai in 2003. Its purpose was to observe the potentialities of the Chinese market. The founder, few years later,

³³³ Chiara MAURI, OMET. *Un percorso di eccellenza che continua...*p.89

³³⁴ Chiara MAURI, OMET. *Un percorso di eccellenza che continua...*p.65

³³⁵ Chiara MAURI, OMET. *Un percorso di eccellenza che continua...*p.85

decided to buy a land in Wujiang because the district's potentialities seemed to be very high. In Wujiang, OMET opened a plant as well as a demo center where the visiting companies could try the machineries.

Fabio Valle and Francesco Liuni are respectively General Manager and Operations Manager as well as the only two Italian people in OMET Suzhou Mechanical Limited Company.

I have arrived in China in 2009. Things were different. I have been in many places here in China, but Suzhou is unique. We have different suppliers in Ningbo and so our network here really works. Here we have the production of ball bearings as well as a small part of OMET Machineries. We do not produce them here, but we just buy them from Italy and sell them here in China. The 90% of our production here is exported to Europe because here the competition is very intense. It is not a sophisticated product³³⁶.

OMET Group is very variegated. It has different departments on its inside. OMET Machineries, OMET Systems, OMET Cosmetics and O-Pac. The diversification of the product has been carried out since the company's dawn.

When OMETt arrived here in China they did not have doubt where to set up their third production plant. Shanghai was experiencing its golden age and a lot of our suppliers were in Ningbo so we wanted to be close to them. Suzhou seemed to be the perfect solution for our project. We chose Wujiang because we needed a big space at a lower price. Our company is slowly entering the Industry 4.0. Industry 4.0 here is awarded. Indeed, government provides hi-tech companies with high incentives. Here in Wujiang and in Suzhou they pay a lot of attentions to the environment. We are obliged to commit different process to external companies. Painting or chromium plating are committed to our suppliers in Ningbo³³⁷.

Francesco Liuni has been working in Suzhou since 2009. When arrived here, he was working in Danieli. In 2017 he decided to move to Valvitalia Group in Suzhou and, in 2018 he moved to OMET Suzhou Mechanical Limited Company as Operations Manager.

³³⁶ *Francesco Liuni, Operations Manager at OMET Suzhou Mechanical Limited Company, Personal Interview, Wujiang, June the 10th 2019.*

³³⁷ *Ibidem*

Here in Suzhou, but in China in general, every company adopts different strategies. Here in OMET we are very linked to our mother house. Here we have around 40 workers. All of them are Chinese people and very qualified. In office we are 15. Me and the General Manager are the only two Italian people here. Every office employee can speak English tough. Wittur³³⁸ is our largest customer here in China.

Fabio Valle, the General Manager of OMET Suzhou Mechanical Limited Company has been in China since 2011. He came in China as Engineering Manager of Danieli Group and few years later he moved to Valvitalia Group where he was holding the office of Project and Sales Director. In 2016 he entered the OMET Wujiang as Operations Manager until 2017 when he became General Manager of OMET Wujiang.

Here in China, competitiveness is very intense. Enacting central plans that suit the rest of the world here is terribly wrong. Research and Development is the key for success here in China. The key is to be always a step ahead of your competitors. It is not easy, but we work hard for it³³⁹.

In the first half of 2019 OMET Suzhou Mechanical Limited Company has already been successful. Indeed, Top Print Company³⁴⁰ in Chengdu has decided to buy a machine from OMET because he considered OMET to be the most efficient company among the world's leaders in the same industry. OMET in China has registered more than 70 machineries installed and its reputation grows year by year. The customer service of OMET plays a big role in the efficiency and in the reputation of the company³⁴¹.

In the 2019 as well, another big Chinese company decided to install a new OMET's machine to be placed next to the other one bought six years ago. At the beginning the Beijing's company opted for OMET because they managed the machine in just eight

³³⁸ Wittur Group is one of the world leaders in the elevators industry. With 4500 employees and 16 production plants, in 2018 it has reached USD 850 million revenues. They serve more than 50 countries and one of their main plant is in Wujiang, Suzhou.

Wittur official website

<https://www.wittur.com/it/gruppo-wittur.aspx>

³³⁹ Fabio Valle, General Manager at OMET Suzhou Mechanical Limited Company, Personal Interview, Wujiang, June the 10th 2019.

³⁴⁰ Zhuhai Top-Print Technology Limited Company is a Chinese producer of green environmental printing consumables. It has more than 800 employees and fast deliveries and research and development are the keys of the company's success.

Zhuhai Top-Print Technology Limited Company official website

<http://www.top-print.cn/index.php/list/index/g/e/id/25.html>

³⁴¹ China's Top Print installs OMET XFlex X4, OMET official website

<https://archipelago.omet.com/chinas-top-print-installs-omet-xflex-x4/>

weeks with a price way lower than the other choices and with a quality that was pretty high. Beijing Deji's³⁴² owner considers OMET to be an added value because its machineries are way faster than the others he witnessed to and he is considering buying another one to improve its own company's quality³⁴³.

Since 2009 the OMET Group's turnover has doubled. Nevertheless, in 2009 OMET managed to sell one of the record-machineries. Indeed, in 2009 OMET sold a USD 5 million machine to a company in Hong Kong. The machinery was meant to print scratch and win tickets. The agreement took a long time but at the end of 2009 OMET and Oriental View reached an agreement for this machinery³⁴⁴. As the matter of fact, OMET turnover's majority comes from foreign markets. At the beginning of 2016 they received so many orders that they had all the lines busy for more than half of the year³⁴⁵. A year later a record turnover of USD 100 million was registered³⁴⁶.

³⁴² *Beijing Deji Adhesive Labels & Prints Limited Company is a trade company that produces labels and other printing products. It was established in 2004 employing more than 200 people in its factory near Beijing.*

<https://dejilabel.china.cn/about.html>

Beijing Deji Adhesive Labels & Prints Limited Company official website

³⁴³ *Beijing Deji installs second OMET X6, OMET official website*

<https://archipelago.omet.com/beijing-deji-installs-second-omet-x6/>

³⁴⁴ *Cristina CASADEI, Da Lecco il Gratta e vinci cinese, Il Sole 24Ore, 2009*

<https://st.ilsole24ore.com/art/SoleOnLine4/dossier/Economia%20e%20Lavoro/2009/Pmi/viaggio-imprese/lecco-gratta-vinci-cinese.shtml>

³⁴⁵ *Record di ricavi per la OMET di Lecco, Il Sole 24Ore, 2016*

<https://st.ilsole24ore.com/art/impresa-e-territori/2016-01-19/record-ricavi-la-omet-lecco-063607.shtml?uuid=ACEvJoCC>

³⁴⁶ *Report Aziende, OMET s.r.l.*

https://www.reportaziende.it/omet_srl

CARIMALI

In the same district, less than ten minutes by car, another Italian company has decided to open a production plant: Carimali. Carimali is an Italian company that produces coffee machines and related accessories. It is one of the few realities that provide customers with both traditional and fully automatic coffee machines³⁴⁷. La Carimali³⁴⁸ was established in Milan in 1919 by Angelo Carimali. At the beginning, La Carimali was composed by only ten people. In 1932 Carimali produces the first coffee machine with a vertical boiler, a revolutionary idea for the time and, 8 years later, it produces the first horizontal machine in Liberty-style, and it becomes a corporation to all effects. In 1960 La Carimali creates one of the first fully automatic coffee machines that will be the beginning of one of its core businesses. In 1970 Carimali was moved near Bergamo, in the northern part of Italy, where the main production factory is still located today in an area of 20,000m². The machines produced by Carimali are mainly destined to restaurants, coffees, hotels or offices and very rarely to private houses. Carimali Italy has been export-oriented since its beginning. Nowadays it exports more than the 95% of the production outside Italy. One of the core business of Carimali is the export efficiency, entrusting deliveries to trustable companies in order to be sure to provide a perfect service to the customers³⁴⁹. From its foundation on, Carimali was capable of providing its coffee machines in more than 70 countries.

In 2013, in order to fulfill customers' requests Carimali decides to establish a new production plant abroad: Carimali Catering Equipment Limited Company was set up in Suzhou, in Wujiang. The plant bought by Carimali was 2,000m² large and it could start production in 2014³⁵⁰.

Andrea Pietrobon has been General Manager of Carimali Catering Equipment Limited Company since 2016.

³⁴⁷ *Carimali Company Profile*

<http://www2.carimali.com/uploads/company/pdf/en/Company%20EN.pdf>

³⁴⁸ *La Carimali was the antique name of the company.*

³⁴⁹ *Ibidem.*

³⁵⁰ *Carimali Corporate Identity*

http://www2.carimali.com/uploads/document/en/corporate_identity.pdf

We are doing very good in the south-ester Asian market. I think Vietnam is going to be our first market in a short period. I have been working for Carimali for three years now. I think we operate in a market with huge potentialities. We are around ten people here. We have 5 workers that assemble our machine because, in order to optimize our production's costs, we have many components arriving from Italy. Engines and machine's electric groups, they all come from Italy. Our target here are the coffee shops. I think the golden age of the coffee machines here in China is over. [...] all our valves come from Italy as well. We pay a lot of attentions to the final test of our machines. We keep them running for almost two days because they must be perfect. We can provide personalization of the machines as well³⁵¹.

In 2019 Carimali celebrates its 100th anniversary and its many achievements. It managed to create a consolidated base in Suzhou and thanks to its success a new member of Carimali was announced this year. Fabio Margin was nominated as Business Developer for Asian regions at Carimali. Its experience in the Asia-Pacific area is going to bring many benefits to Carimali³⁵².

³⁵¹ *Andrea Pietrobon, General Manager at Carimali Catering Equipment Limited Company, Personal Interview, Wujiang, June the 10th 2019.*

³⁵² <https://www.horecanews.it/carimali-e-pronta-a-festeggiare-il-suo-centenario-e-guarda-al-futuro/>

CONCLUSIONS

The aim of the work is to highlight the reasons that have brought Suzhou to be one of the most important destination for many enterprises from all over the world and, especially from Italy. The research has started from giving an overview on the city of Suzhou. Its particular status of prefecture-level city has given it the possibility to increase its economic power in a relatively short time. The contribute of county-level cities as Kunshan, Wujiang, Changshu, Zhangjiagang and Taicang have granted a great help to the economic development of Suzhou. Suzhou Industrial Park is part of a joint venture that has seen two government involved and it has led to a great success even though the problems that have arose. Suzhou New District, born as a competitor of Suzhou Industrial Park, has revealed as a vital ally for the development of the Suzhou Industrial Park and for Suzhou itself.

Companies from all over the world have chosen different locations in Suzhou according to their possibilities and necessities. The different Development Zones are now moving in harmony comping together with the economic growth of Suzhou.

With commercial connections between Italy and Suzhou that can be already traced during the eighties, the first Italian company effectively moved to Suzhou in 2004 and, since then, more than 200 Italian companies have settled in Suzhou's Development Zones, leading Suzhou to be the city out of Italy in which Italian firms have established the most.

The field research is the main part of the work. Thanks to the research conducted directly in Suzhou, it has been possible to enrich the work with interviews and witnesses of some of the protagonists of different companies in Suzhou.

Thanks to the experiences of the respondents it has been possible to understand some of the reason behind the choice to move to Suzhou, as well as to see from a real close distance how Italian companies operate in Suzhou.

APPENDIX A
INTERVIEWS

INTERVIEW A

Name: Lorenzo Bali

Position: General Manager of Pelliconi Suzhou Closures Manufacturing Co. Ltd.

Perché Suzhou?

Allora siamo partiti da un'esigenza tecnica, legata al tipo di produzione che facciamo. I nostri macchinari soffrono temperature troppo basse o troppo alte, gradi di umidità particolarmente alti quindi abbiamo escluso a priori il sud e il nord della Cina. Volevamo rimanere il più vicino possibile a Shanghai e quindi abbiamo cominciato a vedere un po' di parchi industriali in questa zona. Alla fine, Suzhou è stata scelta perché qui c'è una delle comunità industriali italiane più grandi del mondo e queste aziende italiane si aiutano molto fra di loro. C'è moltissimo supporto fra le aziende e questo ci ha permesso di dialogare immediatamente con i parchi industriali ad un certo livello e quindi di aver molto supporto nella ricerca del capannone e nella costituzione della società e in queste cose. In più Suzhou ha tutta una serie di vantaggi: parco industriale immenso con qualunque tipo di tecnologia disponibile e questo è un enorme vantaggio nella ricerca di fornitori e cose di questo tipo. Il personale è più facile da trovare. Personale che parla in inglese, qualificato perché la gente ha esperienza di lavoro in aziende straniere e quindi questo è un vantaggio importante. Logisticamente, è posizionata bene perché comunque una posizione centrale e facilmente raggiungibile è tutta la Cina perché i nostri clienti sono particolarmente in Cina sparsi in tutto il territorio. I vantaggi sono sicuramente tanti.

Dall'altra parte ci sono tutta una serie di svantaggi, primo fra tutti il costo. In ogni caso, qui le persone sono più costose, gli affitti sono più costosi quindi comunque ci sono tutte una serie di problematiche legate a questo, c'è una problematica ambientale importante perché il governo pone standard molto alti alle aziende. Noi usiamo gli stessi standard che usiamo in Europa quindi grossi problemi non ne abbiamo però volendo fare cose un po' diverse i problemi si creano. Ci sono sicuramente vantaggi e svantaggi. I vantaggi sono ampiamente maggiori, però.

Quanti dipendenti sono presenti qui a Suzhou? Quanti di loro parlano inglese?

75 dipendenti. Tutto il management di primo livello parla in inglese, i tecnici parlano in inglese, alcuni dei manutentori parlano in inglese. Su 75, probabilmente 25/30 persone parlano inglese.

Da quanti anni lavora qui, in Cina?

Io ho iniziato a lavorare in Cina nel 2003, quindi sono 16 anni. Lavoravo a Chongqing. Progetti in ambito automotive. Per qualche anno ho lavorato in una mia società per gestione di fornitori per aziende italiane e cinesi che cercavano risorse dall'Italia in ambito automotive. Poi ho iniziato questo progetto 3 anni e mezzo fa.

Pelliconi mi chiama e mi dice “Dobbiamo aprire uno stabilimento in Cina ma non sappiamo nemmeno dove metterlo”. Siamo partiti da zero per cercare dove mettere lo stabilimento. Cercando le persone da zero, sistemando il capannone. Foglio bianco.

La prima volta siamo andati in SIP. L'amministrazione di SIP, quattro, cinque anni fa ha iniziato una politica per cui le aziende produttive venivano agevolate ad andarsene a favore di aziende per servizi o centri di ricerca. SIP ci fece vedere qualche spazio che, però, non andava bene. Ci portarono anche a Nantong per vedere zone lì. A quel punto abbiamo conosciuto persone che facevano parte del Suzhou Working Group³⁵³, il gruppo di aziende italiane qui e loro ci hanno presentato a SND e devo dire è nato subito un ottimo rapporto.

Noi vendiamo a tutti i maggiori produttori di birra cinesi e anche internazionali come Carlsberg³⁵⁴. Alcuni di più alcuni di meno, ad esempio Tsingtao numeri piccoli, con altri più grandi. Il problema al momento è che noi, più di così, non riusciamo a produrre. Lavoriamo già ventiquattro ore su ventiquattro, sette giorni su sette ed è difficile fare più di così. In questo momento c'è un progetto di espansione qui per portare linee di produzione da 3 a 5 e il progetto si concluderà entro la fine di quest'anno.

³⁵³ *Ibid.*

³⁵⁴ *Ibidem.*

Ci sono differenza fra lo stabilimento madre e quello di Suzhou?

Le linee di produzione sono esattamente la copia di quelle in Italia con la differenza che, essendo nuove, abbiamo ottimizzato con prestazioni leggermente migliori. Le abbiamo raggiunte più velocemente possibile. Qui, per ora però, non abbiamo inventato nulla di nuovo.

Il mercato cinese è molto particolare in ogni settore. Servono strategie specifiche. Se si pensa di usare le stesse strategie che si usano in altre parti del mondo, qui ci si fa malissimo. La nostra strategia è assolutamente dedicata. Impossibile vendere in Cina con uno straniero. Serve per forza un partner cinese. La Cina è un continente con la popolazione di tre continenti e con diversità grandissime in termini di comportamento delle persone. La velocità a cui si va qui è una differenza enorme. Il cambiamento è iniziato una dozzina di anni fa. Negli ultimi quattro o cinque anni c'è stata una fortissima accelerazione e questa cosa è destinata a non fermarsi. Quattro anni in Cina è un'era geologica.

Almeno i prossimi 15 anni il centro di business mondiale sarà in Asia. C'è stabilità politica ma tanti paesi come Vietnam, Malesia, Laos stanno crescendo tantissimo.

Pelliconi ha usufruito degli incentivi governativi?

Gli incentivi di SIP sono finiti nel 2014 o 2015, perché il governo centrale ha fermato questo tipo di pratica. Gli incentivi ora vengono gestiti a livello locale ma SIP non incentiva praticamente più nessuno. In SND invece sono stati molto bravi perché hanno questo ufficio che si occupa del supporto alle aziende straniere con persone molto competenti. Stanno aprendo un ufficio in Germania. Hanno portato IKEA e Volvo qui. Ci sanno fare. Gente molto preparata. In SIP non ho avuto lo stesso rapporto. Io credo che il problema sia legato al tipo di industria che rappresentiamo. Fondamentalmente un parco industriale vive di due cose: le tasse che le aziende pagano e gli impiegati che vengono assunti. Quanti impiegati hai e quante tasse paghi sono i criteri di misurazione. Qui in SND ci sono aziende italiane anche grosse: Faist, CAREL. Ci sono tante realtà che crescono e altre un pochetto più piccole. Chi è arrivato 15 anni fa per fare low cost o ha chiuso l'attività o è stato costretto al ridimensionamento. I nostri costi di produzione rispetto all'Italia sono minori del 10/15%. I costi non cambiano di tanto. Chi aveva

incidenza sulla mano d'opera e visto che in Cina il costo è aumentato del 400% allora non è più una buona tecnica. Sei allo stesso livello dell'Europa dell'est. I costi sono uguali ma con la differenza che in Europa dell'est non si hanno problemi per il target mercato europeo. Per questo molte aziende tedesche lasciano Suzhou per andare nell'Europa dell'est se hanno il mercato di riferimento in Europa.

Se un'azienda esporta più del 50% verso l'Europa è una follia stare qui. Aggiungi IVA e dazi, i costi di logistica ed il tempo. I costi qui continueranno ad aumentare e quindi ha senso rimanere qui solo se la maggior parte del tuo mercato è in Cina. Già se il mercato è l'Asia allora Vietnam e Cambogia per l'industria dell'automotive convengono. Export vicino al 50% non ha senso stare qui.

Nel 2008 da Shanghai a Wuxi 2 ore e 15 col treno. Adesso ci vogliono 40 minuti.

Capita ancora che vengano a gestire azienda in Cina, persone che non hanno esperienze di Cina. Venendo qui vengono stupiti da certe cose insomma.

Quali sono stati e quali sono i più grandi ostacoli per Pelliconi qui a Suzhou?

La parte burocratica non è semplice perché tutta la fase di costituzione della società non è affatto semplice. SND è organizzatissimo e attraverso il loro sportello si possono fare tutte le pratiche. Comunque, non è semplice. Problemi poi legati alla gestione quotidiana. Normative che cambiano ogni giorno, uffici preposti al rispetto di queste che controllano molto più le aziende straniere che locali. Un'altra grande difficoltà è legata chi ha problemi di proprietà intellettuale. La protezione non è abbastanza. Noi non abbiamo avuto episodi del genere ma siamo perfettamente consapevoli che potrebbe succedere. I nostri macchinari, infatti, non sono brevettati in Cina. Noi non vogliamo descrivere come sono fatti i nostri macchinari. Cosa incredibile, in certi casi il modo migliore di proteggersi è non proteggersi. La ricerca del personale qualificato non è semplice. Però, ripeto, sono difficoltà che se uno si organizza bene e ha un budget ampio sono sormontabili. In questo momento molta gente si lamenta del costo del personale. Il costo del personale però non è salito improvvisamente ma aumenta mediamente del 6-10% ogni anno quindi basta un business plan in cui questa cosa è prevista. Personale cinese qualificato ha un costo molto simile a quello di personale straniero in ogni caso. Una certa dose di rischio e complessità c'è stata. È la prima volta però in cui un italiano è a capo

dell'azienda estera. Negli altri stabilimenti non ci sono italiani e infatti le cose non funzionano bene come qui. Qui facciamo bene ma possiamo fare meglio. Tutto è perfettibile. L'anno scorso l'azienda italiana ha dovuto venderci dei tappi perché non riuscivamo a raggiungere il nostro obiettivo. All'inizio ci siamo detti che con queste macchine potevamo fare al massimo 1 miliardo e 200 milioni di tappi. L'anno scorso, con le stesse macchine ne abbiām fatti più di un miliardo e mezzo. Adesso con le linee nuove faremo circa 2 miliardi di tappi. L'anno prossimo 2.4. Sono numeri relativamente piccoli. Per come è fatto il tappo ha un processo abbastanza lento. 200k tappi al giorno ma nella misura in cui è lento, il tappo corona ad esempio ha una produzione molto più rapida. Come gruppo facciamo quasi 30 miliardi di tappi all'anno. È un numero spaventoso. Poi, in realtà siamo uno dei tanti produttori.

La vicinanza a Shanghai rappresenta anche un rischio?

Abbiamo un competitor giapponese che ha scelto di non produrre in Cina. Per una serie di diversi motivi. L'azienda fa parte di un gruppo molto grande e produce lattine e hanno aperto uno stabilimento qui per produrle. Cinque anni fa hanno chiuso tutto. Per non rischiare quindi di creare problemi, hanno deciso di non fare lo stabilimento in Cina. Loro vendono ancora in Cina a quei clienti a cui non riusciamo ad arrivare. L'anno prossimo però aziende cinesi inizieranno a produrre tappi. Il problema non è fare un tappo. È relativamente semplice. Il problema è farne cinque milioni al giorno tutti buoni. Se hai un problema con la linea di produzione, si hanno mezzo milione di bottiglie sparse per il mondo che bisogna ritirare. Abbiamo festeggiato gli 80 anni a marzo. Un'azienda che vive di tappi. Fare un tappo non è facile per niente. Coca cola, Pepsi sono tra i nostri clienti. In Cina il 97% della produzione va nella birra. Come gruppo il 70% nella birra. È un mercato che cresce e che non ha mai sofferto di crisi. Nemmeno nel 2008. Fondamentalmente la gente quando è contenta beve, quando è depressa beve. In un modo o nell'altro la gente beve sempre.

In Cina il consumo di bottiglie è molto diverso. In Italia è normale che a casa ci si apra una birra. Qui è abbinato invece a un concetto ricreativo, perlopiù quando si esce a festeggiare. Bene però perché significa che c'è spazio per aumentare il tutto.

I numeri della Cina vanno presi con molta attenzione.

Interview B

Name: Terry Rigo

Position: Director of Customer Care of Modula China Automation Equipment

System e Modula sono due aziende da circa 80 dipendenti. System ha una filiale a Foshan che si occupa solo di customer care e sono circa 30 persone. Una filiale a Zibo e una sede nel Fujian.

In System produciamo macchine per la produzione di piastrelle. Questa macchina più piccola ha 4 colori, quella più grande ne ha 12. Potrebbe decidere anche di stampare in oro. Mettiamo l'oro nei colori e si stampa così. Il numero di colori dipende sempre dal cliente.

Come Modula abbiamo una filiale commerciale a Pechino, un tecnico nello Shenyang, uno a Pechino. Cerchiamo di coprire un po' tutta la Cina. Il servizio fa la differenza perché il cliente cinese è molto più esigente del cliente europeo.

Ero un tecnico dell'assistenza. Lavoro in System da tre anni e in modula da sei mesi. Un'azienda di System che è stata venduta si occupava di veicoli automatizzati. Qui ci sono le pareti che dividono le due aziende (System e Modula). Ora questa divisione di System è stata venduta ad un'azienda tedesca, un'altra parte ad un'azienda in Polonia.

Modula produce magazzini verticali. Il primo Modula qui è stato portato qui dall'Italia. Questo invece, è il primo prodotto in Cina, è stato il primo nel 2017. Prima li acquistavamo dall'Italia. System è qui dal 2003, Modula ha iniziato a vendere qui nel 2012 e a produrre dal 2017. Abbiamo dovuto rifare completamente la rete del service perché le condizioni erano cambiate. Modula è una macchina modulare perché si possono decidere tutte le dimensioni. In Cina arriva fino a 14 metri, in Italia fino a 16. In Cina l'azienda che ne ha di più, 43, è l'aeronautica militare. Nel 2016 sono stato lì a montarla ma, essendo straniero, ho dovuto ottenere molti permessi ed ero sempre sotto stretta sorveglianza. Facciamo 4 formati: dai 250 ai 750 kg. Si dovrebbe risparmiare fino al 90% di spazio a terra. Questo prodotto può essere usato sia manualmente sia tramite la rete aziendale. Tutto automatico il carico e lo scarico del materiale. Abbiamo diversi optional.

Ad esempio, puntatori laser e barre a led per avere il tutto più chiaro. Questo prodotto può cambiare i destini dell'azienda in efficienza e in sicurezza. Se qualcuno va nel mezzo, grazie ai nostri sensori, la macchina si spegne automaticamente. Questo per evitare infortuni che, invece, i nostri competitors hanno subito.

La macchina decide dove mettere i materiali in base al peso, all'utilizzo. Meno utilizzato viene un prodotto, più in alto va. Cerchiamo di utilizzare la macchina al 100%. Lasciamo quel centimetro per far sì che i cassetti non si scontrino fra di loro.

I motori delle macchine sono tutti italiani, importati.

In Italia System produce anche schede elettroniche e pannelli.

Come è assortito il personale in Modula?

Gli operai sono tutti cinesi. In Modula siamo 7 italiani, 2 nella produzione, marketing, venditore e general manager. Siamo molto attenti anche alla post-vendita. Tutto il team parla inglese perché noi forniamo il servizio non solo ad aziende cinesi.

Il montaggio lo facciamo direttamente noi, ovviamente. Qui c'è l'area di packaging. Io vado in giro a vedere che i miei tecnici facciano un lavoro fatto bene.

Processi come la verniciatura avvengono tramite aziende esterne perché in SIP devono essere rispettati alcuni parametri ambientali.

L'edificio ed il terreno sono italiani ed ora stiamo acquisendo un altro terreno a meno di tre chilometri da qui. Nella nuova azienda stiamo già montando dei Modula perché, ovviamente, ne facciamo uso anche noi.

L'altezza varia di 20 cm in 20 cm di altezza, a seconda del soffitto del cliente.

Io sono qui dal 2008. Fino a tre mesi fa ero anche presidente dell'associazione Veneti di Cina, ora però non lo sono più. A Suzhou c'è anche il Venezia fanclub e la settimana prossima arriverà anche il presidente del Venezia Calcio qui.

Di venticinque persone che lavorano con me, ventidue ne ho assunte io. Una bella soddisfazione, insomma.

Ora stiamo lavorando con un cliente che ne ha appena ordinati 15. In realtà, anche nel nuovo ospedale qui vicino sono partiti proprio da Modula per la costruzione di questo.

La settimana prossima sono impegnato con Brembo perché hanno avuto problemi con la macchina a causa delle polveri che sono presenti nel loro magazzino.

Per il momento Modula, secondo me, è una delle aziende migliori presenti qui a Suzhou.

Interview C

Name: Francesco Liuni

Position: Operations Manager at OMET Suzhou Mechanical Co. Ltd

Dal suo arrivo in Cina, ha sempre lavorato per la OMET?

Nel 2015/2016 c'è stata la crisi qui in Cina in cui Danieli, dove lavoravo, vendeva meno prodotti del solito. In Danieli eravamo 60 italiani, ora ne sono rimasti 15. Danieli ti fornisce un pacchetto da trasferta che poche aziende ti danno. Per esempio, pagano i contributi in Italia. Pagano i viaggi di ritorno per te e la famiglia, la scuola ai figli e tutti i benefit del caso. Non mi hanno licenziato ma volevano ricollocarmi in Italia. Ho lavorato poi in Valvitalia per due anni ma non mi piaceva molto l'ambiente. Il General Manager di qui, lavorava anche lui in Valvitalia e poi è venuto a lavorare qui. Io sono Operations Manager. Mi occupo del servizio tecnico, logistica e quant'altro. Io e il general manager ci dividiamo: lui segue la parte commerciale e la qualità, e io mi occupo di tutto il resto.

Quali sono i vantaggi di una città come Suzhou?

A Suzhou, tra italiani, ci conosciamo quasi tutti. La Valvitalia ha fornitori italiani. Noi abbiamo la Radici tra i nostri fornitori che ci fornisce prodotti di plastica. Qui abbiamo tanti fornitori a Ningbo per cromatura e cose che qui non si possono assolutamente fare per questioni ambientali. Quando ero in Valvitalia avevamo problemi con la verniciatura.

OMET ha usufruito degli incentivi governativi qui a Wujiang?

Qui in Cina ci sono tante sovvenzioni sui brevetti che fai. Se registri un brevetto, il governo fornisce degli incentivi. Se porti l'azienda ad essere 4.0 allora il governo ti dà tanti incentivi. Ti devi, però, sempre appoggiare ad aziende esterne cinesi che ti dicono più o meno cosa devi fare perché, altrimenti, da soli, è impossibile.

Quali sono le differenze con lo stabilimento italiano?

In Italia hanno un po' di produzione ma non stampaggio. Per lo stampaggio hanno due fornitori esterni e in Italia fanno solo fornitura e limettatura delle ruote. La OMET è un gruppo. Questa è la divisione cuscinetti, ruote, carrelli per le porte e anche poco altro.

La parte più nuova della OMET è quella dello stampaggio. Noi qui abbiamo una piccola parte della OMET macchine. Qui ci occupiamo solo della vendita di queste macchine fatte interamente in Italia. Le macchine per la produzione delle rotelle sono totalmente costruite qui. La produzione in Italia, ovviamente, è anche un valore aggiunto.

Per le rotelle, il 90% di quello che facciamo qui viene esportato in Europa o per clienti europei qui in Cina. I clienti cinesi sono pochissimi perché il nostro prodotto è un prodotto molto comune.

Tutto il team in ufficio parla inglese, gli operai sono tutti cinesi.

Ho girato parecchio la Cina ma nessun posto mi è sembrato come Suzhou. In SIP c'è davvero tutto. Sei a 20 minuti da Shanghai. La OMET macchine, la OMET sistemi e poi c'è la O-PAC che fa le salviettine umidificate e infine ce n'è ancora un'altra che si occupa di cosmetici. Insomma, il gruppo OMET è veramente variegato. Il nostro cliente principale è la OMET Italia.

Suzhou, rispetto a Shanghai è più economica. Forse ancora per poco. Ora anche la zona di Wujiang sta aumentando i costi.

Wujiang all'inizio era la zona più economica, ora non più tanto però. I costi sono aumentati parecchio. All'inizio, quando sono arrivato, era tutto parecchio diverso. Nel 2009, quando sono arrivato era tutto molto diverso. Questo per dire che il cambiamento è stato davvero grande nel corso di pochi anni.

Come è organizzato il lavoro?

Gli operai arrivano anche a fare turni da 12 ore con gli straordinari.

Noi lavoriamo solo su ordine quindi costi di stoccaggio sono davvero bassi. Teniamo una piccola scorta in magazzino in caso un cliente ne avesse bisogno in tempo zero. La Daniela Cina è praticamente autonoma. In Omet, invece, siamo molto legati alla nostra casa madre. Abbiamo una quarantina di operai, in ufficio circa 15. Solo io e il general manager italiani. La Wittur è il nostro cliente più grande. Hanno una sede in Italia e una qui. Fanno esperimenti in Italia, producono qui e poi li rimandano indietro.

Interview D

Name: Fabio Valle

Position: General Manager at OMET Suzhou Mechanical Co. Ltd

Quale pensa che sia la chiave per il successo qui in Cina?

Research and Development è la chiave per vincere in Cina. Fare regole centrali per tutto il mondo è totalmente sbagliato. Noi, aziende italiane, tendiamo a fare brevetti quando inventiamo davvero qualcosa. Se tu rientri nella categoria hi-tech allora si ha il diritto a fondi statali e il deposito di 3/5 brevetti all'anno è una delle richieste. La nostra azienda è molto variegata ma credo che Francesco ti abbia già spiegato un po' tutto.

Quale è stato uno dei problemi più grandi che OMET ha dovuto affrontare qui?

La proprietà intellettuale è uno dei problemi più grandi che si affrontano qui.

Interview E

Name: Andrea Pietrobon

Position: General Manager at Carimali Catering Equipment Limited Company

Quante persone lavorano per Carimali qui a Suzhou?

Abbiamo 5 operai che montano macchine, un responsabile di qualità, un venditore, un assistente e un esterno. Io sono l'unico italiano nell'azienda

Il Italia vogliono creare 4 brand. Al momento ne abbiamo due. Uno per una nuova linea di alto livello e una fatta in Cina. Stiamo andando molto bene con l'export nel sud-est asiatico.

La produzione avviene qui?

Molti componenti arrivano direttamente dall'Italia. Molti gruppi, le pompe e i motori arrivano dall'Italia proprio. Tutte le valvole arrivano dall'Italia. Le cose prodotte qui vengono vendute in Cina e nel sud-est asiatico.

Qual è il più grande target?

Il nostro target sono i bar. A breve il Vietnam diventerà il nostro primo mercato. Il boom del coffee shop è praticamente finito in Cina. Nel 2015 se ne apriva quasi uno a settimana. So che alcuni dei nostri clienti le rivendono in Vietnam come usate.

Ci sono differenze con lo stabilimento italiano?

Noi usiamo solo rame. Poniamo molta attenzione al test delle nostre macchine. In Italia usano ottone cromato mentre qui, alcuni pezzi sono in acciaio. Qui ci occupiamo solo dell'assemblaggio finale, non produciamo niente. Lavoriamo praticamente solo su ordine, abbiamo pochissimo stock tranne che per i modelli che teniamo pronti. A Shanghai

abbiamo un fornitore italiano per le schede. Marche come Cimbali³⁵⁵ ci fanno parecchia concorrenza.

Il test finale dura 1/2 giorni. Temperatura, pulsanti e tutto quanto. Assistenza al cliente. Io sono general manager e seguo il mercato del sud-est asiatico. I prodotti vengono direttamente dall'Italia per ottimizzare i guadagni. Abbiamo anche la personalizzazione sui nostri prodotti. Io lavoro in Carimali da 3 anni. È un mercato buono con margini molto alti.

³⁵⁵ Cimbali S.p.A. is an Italian coffee machines manufacturers multinational company. It was established in 192 by Giuseppe Cimbali and with over 700 employees it has reached a USD 230 million revenues in 2017.

<https://www.cimbali.it/azienda/storia>

APPENDIX B
ITALIAN COMPANIES IN SUZHOU

COMPANIES IN SUZHOU INDUSTRIAL PARK

- Modula / SYSTEM CHINA TECHNOLOGY Co. LTD
摩登纳（中国）自动化设备有限公司
- Pelliconi (Suzhou) Closure Manufacturing Co. Ltd.
佩里科尼(苏州)瓶盖制造有限公司
- System (China) Technology Co., Ltd.
西斯特姆（中国）科技有限公司
- Suzhou Wanox Technology Co., Ltd
苏州瓦诺科技有限公司
- MEC INDUSTRY SERVICES Co., Ltd.
苏州美恩科机械设备有限公司
- Suzhou Il Milione Trading Company
苏州苏马贸易有限公司
- COFIMCO FAN (Changshu) Co., Ltd.
可风可风机（常熟）有限公司
- Tyrolit (Suzhou) Superabrasive Tools Co., Ltd.
泰利莱（苏州）超锋利研磨工具有限公司
- Safilo Eyewear Industries (Suzhou) Ltd.
霞飞诺眼镜工业（苏州）有限公司
- Ponzini Health and Beauty High-Tech (Suzhou)Co., Ltd
博姿妮卫生化妆品用具（苏州）有限公司
- Lafert (Suzhou)Co., Ltd
拉法特电机（苏州）有限公司
- Mecondor S.p.A.
苏州麦肯多精密科技有限公司
- De Nora Elettrodi (Suzhou) Co., Ltd.
迪诺拉电极(苏州)有限公司

- Mammamia! Suzhou Glasshouse
苏州玻璃房子餐饮管理有限公司
- Marsilli Automation Technology (Suzhou), Ltd.
马斯利自动化技术（苏州）有限公司
- Suzhou Metal Services Co., Ltd
苏州迈拓金属检测服务有限公司
- Suzhou Ruyi Business Solution Co., Ltd
苏州如易办公系统有限公司
- Suzhou Richong Fluid Technology Co., Ltd.
苏州锐创流体设备有限公司
- Marchesi Metal Tech Co., Ltd.
迈凯实金属技术(苏州)有限公司
- Intecos Cosmetics (Suzhou) Co., Ltd.
莹特丽科技苏州工业园区有限公司
- Sorin Group Italia s.r.l.
索林医疗器械（苏州）有限公司
- Elsing Eletrical Control
艾新（苏州）电子控制件有限公司
- Salmoiraghi Automatic Handling S.p.A.
赛龙捷自动化机械设备有限公司
- MEC INDUSTRY SERVICES Co., Ltd.
苏州美恩科机械设备有限公司

COMPANIES IN SUZHOU NEW DISTRICT

- SIT Manufacturing (Suzhou) Co., Ltd
西特燃气控制系统制造（苏州）有限公司
- EDT Diecasting Technology (Suzhou) Co., Ltd.
意迪特压铸科技(苏州)有限公司
- EMMEGI (Suzhou) Co., Ltd.
意美吉铝型材设备（苏州）有限公司
- Cefla Finishing Equipment (Suzhou) Co., Ltd
赛福徕涂装设备（苏州）有限公司
- Suzhou Future Trend Management Consulting
苏州未来之道企业管理咨询有限公司
- GVS Technology (Suzhou) Co., Ltd.
吉威思科技（苏州）有限公司
- FAIST Emission Controls China
菲斯达排放控制装置（苏州）有限公司
- Zamperla Amusement Rides (Suzhou) Co., Ltd.
意大利赞培拉游乐机械设备(苏州)有限公司

COMPANIES IN WUJIANG

- Giuliano Automotive Equipment (Suzhou) Co., Ltd
苏州久良诺汽车设备有限公司
- FMMG Technical Textiles (Suzhou) Co., Ltd.
富尔美技术纺织（苏州）有限公司
- Piovan Plastics Machinery (Suzhou) Co., Ltd
百旺塑料设备（苏州）有限公司

- OMET (Suzhou) Mechanical Technology Co., Ltd.
欧米特（苏州）机械有限公司
- Prima power
普玛宝钣金设备（苏州）有限公司
- Industry Technology Suzhou Co., Ltd
苏州英达科技设备有限公司
- Valvitalia (Suzhou) Valves Co., Ltd
意阀（苏州）阀门有限公司
- Signal Electronics (SuZhou) Co., Ltd.
鑫来尔电子（苏州）有限公司
- Soilmec (Wujiang) Machinery Ltd.
土力（吴江）机械有限公司
- Sogefi (Suzhou) Automotive Parts Co., Ltd.
索格菲(苏州)汽车部件有限公司

COMPANIES IN KUNSHAN

- SABAF APPLIANCE COMPONENTS(KUNSHAN) Co., Ltd.
萨巴夫家用电器部件（昆山）有限公司
- Carel Electronic (Suzhou) Co., Ltd.
卡乐电子（苏州）有限责任公司公司
- Calan Kunshan Co., Ltd
嘉安化妆品（昆山）有限公司
- Eutron (Kunshan) Electronics Technology Co., Ltd
昆山意欧创电子科技有限公司
- Fila Dixon Stationery (Kunshan) Co., Ltd
迪克森文具（昆山）有限公司

- Colorobbia Glaze (Kunshan) Co., Ltd.
卡罗比亚釉料（昆山）有限公司

COMPANIES IN TAICANG

- GEDY SUZHOU Co., Ltd.
苏州捷安威五金有限公司
- Automha Industries Co., Ltd.
欧导（太仓）工业物流设备有限公司

COMPANIES IN ZHANGJIAGANG

- Filpiu (Zhangjiagang) Special Textile Products Co., Ltd
菲利（张家港）特种纺织品有限公司
- OMPI Pharmaceutical packaging Technology (China) Co., Ltd
欧璧医药包装科技（中国）有限公司

COMPANIES IN CHANGSHU

- Changshu Cleverttech Automation Co., Ltd
常熟科泰自动化设备有限公司
- Danieli Metallurgical Equipment & Service (China) Co., Ltd
达涅利冶金设备（中国）有限公司
- LUVE Heat Exchangers Ltd.
路伟换热器（常熟）有限公司
- Sematic Elevator Products (Changshu) Co., Ltd.
思迈特电梯设备（常熟）有限公司

COMPANIES IN SUZHOU'S OTHER DISTRICTS

- Ariston Thermo (China) Co., Ltd.
阿里斯顿热能产品（中国）有限公司

- Candy Hoover Suzhou Co., Ltd.
凯迪吸尘器（苏州）有限公司
- Nexion Machinery Equipment Manufacturing (Suzhou) Co., Ltd
纳可信机械设备制造（苏州）有限公司
- Manuli Hydraulics (Suzhou) Co., Ltd.
玛努利液压器材（苏州）有限公司
- Radici Plastics (Suzhou) Co.,Ltd
兰蒂奇工程塑料（苏州）有限公司
- Ognibene Hydraulic Components (Suzhou) Co., Ltd
欧尼贝耐液压配件（苏州）有限公司
- Zenit Pumps (Suzhou) Co., Ltd
泽尼特泵业（苏州）有限公司
- P&P People & Projects Ltd. (Suzhou)
伯司乐（苏州）商务咨询有限公司
- MG Mini Gears (Suzhou) Co., Ltd
微齿精密机械（苏州）有限公司
- Suzhou Victor Medical Equipment Co., Ltd
苏州公理福医疗器械有限公司
- Finnord Group
意大利 - 芬诺(苏州)汽车零部件有限公司
- Marcegaglia China Co., Ltd
玛切嘉利（中国）有限责任公司³⁵⁶

³⁵⁶ Some of the firms in this list have been obtained thanks to the precious help of Post-Doctoral Grant Holder of Ca' Foscari University of Venice, Anna Zhu, involved in the "From Blossom to Fruit" project. Carried on by Ca' Foscari University of Venice, it is a project focused on the development of Italian companies in Suzhou.

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LIST OF ABBREVIATIONS

CEDZ: Changshu Economic and Technological Development Zone

CNY: Chinese Yuan

EDZ: Economic Development Zone

EPZ: Export Processing Zone

ETDZ: Economic and Technological Development Zone

FDI: Foreign Direct Investments

FTZ: Free Trade Zone

GDP: Gross Domestic Product

PRC: People's Republic of China

SEZ: Special Economic Zone

SIP: Suzhou Industrial Park

SIPAC: Suzhou Industrial Park Administrative Committee

SND: Suzhou New Development Zone

SSPO: Singapore Software Project Office

TCEDA: Taicang Economic Development Area

TPEDZ: Taicang Port Economic Development Zone

WEDZ: Wujiang Economic and Technological Development Zone

WTO: World Trade Organization

ZEDTZ: Zhangjiagang Economic and Technological Development Zone

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