

Global Free Zones of the Future 2010/11 **Winners**

FDI MAGAZINE'S FIRST GLOBAL RANKING OF ECONOMIC ZONES HAS AWARDED SHANGHAI WAIGAOQIAO FREE TRADE ZONE THE TITLE OF GLOBAL FREE ZONE OF THE FUTURE 2010/11. **JACQUELINE HEGARTY** REPORTS ON THE RESULTS





Shanghai Waigaoqiao Free Trade Zone (WTTZ), the largest free-trade zone in China, has been recognized by fDi Magazine as the 'Global Free Zone of the Future 2010/11'. This is in part due to the large number of companies that have set up operations in Shanghai WTTZ; more than 9000 companies – accounting for one-third of all foreign companies moving into Shanghai – have set up in this zone. Shanghai WTTZ also came top in the categories of 'Best Facilities' and 'Best Port Zone'.

Economic zones based in the United Arab Emirates dominated the Free Zones of the Future 2010/11 ranking, with seven of the top 25 zones coming from the UAE. Not only did Dubai Airport Free Zone rank as second overall, it also ranked second in the 'Best FDI Promotion Strategy' and 'Best Transportation' categories.

The top three in the 'Best Economic Potential' category was led by the city of San Luis Potosi in Mexico, followed closely by Industrial Estates in Thailand and the Jebel Ali Free Zone in the UAE. Clark Freeport

in the Philippines, Togo Export Processing Zone, and Chittagong Export Processing Zone in Bangladesh were the top three in the 'Best Cost Effectiveness' category.

fDi Magazine's rankings, which took more than four months to compile, ranked eight UAE zones in the 'Best Transportation' top 10, with Jebel Ali Free Zone and Dubai Airport Free Zone taking the top two positions and Dubai Media City and Dubai Knowledge Village ranking joint in third position. Dubai Media City, Dubai Airport Free Zone and Dubai Knowledge Village also claimed the top positions in the 'Best FDI Promotion Strategy' category.

The independent judging panel scored Dubai Knowledge Village, Dubai Media City and Ajman Free Zone (UAE) as the top three zones in 'Best Incentives'.

South Carolina Foreign Trade Zones # 21 & 38, based in the US, topped the 'Best Airport Zone' category, followed by Aqaba Special Economic Zone (Jordan), Tanger Free Zone (Morocco), El Paso FIZ # 68 (US) and Bahrain International Airport.

TOP 25 FREE ZONES OF THE FUTURE 2010/11: OVERALL

RANK	NAME OF ZONE	COUNTRY
1	Shanghai Waigaoqiao Free Trade Zone	China
2	Dubai Airport Free Zone	UAE
3	San Luis Potosi	Mexico
4	Aqaba Special Economic Zone	Jordan
5	Free Port of Ventspils	Latvia
6	Dubai Knowledge Village	UAE
7	DuBiotech	UAE
8	Tanger Free Zone	Morocco
9	Bahrain Logistics Zone	Bahrain
10	Dubai Media City	UAE
11	Lodz Special Economic Zone	Poland
12	Industrial Estates of Thailand	Thailand
13	Bahrain International Airport	Bahrain
14	Jebel Ali Free Zone	UAE
15	Free Trade Zones of Guatemala	Guatemala
16	Dubai Studio City	UAE
17	Walbrzych Special Economic Zone	Poland
18	Togo Export Processing Zone	Togo
19	Clark Freeport	Philippines
20	Klaipeda Free Economic Zone	Lithuania
21	Dubai International Academic City	UAE
22	Industrial and Free Zone Kukuljanovo	Croatia
23	Dahej Special Economic Zone	India
24	Bahrain International Investment Park	Bahrain
25=	Masan Free Trade Zone	South Korea
25=	South Carolina Foreign Trade Zones # 21 & 38	US

GLOBAL OUTLOOK

GLOBAL FREE ZONES OF THE FUTURE 2010/11

TOP 10 BEST ECONOMIC POTENTIAL

RANK	NAME OF ZONE	COUNTRY
1	San Luis Potosi	Mexico
2	Industrial Estates of Thailand	Thailand
3	Jebel Ali Free Zone	UAE
4	Chittagong Export Processing Zone	Bangladesh
5	Jubail Industrial City II	Saudia Arabia
6	Amata Nakorn Industrial Estate	Thailand
7	Clark Freeport	Philippines
8	Aqaba Special Economic Zone	Jordan
9	Jazan Economic City	Saudi Arabia
10=	Masan Free Trade Zone	South Korea
10=	Rakia Industrial Zone	UAE

TOP 10 BEST COST EFFECTIVENESS

RANK	NAME OF ZONE	COUNTRY
1	CClark Freeport	Philippines
2	Togo Export Processing Zone	Togo
3	Chittagong Export Processing Zone	Bangladesh
4	Free Port of Ventspils	Latvia
5	International Media Production Zone	UAE
6	Rezekne Special Economic Zone	Latvia
7	San Luis Potosi	Mexico
8	Mauritius Freeport	Mauritius
9	Industrial Estates of Thailand	Thailand
10	Starachowice Special Economic Zone	Poland

TOP 10 BEST FACILITIES

RANK	NAME OF ZONE	COUNTRY
1	Shanghai Waigaoqiao FTZ	China
2	Bahrain International Investment Park	Bahrain
3	Bahrain Logistics Zone	Bahrain
4	Aqaba Special Economic Zone	Jordan
5	Klaipeda Free Economic Zone	Lithuania
6	Shannon Free Zone	Ireland
7	Dubai Airport Free Zone	UAE
8	Tanger Free Zone	Morocco
9	Free Trade Zones of Guatemala	Guatemala
10	Bahrain International Airport	Bahrain

TOP 10 BEST TRANSPORTATION

RANK	NAME OF ZONE	COUNTRY
1	Jebel Ali Free Zone	UAE
2	Dubai Airport Free Zone	UAE
3=	Dubai Media City	UAE
3=	Dubai Knowledge Village	UAE
5	Masan Free Trade Zone	South Korea
6	Dubai International Academic City	UAE
7	Dubai Studio City	UAE
8	DuBiotech	UAE
9	Dalian Free Trade Zone	China
10=	Colon Free Zone	Panama
10=	Dubai Outsource Zone	UAE



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RSEZ PROFILE

Headquarters
Rezekne, Latvia

Founded
1997

Total area
155,28 ha

Incentives
5% corporate tax rate
80% discount on dividend tax
80-100% discount on real estate tax
0% VAT rate on export goods and services related to export

Distance
Riga 242 km, Moscow 685 km, St. Petersburg 457 km, Warsaw 860 km



TOP 10 BEST INCENTIVES

RANK	NAME OF ZONE	COUNTRY
1	Dubai Knowledge Village	UAE
2	Dubai Media City	UAE
3	Ajman Free Zone	UAE
4	Dubai Internet City	UAE
5	ZonAmerica	Uruguay
6	Dubai Silicon Oasis	UAE
7	Lodz Special Economic Zone	Poland
8	Sharjah Airport International FZ	UAE
9	La Zona Franca de Iquique	Chile
10	DuBiotech	UAE

TOP 10 BEST FDI PROMOTION STRATEGY

RANK	NAME OF ZONE	COUNTRY
1	Dubai Media City	UAE
2	Dubai Airport Free Zone	UAE
3	Dubai Knowledge Village	UAE
4	DuBiotech	UAE
5	Dubai Studio City	UAE
6	Lodz Special Economic Zone	Poland
7	Free Port of Ventspils	Latvia
8	Free Trade Zones of Guatemala	Guatemala
9	Bahrain International Airport	Bahrain
10	Bahrain Logistics Zone	Bahrain

TOP 10 BEST AIRPORT ZONE

RANK	NAME OF ZONE	COUNTRY
1	South Carolina FTZs # 21 & 38	US
2	Aqaba Special Economic Zone	Jordan
3	Tanger Free Zone	Morocco
4	El Paso FTZ # 68	US
5	Bahrain International Airport	Bahrain
6	Jaxport FTZ # 64	US
7	Amata Nakorn Industrial Estate	Thailand
8	Dubai Airport Free Zone	UAE
9	San Luis Potosi	Mexico
10	Free Trade Zones of Guatemala	Guatemala

TOP 10 BEST PORT ZONE

RANK	NAME OF ZONE	COUNTRY
1	Shanghai Waigaoqiao FTZ	China
2	Tanger Free Zone	Morocco
3	Jaxport FTZ # 64	US
4	Baltimore FTZ #74	US
5	Free Port of Ventspils	Latvia
6	Aqaba Special Economic Zone	Jordan
7	Kaohsiung Port Free Trade Zone	Taiwan
8	Los Angeles FTZ # 202	US
9	Industrial Estates of Thailand	Thailand
10	Bahrain International Investment Park	Bahrain

JUDGING PANEL



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METHODOLOGY

More than 700 economic zones globally were invited by fDi Magazine to complete a survey requesting both qualitative and quantitative data regarding their zones. This list of 700 was reduced to 200 based on information collected by fDi Benchmark and information submitted by

the zones. These zones included free-trade zones, special economic zones and country zones. The information collected was set under eight categories: Economic Potential, Cost Effectiveness, Facilities, Transportation, Incentives, FDI Promotion Strategy; and, for those relevant, Airports and Ports.

A total of 66 zones submitted details regarding many aspects of their operations and this was judged and scored by our independent judging panel.

Zones scored up to a maximum of 10 points under each of the individual categories, which were weighted by importance to give the overall scores.

JUDGING CRITERIA

ECONOMIC POTENTIAL

- Total size of zone
- Total land available for development
- Total employment
- Number of businesses operating
- Growth of businesses operating (2009-2010)
- The total volume of goods processed
- Total number of imports
- Total number of exports
- GDP growth rate (past five years)
- GDP growth rate (2008-2009)
- Inflation
- Global competitiveness index

COST EFFECTIVENESS

- Cost for industrial facilities
- Cost for warehouse space
- Cost for other commercial facilities
- Cost for undeveloped land
- Cost of water
- Cost of electricity
- Cost of gas
- Cost for low-wage worker
- Cost for medium-wage worker
- Cost for high-wage worker

INCENTIVES

- Incentives offered
- Administrative services offered

FACILITIES

- Key industries
- Range of warehouse facilities
- Amenities offered

TRANSPORTATION

- Planned infrastructure projects
- List of transportation facilities located in the zone (motorways, etc)
- List of transportation facilities located near the zone

FDI PROMOTIONAL STRATEGY

- CFOs/directors were invited to tell fDi Magazine why their zone was the 'free zone of the future'
- CEOs/directors were also asked for an overall description of the zone and its set-up

PORT

- Brief description of the port
- Total size of the port

- Total capacity of cargo the port handled
- Total TEUs the port handled
- Total imports by value
- Total exports by value
- Maximum vessel size
- Channel depth
- Anchorage depth
- Cargo pier depth
- Oil terminal depth
- Mean tide depth
- Available lifts and cranes
- Available port services
- Port infrastructure quality

AIRPORT

- Brief description of the airport
- Total size of the airport
- Number of cargo terminals at the airport
- Number of aircraft stands at the airport
- Total passenger throughput
- Total cargo handled
- Number of runways at the airport
- Available warehouse size
- Amenities
- Air transport infrastructure quality