

## CHINA | HAINAN FREE TRADE PORT

### China introduces 16 new measures to facilitate trade and business operations in Hainan

*The new measures cover bonded operations, industrial activities and international trade, offering additional possibilities for foreign companies considering Hainan as part of their China business strategy.*

On **29 October 2026**, China's Ministry of Commerce (MOFCOM), together with the National Development and Reform Commission (NDRC), the Ministry of Ecology and Environment and the General Administration of Customs, **announced 16 measures aimed at further improving trade liberalization and facilitation in the Hainan Free Trade Port (FTP), the world's largest FTP by area.**

The measures cover goods and services trade, bonded operations and new trading models. **They build on the island-wide special customs operations introduced on 18 December 2025, under which goods moving between Hainan and overseas markets are subject to a different customs regime from those entering mainland China.**

### WHAT ARE THE MAIN CHANGES?

#### 1. New possibilities for industrial and automotive businesses

Several measures concern bonded operations and industrial activities. These include support for bonded storage and handling of aviation fuel, the integration of certain bonded and export-supervision warehouse facilities in Yangpu, and a pilot program allowing defective key automotive components to be imported for research and testing in Hainan.

The measures also support the expansion of bonded maintenance and remanufacturing. Hainan may extend the range of products eligible for *two-ends-out* bonded maintenance, allowing goods to enter the zone for repair and subsequently be re-exported without entering the domestic market.

For manufacturers and industrial groups, these provisions may offer additional options for organising repair, testing and maintenance activities in China.

#### 2. Expanded opportunities in energy and international trade

The package introduces new provisions for overseas companies using bonded facilities at Hainan's LNG receiving terminals. It also supports the development of LNG futures delivery warehouse activities once the relevant futures contracts are launched.

Other measures aim to encourage offshore trade, improve information-sharing between authorities and support new barter trade arrangements, including transactions priced in renminbi.

These developments may be relevant to energy companies, commodity traders and international businesses managing regional sourcing, distribution and logistics operations.

### 3. Greater flexibility in selected services

The measures also address access to certain professional services. Foreign physicians holding valid overseas medical licenses may be invited or authorized to provide clinical services in Hainan, with practice permits valid for up to three years.

The package also calls for more convenient work-permit, stay and residence arrangements for foreign nationals.

In addition, it encourages closer trade and industrial cooperation between Hainan and Hong Kong, as well as stronger coordination with the Guangdong-Hong Kong-Macao Greater Bay Area.

### WHAT COULD THIS MEAN FOR FOREIGN INVESTORS?

For international companies, the new measures provide additional reasons to consider Hainan when reviewing their activities in China.

In particular:

- **Manufacturing and automotive companies** may assess whether their repair, testing and remanufacturing activities could benefit from the expanded bonded programs;
- **Energy and commodity businesses** may find new possibilities in bonded LNG infrastructure and related trading activities;
- **Trading and logistics companies** may consider Hainan when reviewing regional inventory management, re-export operations and supply-chain arrangements;
- **Healthcare groups and service providers** may monitor the implementation of the new provisions to understand whether they create opportunities for foreign professionals and service operators.

Hainan may therefore be worth considering not only as a destination for new investment, but also as an additional location for companies already operating in China and looking to review their existing business structures.

However, the new measures do not represent a general opening of all sectors or provide automatic tax exemptions to foreign-invested companies.

### **WHAT SHOULD COMPANIES CONSIDER BEFORE INVESTING?**

Before establishing or expanding operations in Hainan, foreign investors should examine the eligibility requirements for the relevant programs and the practical implications for their business activities.

Particular attention should be paid to:

- Whether the proposed activities and products qualify for the relevant bonded programmes or pilot schemes.
- Customs procedures and tax treatment for goods moving between overseas markets, Hainan and mainland China.
- Applicable licensing, technical, environmental and personnel requirements.
- Corporate structure, tax exposure and foreign-exchange implications.

The actual benefits will depend on the company's business model and the implementing rules applicable to each activity. A careful assessment is therefore necessary before making investment or operational decisions.