South Korea-America Rail Co Ltd, a maker of elevator equipment, will invest $25 million to start a new company in the Shenyang Economic and Technological Development Zone in Liaoning province.

The 6,000-sq m production facility is expected to be operational in August after the company signed an investment agreement with the city's administrative committee on December 30 last year.

Based in the Tiexi Modern Construction Industrial Park, the company will manufacture high-speed elevator guide rails.

Kim Hunge, president of South Korea-America Rail, said Shenyang is now in the process of transforming to modern construction industry.

He cited the advantages of the Tiexi park — its industrial expertise, human resources and location — as reasons his company picked the location.

Since its founding last April, the park has secured 99 projects with a total investment of 12.2 billion yuan, of which 30 have started construction.

Among them, 25 with a combined worth of 8.4 billion yuan are funded by overseas investors, according to Li Songlin, head of the Tiexi district.

As well, 154 projects are now under negotiation, Li added.

Located at the eastern end of an industrial corridor in Shenyang, capital of northeast China's Liaoning province, the Tiexi park lies at the juncture of the Beijing-Shenyang and Shenyang-Iran railways. It is also on the way from Shenyang to Yingkou Port at Bohai Bay.

With a total planned area of nearly 50 sq km, the park is expected complete construction in 2020, when it is projected to generate annual industrial output of $50 billion yuan. To date an initial stage covering 12 sq km has been completed.

Industries related to modern construction like mechanical and electronic products, fabricating equipment and machinery, metal structures and wall materials are priority sectors for the park.

Choice
With a century of history in industrial development, Tiexi district boasts solid industrial foundation and a skilled labor force.

The district has an annual industrial output of more than 190 billion yuan. The equipment and machinery manufacturing sector contributed about 123 billion yuan of the total.

“When we decided to develop construction as a pillar industry, we did not intend to give up one advantageous manufacturing sector,” said Zeng Wei, Party chief of the Shenyang municipal committee.

Manufacturing provides equipment and machinery as well as materials needed in construction, while growth in the construction industry promotes expansion of the manufacturing sector, Zeng said.

“Developing a modern construction industry is closely related to a thorough research and careful consideration with a focus on optimizing the industrial structure and nurturing new economic growth spots,” he added.

Yu Ying, president of China Construction Metal Structure Association, noted the Tiexi modern construction industrial park has a number of innovative industrialization that the construction industry is facing in the future and the challenge of building an industrial park with equipment and machinery.

“The traditional advantage in manufacturing will provide strong support for the construction industry in technology and facilities and meanwhile promote growth of the latter,” he said.

Opportunity

Data from the British Engineering Consultancy Firm said that China's current construction volume accounts for about half of the global market, ranking the country as the world largest construction market in both consumption and production.

Sales of construction makers like aluminum-plastic composite panels and window systems have reached the top of the world for years.

The country’s trade in construction coatings, concrete machinery, and materials has already become a crucial part of the city’s economy.

“The Tiexi park provides an instrumental platform for Shenyang’s development in the new era. With a more open mind, high quality services and friendly environment, we aim to attract more major enterprises to explore the demonstration zone of modern construction industry,” said Yang Jing, the city’s vice-mayor.

Notable Tiexi park projects

- An electronics and 3D printing facility by Japan’s Nichiha Co Ltd signed, for a total investment of 120 million yuan.
- A $3.2 billion project by Shenyang Tundao Co Ltd, an elevator manufacturing facility started construction.
- A 4.2 billion yuan project by Korea Kumho, the air conditioner facility began construction.
- A 3.2 billion yuan project with a total investment of 5.44 billion yuan signed with South Korea
- A 74 billion yuan project with a total investment of 8.4 billion yuan by Baosteel Group.
- A 30 billion yuan project with a total investment of 6.4 billion yuan by GE.

With an annual output of nearly 80 billion yuan in 2008, construction industry has already become a crucial contributor of the city’s economy.

“The Tiexi industrial park provides a strategic platform for Shenyang’s development in the new era. With a more open mind, high quality services and friendly environment, we aim to attract more major enterprises to explore the demonstration zone of modern construction industry,” said Yang Jing, the city’s vice-mayor.

Nurturing businesses

Construction of the Tiexi industrial park provides more opportunities for Yuanda, the company has grown into a modern construction group with an annual output value of more than 100 billion yuan, entered markets in the United States, Japan and the Middle East, among others.

“Our corporate vision is to open up a channel to the world for Shenyang’s modern construction industry,” said Gao Zhongshan, vice board chairman of Yuanda Group.

The company has opened into a modern construction group with an annual output value of more than 100 billion yuan, entered markets in the United States, Japan and the Middle East, among others.

The Tiexi park will be developed by Shenyang Zhaohuan Modern Construction Industrial Park Co Ltd and started construction in March 2010.

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