

Local businesses' investment flows to hotspot destinations

Province steps up to lead intl partnerships, China's 'going global' strategy

By ZHAO SHIJUN
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At the crossroads of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, East China's Shandong province has been an active player in the Belt and Road Initiative.

Since the initiative was launched in 2013, the province has taken measures to enhance economic and cultural exchanges with countries and regions along the routes, according to local officials.

She Chunming, chief of the Shandong Bureau of Commerce, said: "In recent years, Shandong has implemented a 'going global' strategy, actively taking part in construction in Belt and Road countries and strengthening international investment, trade and industrial capacity cooperation."

"The Belt and Road regions have become hot investment destinations for Shandong's businesses," She said.

The bureau's statistics show that the province's trade with Belt and Road countries and regions amounted to 413 billion yuan (\$60 billion) in 2016, growing 8.4 percent from the previous year and accounting for 26.7 percent of the province's total foreign trade.

The Association of Southeast Asian Nations members, Russia and India are Shandong's top three trade partners, with major exports from the province including machinery, electronics, vegetables and metals.

In the first quarter of this year, Shandong's trade with countries and regions along the routes reached 116.4 billion yuan, up 35.3 percent from the same period of last year.

According to She, Shandong has carried out a number of measures to promote cooperation with these countries and regions. It has made concrete progress in such fields as interconnectivity, international industrial capacity, trade and investment, energy, finance and cultural exchanges.

Shandong Bureau of Commerce has arranged a series of trade fairs and exhibitions in Southeast Asia, South Asia, Russia, Mongolia, West Asia, North Africa and Central and Eastern Europe in recent years. A number of agreements have been signed during these events for trade and investment cooperation.

The bureau has also collaborated with overseas trade and investment promotional agen-



A representative of the Saudi Arabia branch of Shandong-based IT giant Inspur introduces the company's products to Saudi Arabian customers during the Inspur Customer Day in February 2016. photos provided to china Daily



The Silk Road High-Tech Park Alliance is established in Yantai in July 2016, with members from China, Russia, Belarus, Ukraine, Georgia, Armenia, Kazakhstan and Lithuania.

cies to facilitate such international cooperation.

The province encourages local construction companies to work with large State-owned enterprises, using their resources in funds, technologies and channels to develop overseas markets.

In April 2016, the province established a database for 210 major projects relating to the Belt and Road Initiative. These include 190 overseas projects, involving total investment of 450 billion yuan and covering such sectors as infrastructure, industrial capacity cooperation, energy and resources, culture, education and finance, as well as ecological and environmental protection.

According to Liang Wenyue, deputy chief of the Shandong Office for Promoting Regional Development Initiatives, the average investment of the 190 overseas projects is 2.3 billion yuan. These include 18 large projects, each with investment of more than 5 billion yuan, mostly in the fields of infrastructure and industrial capacity.

Liang said these overseas projects are mostly in Southeast Asia, Russia and India.

Shandong is also working with overseas partners to build industrial parks in their countries. Among the 20 Sino-foreign cooperative parks recognized by the Ministry of Commerce and the Ministry

of Finance, four are backed by Shandong's businesses, including one in Pakistan, one in Russia and two in Hungary.

"These industrial parks will become important platforms for Shandong's cooperation with Belt and Road regions," Liang said.

Outstanding cities

There are several cities standing out in Shandong's coordination with the Belt and Road regions.

Yantai on Shandong's eastern coast was one of the first 14 Chinese cities to open up to the world. It is a pivotal city in the Belt and Road Initiative.

It was elected as one of the "most vigorous cities in the Belt

and Road Initiative in 2016" during a forum held in Beijing in January.

"Yantai highlights business links with Belt and Road regions," said Yu Dong, chief of the city's commerce bureau.

He said Yantai has trade and investment ties with 64 countries and regions along the route.

The bureau's statistics show that Yantai's trade with such countries totaled 52.64 billion yuan, accounting for 18.1 percent of the city's total foreign trade volume.

Yantai's businesses have partnered with local companies to build two industrial parks in Russia and Hungary, half of the overseas parks supported by Shandong.

Qingdao is another pivotal city in the initiative.

Based on its advantageous industrial strength, the city has launched 102 projects in Belt and Road countries and regions, with combined investment of \$60 billion.

Although an inland city, Linyi has played an important part in the initiative.

Businesses from the city launched a regional wholesale and logistics center in Pakistan in May 2016.

The center will become a distribution hub for products from Linyi and other parts of China to regions including South Asia, Central Asia, the Middle East and North Africa.

Similar facilities are planned in countries and regions like Qatar, the United Arab Emirates, Kazakhstan, Guinea, Uganda and Nigeria.



Tractors produced by Shandong's farming machine maker Lovol are favored by users in Africa.

Industrial might of Shandong province moves westward

By ZHUAN TI
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More enterprises in Shandong province are seeking the huge market potential brought by the Belt and Road Initiative, said local officials and businesspeople.

Countries along the route have become the favorite destination for Shandong to transfer its industrial capacity to thanks to their lower costs and abundant resources, according to Zhang Xingcheng, deputy chief of Shandong Bureau of Commerce.

"Shandong's international cooperation mainly focuses on rubber tires, textiles and garments, machinery and electronic products. Some key cooperative projects have made positive progress," Zhang said.

The government encourages enterprises to take necessary measures to grasp opportunities to go global.

Construction enterprises in Shandong have cooperated with such State-owned enterprises as China State Construction Corp, China Metallurgical Group and China Civil Engineering Construction Corp, using their funds, technologies and channels to expand overseas business.

To help local enterprises to solve financing problems, the Shandong Department of Commerce has cooperated with China's major banks and financial institutions, asking them to finance Shandong's major projects relating to the Belt and Road Initiative.

According to the bureau, Shandong's investment in the Belt and Road regions has reached 29.4 billion yuan (\$4.3 billion) to date, accounting for 16.7 percent of the province's total outbound investment. The turnover of such projects has reached 42.3 billion yuan.

"The Belt and Road Initiative has offered more opportunities for enterprises to expand overseas," said Wu Yuefei, an executive at Kerui Petroleum's branch in Uzbekistan.

Kerui, a Shandong-based petroleum equipment com-

29.4
billion yuan

Shandong's investment in Belt and Road regions

pany, signed a deal for an Uzbek project last May. The company and its Uzbek partners will cooperate to build 46 gas stations, with total investment of \$100 million.

Because of rich oil and gas resources in Uzbekistan, Kerui opened an office there in 2008, selling equipment for oil and gas exploitation and offering other services.

Wu said that the project will provide more than 1,000 jobs for locals and help Uzbekistan to upgrade its energy industry.

A coal-fired power plant in Pakistan's Punjab province, built by the Shandong branch of Huaneng Corp and Shandong Ruyi Technology, is scheduled to become operational in June. Total investment in the project is \$1.8 billion.

As a priority project in promotion of the Sino-Pakistani Economic Corridor, it will help to resolve local power shortages.

Shandong enterprises are also expanding in Africa. Shandong's farming machine and truck maker Lovol won an order to deliver 500 tractors to Mali in March, as part of the Malian government's procurement package.

When Lovol exported its first tractor to Mali in 2010, its high-quality and considerate services impressed the locals, resulting in more orders to follow, according to Chang Jiamao, deputy general manager of Lovol. The company has sold a total of 7,000 tractors and other machines to Mali.

Lovol products have been sold to more than 120 countries and regions in the world. Its exports to Belt and Road regions make up more than 50 percent of its total exports.

Cultural exchange efforts intensify amid Belt and Road outreach

By ZHAO SHIJUN

The home of Confucius and Mencius, Shandong province expects to use the Belt and Road Initiative as a platform to promote its cultural heritage on the international stage, according to local officials.

"The Belt and Road Initiative is not only a platform for business connections, but also a facilitator for cultural exchange," said Wang Tingqi, deputy chief of the Shandong Culture Bureau.

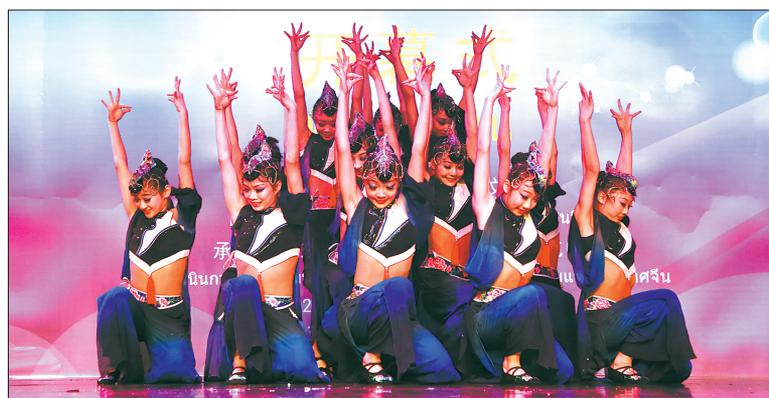
He said the province is the birthplace of Confucianism, holding a unique place in China's cultural development for more than 2,000 years.

In the context of modernization and globalization, Wang said Shandong is willing to share its culture with the world and in return absorb cultures from around the globe for mutual development and prosperity.

The Belt and Road Initiative is not only a platform for business connections, but also a facilitator for cultural exchange."

Wang Tingqi, deputy chief of the Shandong Culture Bureau

"The Belt and Road regions feature diversified cultures among various people with different religions and customs. We should have fruitful exchanges by respecting these cultural differences," Wang said.



A singing and dancing troupe from Shandong performs in Thailand in 2015.

In April, the provincial culture bureau released implementation measures to guide the local cultural sector to serve the Belt and Road Initiative.

The measures will include the arrangement of interna-

tional cultural exchange events such as exhibitions, forums, conferences and cultural festivals, both in Shandong and overseas.

Heavyweight events in this field will be the annual Interna-

tional Confucius Cultural Festival, World Confucian Conference and Nishan Forum. Nishan in Qufu is the birthplace of Confucius, the greatest thinker in Chinese history.

A range of Confucianism-

related activities will be regularly staged throughout the year, including exhibitions of Confucian culture, lectures on Confucian thoughts and rituals to worship the ancient sage.

The province has also organized a series of cultural events overseas.

According to Wen Shanchang, an official in charge of foreign affairs at the Shandong Culture Bureau, the province had held more than 600 performances and more than 400 exhibitions in foreign countries during the 12th Five-Year Plan period (2011-15).

In 2016, the province cooperated with overseas China Cultural Centers to stage cultural events abroad.

These include a Shandong embroidery show in Bangkok, Thailand, and the Year of Shandong Culture in Singapore.

In addition, Shandong has built 25 Nishan libraries in countries such as Malta, Rus-

sia, Poland, Australia, Thailand and the United States to promote Shandong's culture.

Wen said Shandong will cooperate with the Chinese Ministry of Culture to build a China Cultural Center in Belgrade, Serbia, this year.

"This will be the first China Cultural Center built and operated by a provincial government," Wen said, adding that Shandong's culture will be a highlight at the center.

"Shandong is among the most active provinces in China in terms of international cultural exchanges, showing its power and charm as one of the cradles of Chinese civilization," Wen said.

