

Zengcheng, a new investment hotspot

District in east Guangzhou sees billions of yuan pour in from Foxconn and other big name innovators, **Chen Hong** reports.

A recent investment of 61 billion yuan (\$9.64 billion) from Foxconn Technology Group, the world's largest electronics contractor, has cast the spotlight on Zengcheng district of Guangzhou.

Located in the eastern part of the capital of Guangdong province, Zengcheng is much closer to the neighboring city of Dongguan than the business center of Guangzhou, but it is becoming a new investment hotspot.

Official figures show that a total of 94 projects introduced by the local government were signed in 2017, with total contractual funding of more than 63.4 billion yuan.

The annual earnings or output of 29 of the projects are forecast to reach at least 1 billion yuan each.

"Compared with 2016, our projects made remarkable quality improvements, which is critically important for the continued healthy development of the district," said Zhao Guosheng, executive deputy chief of Zengcheng.

He said that the district government has been in talks with at least 143 high-quality projects, which are expected to pour additional funds of 150 billion yuan into the district in the coming years, further boosting the local economy.

Two key clusters

According to Zhao, two powerful industrial clusters — expected to generate output of over 100 billion yuan each — have taken shape in Zengcheng, one focused on new generation of information technology and the other on automotive and auto parts manufacturing.

Foxconn's vast investment strategy called SIO new-generation panel display industry was agreed at the end of 2016 and construction launched last March. The plan involves building the world's largest 8k-resolution panel factory and ultimately turning Guangdong into a world-leading manufacturing and research center for the industry.

When it is put into operation in the second half of 2019, the factory will be able to produce 92 billion yuan in industrial output annually, said Su Yanhua, director of bureau of commerce of Zengcheng district.

"More significantly, Foxconn's project will attract its suppliers from across the globe, including many top 500 transnational companies, to settle in Zengcheng," Su noted.

To attract these heavyweight companies, Su's department has set up a database to record the key information of more than 170 such suppliers, including their main business, core technologies, current investment in China and their business relations with Foxconn in China.



Clockwise from top: **The picturesque view** of Zengcheng, in the eastern part of Guangdong province. WU GUOMING / FOR CHINA DAILY
Visitors participate in a cycling event in Zengcheng. LING YUN / FOR CHINA DAILY
With a good natural environment, Zengcheng is an ideal place to live. WU GUOMING / FOR CHINA DAILY
Workers assemble cars at a production line of BAIC Group in Zengcheng. LING YUN / FOR CHINA DAILY

After conducting initial assessments, the department carefully selected about 40 companies from Foxconn's supply chain, including Air Products, Corning, Toray and Daifuku, and offered them incentive policies and tailor-made government services, said Su.

As a result, Corning decided to invest about 2 billion yuan to build a new plant for display devices in Zengcheng at the

end of last year.

Investment in the automotive and auto parts manufacturing cluster is also on the rise, Su said.

In October 2017, China Automotive Technology and Research Center, a State-owned industry leader, started construction on its South China headquarters in Zengcheng. One month later, Hitachi Automotive Electric Motor Systems, a joint venture between Hita-

chi and Honda specializing in the manufacturing and research of motors for new-energy vehicles, set up its first overseas branch in the district.

These two new projects, with contractual investments of 1.85 billion yuan and 3 billion yuan, respectively, added glamor to the existing strong auto and auto parts manufacturing industry in the district. The area has built a complete supply chain composed of two

vehicle manufacturing plants and at least 150 auto parts and research companies.

"Guangzhou is a well-established vehicle manufacturing center of China. In addition, the new energy auto market has high potential," said Namatame Haruo, president of Hitachi Automotive Electric Motor Systems (Guangzhou) Ltd.

"Our parent company Hitachi Automotive System has

invested in Zengcheng and set up good connections with the district. That's why we are here," he told reporters.

Diversified interest

Apart from the two industrial clusters, the district has also placed emphasis on attracting companies in the sectors of modern services, regional headquarters, artificial intelligence, biomedicine, new energy, and new materials, big data, modern agriculture and eco-tourism, said Su of the district's commerce department.

For example, Zengcheng introduced 16 regional headquarters projects in 2017, ranging from the low-carbon industry and financial technology to innovation services.

Total investment in the district is projected to reach about 22 billion yuan, surging 74.2 percent year-on-year, according to government figures.

"Our economy has much room to develop and growth will be substantial in the coming years," said executive deputy chief Zhao. He said the district's development plan is designed to create an eastern gateway for Guangzhou to connect to the surrounding cities in the Pearl River Delta, such as Shenzhen, Dongguan and Huizhou. "Located at the center of the Guangdong-Hong Kong-Macao Greater Bay Area, and as a key stop along the Guangzhou-Shenzhen Science and Technology Innovation Corridor, Zengcheng is at its prime development stage and clearly a good choice for investment," Zhao said.

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Incentive policies, low costs draw new talents

By **CHEN HONG**

Shortly after she graduated from Cambridge University with a doctorate six years ago, Fang Fang set up China's first failure analysis and testing company for light-emitting diodes in Zengcheng district of Guangzhou.

One month ago, she was picked by the nation's highest-level talent importing program, among a team of 41 out of 443 candidates, to win the title of top overseas-returned professionals.

Her company served more than 2,000 companies in 2017, most of which are listed LED manufacturers in China.

160 enterprises

in high-tech industries have based their operations in Zengcheng in 2017

94 new projects

introduced in Zengcheng last year

435 million yuan

fund invested in science and technology in 2017

"We try to identify the reasons that led to or might lead to the failure of the products in terms of raw materials or techniques used, which helps the clients to solve the problem, retrieve their losses and improve on quality," said Fang, founder of Gold Medal Analytical & Testing Group.

She said the longer she has stayed in Zengcheng, the more she loves the place.

"The local government offered an office free of charge and other incentive policies to attract people like me to start up businesses," Fang said. Another factor was the district's central location for the major LED markets in the Pearl River Delta area in Guangdong province.

Fang said the local government offers technological subsidies to professionals, their teams and their projects, and provides efficient services.

Labor costs and living costs — including house prices, rent, commodities — are much lower than in downtown Guangzhou, she added.

According to the district government, it focuses on tailor-made services to attract professionals.

They can enjoy a series of services in terms of health-care, schooling for their children, transportation and travel after settling in Zengcheng, according to the district government.



An artist's rendering of skyscrapers of Zengcheng district. PROVIDED TO CHINA DAILY

Government support makes for efficient business environment

By **CHEN HONG**

Zhu Xianwen set up his 3-D printing company in Zengcheng district of Guangzhou late last year.

Zhu said he picked the location carefully, visiting many other places in Guangdong province before making his decision.

"The economy is developing rapidly in Zengcheng, and the district government is very efficient and helpful. They offer many more services, and at higher standards, than we expected," Zhu, founder and president of Guangzhou Huatai 3D Material Manufacturing Co, told reporters.

He set up the company with Wu Xinhua, an academician of the Australian Academy of Technology and Engineering and a world-leading expert in titanium, titanium alloys and their manufacturing processes. The business specializes

in making metal bones and joints by using the fine art of 3-D printing technologies.

As it is the district's first project to be founded by an academician, the local government dispatched a team to help the company to manage administrative processes such as renting offices, registration, paying tax, authenticating medical equipment and even managing investors, Zhu said.

As a result, Zhu and his team can focus on developing new products and establishing cooperation with the local hospitals, to continue to carry out experimental operations.

"With the strong support of the government and our advanced technologies, we will soon introduce metal 3-D printer for medical purposes to the market," Zhu told China Daily, adding that the location is definitely a "smart choice".

Chen Chen, a director of the International Creat Cen-



Wu Xinhua (left), a world-leading expert in titanium, is selected as an academician of the Australian Academy of Technology and Engineering. PROVIDED TO CHINA DAILY

ter, one of the industrial parks in the State-level Zengcheng Economic and Technological Development Zone, said the district is "undervalued".

"It's an ideal place for companies to set up their South China headquarters because

of its convenient transportation, solid supply chain, resourceful talent pool, skillful workers and wonderful living environment," Chen said.

A new metro line was put into operation at the

end of last year, connecting Zengcheng with downtown Guangzhou. Several other routes are under construction.

The district is also building a transportation hub for east Guangzhou to link with surrounding cities and provinces via several highways and high-speed trains, according to the district's development blueprint.

Meanwhile, Zengcheng is vying to host the city's second international airport.

The International Creat Center, on which construction started in May 2016, will provide a floor area of 100,000 square meters in its first phase by October this year. Several companies, including the domestically listed Dian Diagnostics and Hong Kong-listed Beijing Enterprises Water Group Ltd, have agreed to set up their South China headquarters in