

Weifang high-tech zone innovates to attract new business, projects

Deals for 40 high-growth proposals, with a total investment value of 6.79 billion yuan, reached last month

By YUAN SHENGGAO

Weifang Hi-tech Industrial Development Zone — located in central Shandong province — is taking dynamic measures to attract more innovative-oriented businesses and projects to the region, aiming to achieve high-quality economic growth in upcoming years, officials said.

Deals for 40 high-growth business projects were signed on July 4 in the zone. The total investment of the projects is about 6.79 billion yuan (\$995 million), according to the zone.

As a key part of the Shandong Peninsula National Innovation Demonstration Zone, Weifang Hi-tech Industrial Development Zone has long been promoting an innovation-driven development model.

The total industrial output value of the zone increased 14.7 percent in the first five months of this year, against the same period last year, while the industrial output value of its high-tech industry during the same period was up 13.9 percent year-on-year.

To promote regional growth, the zone's authorities are supporting three key elements — leading industrial players, small and medium-sized enterprises and industrial clusters.

Leading players

Officials said that leading businesses in the zone are being encouraged to strengthen their cooperation with top research institutes, in order to enhance research and development capacity.

One example of this process is a new heavy-load commercial vehicle powertrain technology, developed by Weichai Group, the leading heavy truck engines and components manufacturer in China.

It was nominated to compete for the National Science and Technology Progress Award this year. The award is one of the top prizes devised by the State Council in recognition of scientific contributions made by both companies and individuals.

Weichai, which is fully supporting Shandong's efforts to replace old development drivers with new ones, has made huge investments in recent years in building up a new-energy power industrial park. It joined forces this year with the United Kingdom's solid oxide fuel cell supplier Ceres Power, to strengthen its position in the new energy sector.

Adding to the momentum for change is GoerTek — a producer of microphones, speakers, Bluetooth devices and wearable technology — which is also speeding up its construction of smart factories and its involvement in business upgrade projects.

SME development

Elsewhere, there is Shandong CAS Wanlong Electroacoustic Technology Co, a joint



A technician from Weichai Power in the Weifang Hi-tech Industrial Development Zone works on the production line for heavy truck engines.

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A consumer tests the virtual reality product made by high-tech enterprise GoerTek.

venture established by Weifang Wanlong Electric and the Chinese Academy of Sciences in 2016. The company focuses on developing thermoacoustic refrigerators which can save energy, reduce noise and extend the product's lifetime. Its total industrial output value is expected to reach 2.2 billion yuan in 2025, according to the company.

Encouraging the development of high-growth SMEs is seen as a key task of the zone's government in the economic upgrade progress, according to officials. The zone has developed specific support policies for individual companies — including Weifang Wanlong Electric and Hoco Automation Technology — aimed at fostering their development.

Shandong CAS Wanlong Electroacoustic Technology Co this year joined forces with the Technical Institute of Physics and Chemistry in the Chinese Academy of Sciences to launch a research institute to speed up its work on

thermoacoustics — a type of energy generation using heat to create sound electricity — and the commercialization of that technology.

Officials said the zone had successfully attracted a large number of innovation-driven SMEs over the last few years, which is strongly boosting regional economic growth. Leading companies have done extraordinarily well, such as Nuorui Technology and Weifang Xingang Electronics, which in the current year is seeing its sales revenue growth rate hitting 100 percent year-on-year.

Looking ahead, the zone expects to become home to two companies with annual sales revenue of more than 100 billion yuan and eight companies with annual sales revenue of more than 10 billion yuan by 2020. By then, the high-tech industry is expected to contribute more than 80 percent to the overall industrial output value of the zone.

Industrial clusters

The zone's management committee has long been committed to building industrial clusters to support the regional economic upgrade.

Shengrui Transmission's 8-gear automatic transmissions products are acting as another magnet for the zone, attracting businesses along the manufacturer's industrial chain.

State-owned Shandong Hi-tech Innovation Group began construction of an industrial park for Shengrui in May 2016. The park is home to many of Shengrui's key suppliers, including Shaanxi Aerospace Power Hi-tech.

"Shengrui's control over its core technologies is a key reason for attracting premium projects," said Ma Wenquan, director of the zone's investment promotion bureau. Ma added that the zone had established a new model which had a snowballing dynamic, where one successful investor could attract a group of investors

and a leading business could attract a group of leading businesses.

Ma also said the zone's management committee would continue to assist existing top companies based there to attract other businesses along the industrial chain to build local industrial clusters.

Weichai Group, for example, plans to invest 50 billion yuan to build one of the largest new-energy power development industrial parks in China — covering 333 hectares — by 2030. GoerTek, meanwhile, is set to construct a smart and virtual reality-powered production plant.

In a different sphere of operations, Sunshine Insurance Group plans to work with its partners from Israeli and the United States to develop a health city project. The company says it will invest 3 billion yuan to build a health-centered industrial park in the next few years.

Officials said the zone was also taking measures to attract more resources from home and abroad, and build more platforms to strengthen innovation capability. They added that the zone was focused on its efforts to help companies to obtain more resources to support their innovation efforts. With support from the zone, local companies have obtained 48.4 million yuan in funding from the provincial government in the year to date.



Technicians from Shengrui Transmission Corp install components in the world's first front-engine, front-wheel drive 8-gear automatic transmission on a production line.

Industrial area wins investor praise for professionalism

By YUAN SHENGGAO

As head of industrial services in North China for Colliers International, Wu Tao spends much of her career looking for the region's best industrial parks and recommending those parks to potential investors around the world.

One of the places that gets her top recommendation is the Weifang Hi-tech Industrial Development Zone.

Wu says she is especially impressed by the professionalism, efficiency and active attitude in seeking business cooperation opportunities on the part of the high-tech zone's government officials.

"Companies consider many factors when looking for long-term development opportunities such as infrastructure and supportive policies of an industrial park. However, the more important factor is the business environment and the park or even a city's long-term development plan," said Wu, who has visited many cities and regions in the world during her career.

Colliers isn't the only property company impressed by the high-tech zone. The region has also become attractive to investors from five sectors — advanced manufacturing equipment, new materials, healthcare, information, modern service sectors — in recent years. A total of 40 projects from the five sectors, involving 6.79 billion yuan (\$995 million) in investment, are expected to settle in the zone, according to the local government.

The zone's government has long been committed to building a premium environment to support business growth.

Shengrui Transmission Corporation, which won the first prize at the National Science and Technology Progress Awards for developing the first 8-gear automatic transmission in China in 2016, had to postpone its plan to build an industrial place to increase its production and development because it could not complete its relocation.

Learning at the problem, the local administration took only half a month to complete all relocation work to support Shengrui's expansion plan.

"I believe the zone is the only place in China that can

We are promoting the idea that people who can provide better services for talent are heroes."

Wu Hailiang, an official at the zone's organization department

develop front-wheel drive 8-gear automatic transmission, or 8AT, successfully because it is a place which can cultivate entrepreneurs, innovative enterprises and strengthen businesses' core competitiveness," said Liu Xiangwu, board chairman of the Shengrui, who was impressed by the government's rapid response.

Besides the commitment, local authorities are also striving to expand the area's talent pool, creating more conditions for future growth.

In April, the zone unveiled two recruitment initiatives aimed at bringing in fresh blood. The two policies include providing enhanced benefits for urgently needed talent, as well as greater government support for university graduates seeking to start a new business there.

"We are promoting the idea that people who can provide better services for talent are heroes," said Wu Hailiang, an official at the zone's organization department. He added that those who failed to support professionals starting businesses there were falling short of their duties.

In recent years, the zone has made huge investments in upgrading its business ecosystem and promoted the integration of urban and industrial development.

In the first half of 2018, talks between the zone management committee and businesses were conducted on 242 projects. Of that total, 89 projects were agreed upon and moved into the zone.

Wang Lian contributed to this story.

Shandong province opens culture communication center in Germany

By YUAN SHENGGAO

East China's Shandong province launched its first overseas culture communication center at a Linde Hydraulics plant in Bavaria, Germany, on July 20.

A photo exhibition, which focuses on portraying the cultural heritage of Shandong, was opened on the same day.

Representatives from the Shandong government, Linde Hydraulics, Weichai Power and the Confucius Institute of University of Frankfurt attended the launch ceremony.

Wei Changmin, head of

the Information Office of the Shandong provincial government, delivered a speech at the ceremony.

Wei said that in recent years, China and Germany have witnessed frequent high-level visits with ever-growing bilateral trade and investment as well as people-to-people exchanges.

"The culture communication center will serve as a bridge for the two sides to deepen mutual understanding and provide a channel to enhance friendship."

Janfried A. Tirre, executive vice president of Linde Hydraulics, said the Belt and Road Initiative implemented



The first overseas culture communication center of Shandong is launched in Bavaria, Germany, on July 20.

by the Chinese government strongly promoted Sino-German communications in the

technology, education and culture sectors. The initiative has created opportunities

especially for German companies in infrastructure construction, energy, machinery manufacturing, design and consulting.

The culture communication center will further promote communications between Shandong and Bavaria, Tirre said.

The construction of the culture communication center is a new model developed by Shandong's government to promote its traditional culture on the global stage. It will provide a platform to strengthen cultural understanding, cooperation, trade and friendship.

The center has books,

images and visual products that demonstrate Shandong's traditional culture and development.

Linde Hydraulics is a manufacturer of heavy-duty hydraulics, power transmissions and electronic, German. In 2012, Weichai Power, a vehicle component developer and producer in the Weifang Hi-tech Industrial Development Zone in Shandong, bought a 25 percent stake in German forklift-maker Kion for 467 million euros (\$543.7 million) and 70 percent controlling stake in Kion's subsidiary Linde Hydraulics, for 271 million euros.

In 2015, Linde's Weifang factory was put into operation, marking a new milestone for Sino-German cooperation in Aschaffenburg, Germany.

In 2016, the factory was put into operation and Weichai has invested in it.

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