



The Guangdong Financial High-tech Zone in Foshan, Guangdong province, is home to 364 professional financial institutions and companies at the end of November. PROVIDED TO CHINA DAILY

# Financial zone helps to balance city's economic structure

By YUAN SHENGGAO



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**Qiao Jifei**, deputy head of Nanhai district, Foshan

The Guangdong Financial High-tech Zone, located in Nanhai district of Foshan, has played a significant role in supporting the optimization of the city's industrial structure over the past 10 years.

Since it was established 10 years ago, the zone has set the goals of being a financial center to serve local industrial upgrading and a financial back office base. Companies are welcome to establish back officer service facilities such as call centers and research and development centers in the zone.

At the end of November, there were 364 investment projects in the zone, including the People's Insurance Company (Group) of China's PICC Southern Information Center, Fujitsu Data Center and Kuehne+Nagel Asia Pacific Delivery Center.

Foshan is known for its traditional manufacturing industries and the zone is designed to provide innovative financial services to support the upgrading of these industries.

“The decision to develop the zone into a financial back office base and an industrial financial center to serve the upgrading and transformation of traditional industrial has proved to be wise,” said Qiao Jifei, deputy head of Nanhai district. “The zone has allowed Foshan to expand its service industry and develop a more balanced industrial structure.”

Statistics provided by the local authorities show that income from the financial industry accounted for 5.35 percent of Nanhai district's GDP in 2016, up from 3.41 percent in 2015.

The zone has become an important financial back office base serving the Asia-Pacific region. Its core region has attracted nearly 30 outsourcing services providers, which employ more than 30,000 people. Some call centers in the zone can provide

services in seven languages to global clients.

The zone also reported breakthroughs in promoting the integration of finance, technology and industry. In 2014, Nanhai district was recognized as the Comprehensive Pilot Zone for Finance, Technology and Industry Integration, the first of its kind in Guangdong. It also launched the Foshan Civil Financial Street and the Guangdong Equity Exchange to help promote the upgrading and transformation of traditional industries.

The Foshan Civil Financial Street has attracted more than 60 companies, pooling over 100 billion yuan (\$15.12 billion) in private capital.

The Guangdong Equity Exchange, established in 2013, has 3,359 registered and listed companies. Of them, over 50 percent are technology-driven small and medium-sized companies.

The zone administrators have long been committed to promoting innovation to maintain long-term development.

Foshan has also made efforts to grasp opportunities emerging from China's Internet Plus strategy. It has been included in one of Guangdong's Internet Plus pilot projects this year and has planned to cultivate more internet financing institutions and mobile internet application industries.



Leading financial service providers such as AIA have moved into the zone. FANG ZHIHENG / FOR CHINA DAILY

## Authorities encourage companies to promote industrial development

By YUAN SHENGGAO

Since it was established 10 years ago, the Guangdong Financial High-tech Zone in Foshan, Guangdong province, has made great achievements in supporting the real economy and promoting innovation and entrepreneurship with sound financial services.

Founded in 2007, the zone has attracted 364 professional financial institutions and companies, with total investment volume reaching 70 billion yuan (\$10.58 billion) at the end of November.

“The financial institutions include banks, insurance companies, bond providers, private venture capital, internet finance companies and service outsourcing companies, which serve and boost the real economy, especially the manufacturing industry,” said Qiao Jifei, deputy head of Nanhai district, Foshan, where the zone is located.

Haisheng Financial Leasing Co, founded in 2016, is a typical example, Qiao said.

Haisheng is supporting advanced equipment manufacturing. Up to the end of October, the company had loaned 239 million yuan to 491 robot manufacturers in Foshan and other cities.

Haisheng has also granted credit to companies such as Zhongnan Aluminum Wheel to upgrade their manufacturing facilities.

Haisheng serves many other sectors, such as energy conservation and environmental protection, automobile manufacturing, medical apparatus and instruments and cultural



The Thousand-lantern Lake VC Town project makes its debut in July. It has attracted 80 venture capital companies with total investment funds of \$1.45 billion.

and education industries.

Apart from encouraging professional financial companies to support local industrial development, the Foshan government has also established a support fund to help micro, small and medium-sized companies, Qiao said.

At most 20 million yuan can be provided to a qualified company for equity investment, risk compensation and financing assurance.

Meanwhile, the government has also been encouraging companies to obtain funds through direct financing over the past few years.

“Fifteen companies in Nanhai district have completed initial public offerings, and the number keeps rising,” Qiao said.

Foshan launched a series

of policies in 2015 to encourage companies to raise funds through bond markets. Among all the highlights of the financial services provided by the Guangdong Financial High-tech Zone is the Thousand-lantern Lake VC Town, which was launched in July.

“So far, a large number of venture capital companies, financial institutions, accounting firms and rating agencies have showed a strong intent to settle in the town,” Qiao said.

Eighty venture capital companies with total investment funds of 9.6 billion yuan have already signed contracts for a presence in the town.

“A group of leading venture capital companies — Technology Financial Group, Shen-



We will establish a comprehensive social credit system to transform the financing model from mortgage-oriented to credit-centered.”

**Huang Zhihao**, a member of the standing committee of the Foshan Party committee

zhen Capital Group and IDG Capital Partners have decided to settle in the Thousand-lantern Lake VC Town, assisting the town in developing into the venture capital center of the west bank of the Pearl River,” said Huang Zhihao, a member of the standing committee of the Foshan Party committee.

The Thousand-lantern Lake VC Town consists of five functional areas, for venture capital, innovative finance and intermediary services, integrated services exhibition, incubators and living.

Having a large amount of private capital and being equipped with professional financial services, the town will inject strong momentum into the real economy of Fos-

han and even Guangdong, Qiao added.

According to the government plan, the total investment funds of the Thousand-lantern Lake VC Town are projected to reach 70 billion yuan, of which 5 billion yuan will be invested in Foshan in the next five years to support its real economy.

As for the need for industrial upgrading, the Guangdong Financial High-tech Zone has introduced measures to promote this.

The financing channels and structures in the zone will be further enriched, and the medium and long-term financing that the real economy needs most for transformation and upgrading will be strengthened, Huang said.

“We will establish a comprehensive social credit system to transform the financing model from mortgage-oriented to credit-centered.”

The credit bureau of Nanhai district was founded in June under the instruction of the Guangdong Provincial Development and Reform Commission.

“The supervision and management of financing are being strengthened step by step. We will spare no efforts to crack down on illegal fund-raising, increasingly purifying the financial environment,” said Qiao.

He also said that Guangdong Financial High-tech Zone is seeking to seize the opportunities presented by internet finance and has established incubators with experts and talents from research institutes and institutions of higher learning.

# Foshan's efficient government a major draw for multinationals

By YUAN SHENGGAO

Despite his tight work schedule, Pan Zhanwang, general manager of Capgemini Business Services (China), is used to taking a walk around the company's compound in his spare time. He enjoys looking at the tree which was planted when his business moved to the Guangdong Financial High-tech Zone several years ago.

“I like the tree, because it grows along with our company,” Pan said. “We made a wise choice to settle down in the Guangdong Financial High-tech Zone.”

In 2010, Capgemini Business Services (China) moved from the Tianhe district of Guangzhou, the capital of Guangdong, to the zone in Foshan. At that time, the Guangzhou-Foshan Urban Integration Development Plan was in the pipeline and

an inter-city subway line linking the two cities was under construction.

Neighboring Guangzhou, Foshan boasts much lower costs — the rents for office buildings in the zone in Nanhai district are much lower than those districts in Guangzhou — which is conducive to Capgemini's further expansion. Thus, the zone became the preferred destination for the company's relocation, Pan said.

The district's efficient, service-oriented government was another big draw to the company, he said.

Capgemini provides multinationals with financial and accounting services and thus its data processing and storage need a stable power supply.

“Our operation has been smooth in recent years, because of the efficient government services and the



Inno Space, set up in the Guangdong Financial High-tech Zone in Foshan in 2015, is one of the busiest incubators in the zone. PROVIDED TO CHINA DAILY

business-friendly environment the government has fostered,” he said.

In Foshan, which has long

been known as a manufacturing hub, founding the zone has helped to develop the local service industry, Pan said.

As one of the earliest businesses attracted to the financial zone, Capgemini has witnessed the influx of

other service providers into the zone.

The competition with its peers has promoted Capgemini's improvements in services via technological innovation and streamlined procedures, he said.

“The zone is sure to boom, due to its geographic advantage, appealing environment and forward-thinking plans,” he said.

Pan is not the only one to enjoy the convenient business environment in Foshan. Huang Wenchao, executive director of Inno Space, a startup incubator in the zone, also said it was a wise decision to set up in the Guangdong Financial High-tech Zone.

The incubator, established in 2015, is one of the busiest incubators in the zone. It is now incubating more than 20 startups. About 80 startups have completed

their incubation programs, Huang said.

“The local government works very efficiently and our communication with the government is smooth,” Huang said. “I feel very relaxed in dealing with government officials.”

Apart from expanding the incubator, Huang plans to partner with some leading companies to launch some professional training programs in the zone.

“The program will help people to start a new chapter in their careers,” Huang said. “I also hope the program can help the zone to upgrade its talent pool so it can achieve better development in the future.”

Huang said the relationship between local governments and Inno Space is more like a partnership which both parties will use to achieve a win-win situation.