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The Zhanjiang government aims to safeguard the environment while pushing forward industrialization.

Zhanjiang's mega-projects

Massive steel, petro projects, yet environment good, says govt

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The port city Zhanjiang in southwestern Guangdong province is boosting both the investment and living environments as it embarks on industrialization and modernization led by mega-steel and petrochemical projects, said a top city official.

"In the coming two to three years, the industrialization and modernization will accelerate in Zhanjiang and the process will be a vital part of international practices," said Mayor Wang Zhongbing in an interview with China Daily.

"Zhanjiang aims to cultivate a market-oriented, international and law-abiding business environment.

"By going market-oriented, we mean to treat all and every market participant in an equal manner and stimulate dynamism in the market.

"By going international, we mean to have government departments and officials integrated with international practices, ridding bureaucratic mindset and becoming excellent servants.

"Enterprises will not turn to high-ranking officials for help when they have difficulties. Instead, government workers will take the initiative to serve them."

One example is the ongoing iron and steel project in Zhanjiang by Baosteel Group, the country's largest steel producer.

The project, into which 11 billion yuan (\$1.8 billion) has already been invested, will turn out 10 million tons of steel annually after the construction is completed in 2015.

Another massive project is the petrochemical joint venture between China Petroleum & Chemical Corp and Kuwait Petroleum Corp designed to process 15 million tons of crude oil and produce 1 million tons of ethylene annually.

The crude oil project will go operation by 2016 with the ethylene component following in 2017.

As well, the first phase of the 7.6-billion-yuan paper plant by Guangdong Guanhao High-Tech Co will go into trial operation in Zhanjiang in the near future.



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A 15-billion-yuan project by China Paper Corp will start early this year, while construction on a paper plant for Chenming Group is now in its second and third phases.

The Zhanjiang government plans to establish a trade office in European Union this year since the projects match the industrial needs in that region, Wang said.

It also plans to open a trade office in Southeast Asia this year to strengthen ties.

"The quality of the city's environment will be intact even after the mega-projects start operation as technology and management will tackle the challenge," Wang said.

Compared with other Chinese cities, Zhanjiang has remained

environmentally friendly for decades. Its air quality ranks among the top in key environmentally protected cities, Wang said.

When many Chinese cities are battling against air pollutants such as PM 2.5, or airborne particles smaller than 2.5 microns in diameter, the PM 2.5 readings stay below 20 in Zhanjiang all year round.

In January, the government started making real-time PM 2.5 readings from six monitoring points public on the website of the city's Environmental Protection Bureau.

It will set up electronic boards this year to display real-time PM 2.5 and water quality readings at its major beaches.

Both the city's drinking water

sources and offshore seawater meet quality standards. "Zhanjiang was even voted as one of the seven-best cities in China to clear the lungs recently."

Efforts to lift the living environment also include garbage collection and disposal, sewage treatment, removal of aquatic farming off tourist beaches, cleanup of rivers and reservoirs, and the regulation of traffic.

To improve traffic, the government launched a campaign in January to improve roads, signs and traffic management while strengthening enforcement of traffic rules.

With a population of more than 8 million, Zhanjiang has more than 200,000 automobiles in urban areas, the number of which is increasing rapidly.

The government also aims to make the city a cluster for talent, technology, education and cultural resources, said Wang.

Zhanjiang will host the second session of the China Marine Economy Expo organized by the State Oceanic Administration and Guangdong provincial government in November this year and a provincial sports event next year.

The city will bank on the two events to further push its modernization, urbanization and opening-up, Wang said.

Fenyong: Future with SE Asia, maritime trade

By XU JINGXI
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Fenyong Hi-tech Economic Zone in Zhanjiang has attracted investment from 23 enterprises, with at least five to base their factories in the new zone this year, said local officials.

The zone aims to make a breakthrough by forging direct links with Southeast Asian countries, said Chen Anming, a member of the city's CPC standing committee.

Chen told China Daily the zone has been seeking opportunities to establish partnerships with ASEAN member countries instead of only attracting enterprises from the region.

"I think partnership with a country will take the development of the zone to a higher level," said Chen, who led a delegation to ASEAN in 2012.

In the same year, Thai Premier Yingluck Shinawatra sent the head of her office on a field trip to the zone.

"We will work hard to seal a deal with one of ASEAN members this year," Chen said.

Before establishing ties



Chen Anming, a member of the Standing Committee of the CPC Zhanjiang Committee

\$462 million

in investment for 23 projects in the zone

with a country, Chen said the zone should prove its charm.

The 23 projects signed to date will require an investment totaling 2.8 billion yuan (\$462 million) and have an annual output valued at 4.5 billion yuan. Ongoing business talks are in progress with about 20 enterprises.

Those include Guangzhou Pharmaceutical Holdings and Baosteel Engineering & Construction Co, which will sup-

port the big iron and steel project on Donghai Island.

"We need to further strengthen the promotion of Fenyong's advantages to ASEAN investors," Chen said.

"The State Council office of overseas Chinese affairs and Guangdong government established the Guangdong (Fenyong) ASEAN Industrial Park in the economic zone," he said.

"We will work harder to make the industrial park live up to its name."

Zhao Yufang, vice-governor of Guangdong, attended the opening ceremony of the park last April and aims to develop it into a pilot China-ASEAN free trade area.

Chen said the zone was originally one of the 84 State-owned farms founded between the 1950s and the 1970s to employ returning overseas Chinese who fled from wars or unrest in Malaysia, Vietnam, Indonesia, Myanmar and India.

Most residents are descendants of returnees who can still speak foreign languages, "so they will be an ideal labor force for enterprises from ASEAN", Chen said.

Chen proposed making Fenyong into a high-tech economic zone in 2011.

"We admit traditional agriculture is less profitable than modern industries and we will develop high-tech industries instead of traditional industries," Chen said.

"We also need to make full use of Zhanjiang's geographical advantage." China is further strengthening its ties with ASEAN for another decade of growing trade.

Premier Li Keqiang proposed a new cooperative framework between China and ASEAN named "Two plus Seven" when he attended the ASEAN Summit in Brunei Darussalam last fall.

One of his suggestions was to work hard for annual bilateral trade volume of \$1 trillion in 2020.

Zhanjiang lies at the southernmost reaches of the Chinese mainland so its waterborne distance to Southeast Asia is the shortest among cities in the Chinese mainland.

"As the Pearl River Delta is strong in trade with the US and European countries, Zhanjiang cannot compete, but it has great potential in exploring

ASEAN markets," Chen said. Mo Shicong, director of the zone's business department, said in addition to its competitive edge in location and blood ties with Southeast Asia, the Fenyong economic zone outweighs its competitors in the province with its abundant land resources.

"It's difficult to find vast, sparsely populated land like Fenyong in the Pearl River Delta," said Mo.

"Besides, the land at Fenyong is State-owned, so it will be easier to allocate land to investors and build factories without expropriating land from farmers," Mo said.

Chen said that the Zhanjiang government had the vision of developing Fenyong into a pilot area in China-ASEAN trade when it employed Jurong Town Corp, a Singapore group specializing in industrial infrastructure, to make the master plan for the zone's development.

As the headquarters of the Chinese navy's South Sea fleet, Zhanjiang also has strong military-related potential.

In early January, the city government approved Fenyong as an area specializing in military industries

Trade momentum mounting this year

By ZHENG CAIXIONG
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Despite a sluggish world market, foreign trade in Zhanjiang, a port city in Guangdong province, grew 17.3 percent annually to hit \$5.513 billion last year.

For decades, Zhanjiang has consistently maintained the second-highest rate of trade growth of all cities in Guangdong province, China's top gateway for foreign trade, according to statistics released by Zhanjiang city bureau of foreign trade and economic cooperation.

Zhanjiang exported \$2.62 billion worth of products last year, an annual increase of 18.7 percent, while the city's import volume grew at an annual rate of 16 percent to \$2.89 billion.

The growth rate of Zhanjiang's total foreign trade volume outpaced the provincial and national average in 2013.

Textiles, garments, aquatic products, furniture, machinery and electronics made up the bulk of the exports, the city's foreign trade officials say.

China's total import and export volume reached \$4.16 trillion in 2013, up 7.6 percent year-on-year, while Guangdong's foreign trade volume was \$1.09 trillion in the previous year, an annual growth of 10.9 percent, according to statistics from customs.

The city has also made a breakthrough in technology exports last year.

It signed a total of 14 technology export contracts worth a combined value of \$180 million in the first 11 months of last year, comparing with only five technology export orders signed from 2007 to 2012.

The coastal city attracted foreign investment valued at \$49.37 billion between January and November, an annual reduction of 80.3 percent.

But the city actually used foreign investment worth \$117 million in the first 11 months of the year, increasing 54.5 percent year-on-year to meet the city's annual target for utilized foreign investment a month in advance.

During the previous year's first 11 months, Zhanjiang's growth rate of actual use of overseas investment also placed second in Guangdong province which borders Hong Kong and Macao.

The city authorities attributed Zhanjiang's rapid growth in foreign trade and investment to the city government's efforts to diversify its export destinations in the world market and attract overseas investment in the past months.

Zhanjiang organized an investment and trade fair in Hong Kong to expand their sales abroad and help attract foreign investment and economic cooperation last August.

More than 900 foreign business representatives attended the fair in which relevant departments in Zhanjiang signed 30 foreign investment projects with a total contract investment of \$49.66 billion.

Local companies have also signed a large number of export orders during the fair. And it was the first time Zhanjiang organized such a big investment and trade fair abroad.

While trying to stabilize exports to their main markets outside the Chinese mainland, including Hong Kong, the United States, the European Union and Taiwan, Zhanjiang exporters have also been exploring emerging markets in Latin America, Africa, Russia and the Middle East.

The local government has also stepped up efforts to enhance the economic cooperation with Southeast Asia.

The Zhanjiang representative office of the China-ASEAN Business Council Chinese Secretariat was established during the 2012 China-ASEAN Economic and Trade Cooperation meetings.

Zhanjiang was identified as a base for China-ASEAN shipping and logistical cooperation, and the Fenyong Economic Zone of Zhanjiang was named the China-ASEAN Economic Development Zone.

Despite achievement, the city government of Zhanjiang has promised to continue to boost the city's foreign trade and investment.

According to the city authorities, Southeast Asia will continue to be one of the major destinations for the city's foreign trade industry in 2014.

The city government has planned to introduce even more preferential policies to encourage its companies and enterprises to explore the Southeast Asia market and expand cooperative channels this year.

And more trade and investment fairs will be organized in the Southeast Asian countries and regions in 2014, officials say.

The city's customs will also further simplify procedures for local foreign trade companies.

Zhanjiang will speed up the construction of the city's model export bases of aquatic products and agricultural products to help upgrade its foreign trade industry.

Furthermore, the city's chamber of imports and exports will also be established in 2014 to serve the city's import and export companies and foreign trade industry.

Meanwhile Zhanjiang will further develop the city's steel, petrochemical, paper-making and modern agriculture industries this year.