

Mayor: Growth ambitions balanced with ecology

City vows to check pollution from industrial projects

By **ERIK NILSSON**
and **ZHAO HUANXIN**

In the face of concerns about the effects of accelerated growth on ocean ecology in the port city of Zhanjiang, Guangdong province, the city's mayor remains confident and calm.

Fielding questions from the press in Beijing, Mayor Wang Zhongbing reassured the public that the city's clean air and water will not be compromised by its plans to develop three industrial complexes for the large-scale production of steel, petrochemicals and paper by around 2016.

Wang, also a national legislator, is in the capital attending the annual legislative session, which concludes on Thursday.

Construction began on a giant steel plant last year and a large-scale paper mill is already operational.

So far, the projects have had little effect on air quality. The readings of Zhanjiang's PM 2.5 — defined as airborne particles smaller than 2.5 microns in diameter — has generally hovered around 20 on average, and the AQI, or Air Quality Index was at 28 on Sunday, according to figures released by the Ministry of Environmental Protection.

By comparison, Lhasa in Tibet, known for its pristine air, had an AQI score of 50 on the same day. Under China's air quality assessment system, an AQI value less than 50 represents excellent air quality.

"We attach great importance to the introduction of large projects, but we give equal weight to the application of state-of-the-art environmental protection technology," Wang said.

He spoke to China Daily in English, a rare communication skill for a Chinese mayor that well positions him to open his city further up and coax for-

eign investment.

Zhanjiang is a major port located about 400 km south-west from the provincial capital Guangzhou. Its government plans to house the three large industrial facilities on Donghai Island, the country's seventh-largest island, which stretches across 286 sq km on the South China Sea.

The three projects are — an iron and steel production project of Baosteel Group, the country's largest steel producer; a petrochemical joint venture between China Petroleum and Chemical Corp and Kuwait Petroleum Corp, and a cluster of paper plants constructed with investments from China Paper Corp and Guangdong Guanbao High-Tech Co.

Wang said development on the projects is advancing on schedule. The first phase of a paper plant by the Chenming Group has already begun production, generating 7.8 billion yuan (\$1.2 billion) last year, and construction on the plant is now progressing to the second and third phases, he said.

Zhanjiang's mechanism for balancing environmental protection and growth is the "two-blue" strategy, Wang said.

"One blue represents the economy growing. The other blue is the blue sky. That means we have to balance development and environmental protection," he said.

"It's also an answer to social concerns. If the economy is growing but the environment is heavily polluted, it means this way, this road, is a failure."

Pollution is inevitable in the course of industrial development, Wang said, but the important thing is to keep emissions in check.

"As a matter of fact, we have done a good job so far."

The steel plant and oil refinery will operate on a "circular" system Zhanjiang is piloting,



ZHENG ERQI / CHINA DAILY

Zhanjiang Mayor Wang Zhongbing (left) talks about the city's development blueprint in English during an interview with China Daily on the sidelines of the ongoing national legislative session.

in which each plants utilizes the other's waste and they all share infrastructure to improve efficiency. The plants are being built only 500 meters apart.

One plan is to use hydrogen from the steel and iron mill's coke-oven gas to fuel the petrochemical plant.

Faster growth

Through rapid industrialization, improvements to transportation and attracting more investment, the city expects to transition from lagging behind to leading the pack in about three years, the mayor said.

Zhanjiang was among China's first 14 coastal cities to open to foreign investment as early as 1984, but its economy did not expand as fast as some of the other open cities, which is why its GDP per capita was still 70 percent of the national average in 2012.

The city's economy increased by 12 percent annually to hit 200 billion yuan in 2013, and now it is the eighth-largest economy in Guangdong, one of the nation's top powerhouses of trade and industry.

Last year, Zhanjiang's total foreign trade reached \$5.5 billion, an increase of 17.3 percent from 2012. Its foreign direct investment surged by 51 per-

cent to \$130 million, according to the statistics from Zhanjiang Foreign Trade and Economic Cooperation Bureau.

Mayor Wang said he expects the city's GDP to double by 2017.

"In the next three years, Zhanjiang will have a booming industrial development," he said. "We'll take measures to spread the benefits to investors and also to our local people."

The opportunity and challenges happen together, Wang said.

The city is at the center of the province's strategy for the future. The provincial government has long sought to develop the economically disadvantaged western part of Guangdong, and now it looks to Zhanjiang to lead the change, Wang said.

"We've taken all the necessary measures to absorb national and international investment," Wang said.

Zhanjiang's aspirations to open the city further and attract foreign investment are a direct answer to the calls for reform laid out in the Government Work Report delivered by Premier Li Keqiang at the opening of the ongoing annual national legislative session, Wang said.

"The FDI you see up to now in our city is very low. But Zhanjiang will continue to open to the world. To become a top destination for foreign investment is very difficult for Zhanjiang. But Zhanjiang should be a choice of foreign investment," the mayor said.

The city government is opening representative offices in Europe, the United States and the ASEAN to expand its presence in these regions, he said.

Asia supplies most of Zhanjiang's FDI, with chunks also coming from Germany, France and the US.

But Wang sees that composition shifting to include more European players.

"Our manufacturing industry is booming. European countries like to enter the Chinese market," Wang said.

"Zhanjiang offers great potential as a market for this investment. Investment in industry is important. But the city's development transformation is also important. Our economic structure and power is getting better," he said. "We have many resource advantages. For example, we have a deep-water harbor."

"The government leadership has a very united working

team. We're working hard and working together to solve the problems step-by-step, one-by-one and to supply excellent services to investors."

"If we have stronger economic development, we'll have the right conditions to serve our people."

Transportation has remained one of the city's greatest developmental roadblocks.

"The airport can't meet the demands of businesspeople," Wang said.

The relocated airport will open in 2017, he said. A high-speed rail line will begin operation in 2016 to link Zhanjiang with the booming city of Shenzhen, reducing Zhanjiang's distance to the prosperous Pearl River Delta to a three-hours trip.

"That means three or four years later, Zhanjiang's transportation system will be greatly improved," Wang said.

The "new Zhanjiang," Wang explained, will be more open, show a "new face" with better living conditions, operate according to a new economy and offer a brighter future.

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FACTS
Location: South China's Guangdong province
Size: 13,200 sq km
Population: 7.85 million
Coastline: 2,023.6 km

HIGHLIGHT

CITY'S THREE MEGA-PROJECTS
Iron and steel project
*Investment: 69 billion yuan
*Capacity: 10 million tons of steel annually
*Planned time of completion: 2015

Petrochemical project
*Planned time of completion: crude oil project by 2016; ethylene project by 2017
*Capacity: process 15 million tons of crude oil annually; produce 800,000 tons of ethylene annually

Papermaking projects
*Investment: 7.6 billion yuan for the paper plant by Guangdong Guanbao High-Tech Co; 15 billion yuan for the project by China Paper Corp
*Planned time of completion: Construction on a paper plant for Chenming Group is now in its second and third phases
*Capacity: The first phase of the paper plant by the Chenming Group turned over 7.8 billion yuan last year

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Shown here is an aerial view of the coastal city of Zhanjiang.

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‘Maritime Silk Road’ of old headed for revival

By **XU JINGXI**
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More than 2,000 years ago, the ancient Maritime Silk Road started at Sandun Port in Xuwen county in Zhanjiang.

Now the harbor city in South China's Guangdong is striving to build a modern equivalent of the ancient route.

On his maiden Southeast Asian trip in October, President Xi Jinping proposed that countries in the region join hands in building a new "Maritime Silk Road."

The concept symbolizes China's maritime partnership with Southeast Asian neighbors, and it represents an overture toward solving territorial disputes in the nation's surrounding sea areas.

Zhanjiang lies at the mainland's southernmost corner. In terms of distance by sea, the city is closer to Southeast Asia, the Middle East, Africa, Europe and Oceania than any other in China.

For this reason, Zhanjiang was among the country's first cities to open its gates to foreign trade and investment in 1984, and it serves as Guangdong's economic gateway to the Association of Southeast

Asian Nations.

"The central government's proposal of building the 21st-century Maritime Silk Road is a lamp that lights the path of Zhanjiang's further open-up, and it makes full use of the city's marine resource advantages," said Liu Xiaohua, the city's Party chief.

"We will seize the opportunity to build an open economy, make leaps in development and join the big league as soon as possible."

Research on the history of the ancient trade route and the promotion of marine culture should be a starting point, said Lei Xiaoling, a professor from the Guangdong Ocean University's College of Food Science and Technology.

"The government and research institutes should sort the materials into a comprehensive presentation of the long history of Zhanjiang's marine trade and marine culture, so the public will know more about and be proud of the history and culture. Then they will pay attention to and participate in the building of the new Maritime Silk Road," Lei said.

Zhanjiang has a natural deep-water harbor and long



Lei Xiaoling, professor from the Guangdong Ocean University's College of Food Science and Technology

coastlines totaling at 2023.6 kilometers. Located in the transitional climate area from the sub-tropics to the tropics, it has sufficient sunlight and rain as well as diverse types of marine life.

Commercial fishing has long been a competitive industry for Zhanjiang. About 460,000 people in the city work in the fishing industry. The annual capacity of the aquatic product processing factories across the city has reached 470,000 metric tons.

It is one of the country's biggest exporters of aquatic products. The export value of aquatic products totaled \$830 million last year, accounting for 31.7 percent of the city's total exports.

However, the backward infrastructure of the old ports is dragging Zhanjiang's pace of developing the modern fishery, professor Lei told China Daily.

Lei, who is also a deputy to the National People's Congress, came to Beijing for the "two sessions" to call on the central government to support fishing port construction in the city.

Lei said that 35 fishing ports in Zhanjiang are accredited by the Ministry of Agriculture, but only 14 of them are receiving subsidies from the ministry for maintenance.

"Zhanjiang is still an underdeveloped city so it is difficult to maintain and upgrade the fishing ports relying on the local government's finance alone," she said.

"The ministry's financial support should cover all the 35 ports it has accredited"

Zhanjiang's government work report, which came out in January, set goals for upgrading fishing boats and building advanced fleets for oceanic fishing.

These concrete steps show a determination to develop the marine economy and a modern fishing industry, according to the government.

Sugar company CEO has dreams of sweet success

By **XU JINGXI**
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A largely agricultural city in the underdeveloped western part of Guangdong province, Zhanjiang stands poised for massive economic growth in the next three years.

While the main drivers of this development are two large-scale petrochemical and steel projects, the modernization of the city's traditional agriculture industry also plays a part, the president of a local giant in the sugar industry said.

Lin Shuixi, founder and president of Jinling Group, said the company plans to build a processing plant for refined sugar by 2016 to increase the added value of its exports.

In 2013, Jinling Group sold 280,000 metric tons of sugar and generated revenue of 2 billion yuan (\$326 million). The corporation exported 3,800 metric tons of sugar last year, and its foreign exchange earnings totaled \$2.08 million.

It was a tough year for Chinese sugar manufacturers. Most of them failed to make profits because of low sugar prices and rising production costs.

As a deputy to the National People's Congress, Lin stood during the ongoing "two sessions" in Beijing to ask that the central government continue policies regarding the temporary storage of sugar surpluses.

Overproduction is driving



Lin Shuixi, founder and president of Jinling Group

prices down, so the government needs to buy up the surplus to keep the industry profitable, he said.

"Otherwise, farmers will lose their incentive to produce," Lin said in an exclusive interview with China Daily during the "two sessions".

Farms for the sources of raw sugar — sugarcane and beets — are scattered throughout China and much of the processing occurs in small workshops, driving up the cost of labor, he said.

"Chinese sugar producers are unable to offer a price as cheap as foreign countries, which use large-scale concentrated farming," Lin added.

"That puts Chinese sugar producers at a disadvantage in the international sugar market."

Optimistic solution

Lin's corporation has set an example for how to cope with the challenges. In addition to upgrading production equipment, Jinlin Group imports raw materials and increases the added value of exports by producing refined sugar for sophisticated applications,

such as pharmaceuticals.

"We will continue to increase the investment in upgrading the equipment and carry forward the constructions of two important projects — the new refined-sugar-processing plant in Xiashan district and the agricultural product trading platform for Beibu Gulf area," Lin unfolded the blueprint for his corporation's development over the next two years.

"The two projects will hopefully contribute to Zhanjiang's economic rise."

The sugar processing plant in the near-port industrial park in Xiashan is expected to create 400 job opportunities and generate annual tax revenue of 60 million yuan.

The Beibu Gulf Agricultural Products Comprehensive Trading Demonstration Park aims to provide local people with a trustworthy wholesale market, facilitating the exchange of agricultural products between the country's southern and northern areas, and promote the trades of agricultural products between China and the ASEAN countries.

"Gathering the products from farmers to the trading platform will make it easier for the government to carry out food safety inspection and trace the source of problematic products," said Lin.

The trading platform will go into operation before 2016. The output value may be 20 billion yuan while the annual tax revenue it contributes may hit 50 million yuan.