

# Zone to make city an industrial giant

30 years after it was founded, tech area has become Zhanjiang's biggest growth engine, **Xu Jingxi** reports.

Embracing the 30th anniversary of its founding, the Zhanjiang Economic and Technological Development Zone, which has grown to be the port city's biggest engine of economic development, is helping realize the city's dream of becoming an industrial giant.

The site was a stretch of barren land when the State Council approved the zone's establishment in 1984, but now it bustles with rumbling machines building more high-rise buildings on the land.

The zone was one of the first 14 state-level development zones that the central government approved in the 1980s.

The tasks the State Council assigned to the zone were to attract foreign investment, import advanced technologies and collaborate with Chinese partners to speed up economic development, as well as to catch up with developed coastal cities and serve the hinterland.

In its early years, the zone mainly relied on aquatic product processing and garment processing industries to bring commercial and industrial prosperity to the agricultural city in western Guangdong province.

The aquatic product processing industry thrived on the port city's rich fishery resources. The garment processing industry, with investment from Hong Kong, symbolized the zone's efforts to develop an export-oriented economy.

The value of exports from the zone in 1991 was \$51.53 million, accounting for 26 percent of the city's total and six times that of 1985, the zone's inaugural year.

The exports also traveled farther, from Hong Kong and Macao to the United States, Canada and other Asian countries including Japan, South Korea, Thailand, Singapore and Vietnam.

## Industrial engines

In 2006, the Zhanjiang Economic and Technological Development Zone expanded from 9.2 square kilometers to 19.2 sq km by establishing an experimental area on Donghai Island to enlarge the zone's capacity to develop a wider range of industries.

Besides aquatic product processing and garment processing, the zone has attracted investors in petrochemical engineering, specialty paper-making, electrome-



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mayor of Zhanjiang

chanical communications, biomedicine, food and beverages and package printing.

Donghai Island, the country's fifth-largest island that stretches across 286 sq km on the South China Sea, has enough environmental capacity to house large heavy chemical plants.

It won the bids to become the location for two mega projects — an iron and steel project facility being built by Baosteel Group and a petrochemicals complex that is a joint venture by Sinopec and Kuwait Petroleum Corp.

More than 20 billion yuan (\$3.22 billion) has been invested in the iron and steel plant, which will produce 8.75 million metric tons of steel annually, starting in September.

The petrochemicals complex is designed to process 15 million metric tons of crude oil and 800,000 of ethylene annually. The crude oil project is expected to go into operation in 2016 and the ethylene project in 2017.

Zhanjiang was given a golden opportunity at the start of the 2010s to make a leap in economic development, with the National Development and Reform Commission approving the construction of the petrochemicals complex in 2011 and the iron and steel project in 2012.

It marked the start of the massive development of the Zhanjiang Economic

and Technological Development Zone. The two projects are expected to attract investment of 460 billion yuan for complementary projects in the industry chain, such as machinery manufacturing and synthetic rubber production.

## Balanced development

The iron and steel and petrochemicals industries are two engines for Zhanjiang to rise as an industrial giant by the end of 2016.

Adding to their strength is a cluster of paper plants in construction in the aim to develop the country's largest paper-making base, especially in the field of specialty paper-making, on Donghai Island, with investment from China Paper Corp and Guangdong Guanhao High-Tech Co.

The public is concerned about environmental pollution the three projects may cause, but Mayor Wang Zhongbing has vowed to safeguard Zhanjiang's blue skies while pursuing economic growth.

He called the city's mechanism for balancing environmental protection and growth a “two-blue” strategy.

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

The iron and steel plant and oil refinery, being built only 500 meters apart, will operate on a “circular” system Zhanjiang is piloting, in which each plant utilizes the other's waste and they share infrastructure to improve efficiency.

For example, the hydrogen from the iron and steel mill's coke-oven gas will be used to fuel the petrochemicals plant.

“The Zhanjiang Economic and Technological Development Zone is the city's No 1 driver of economic growth and shoulders the mission of leading the city to rise,” said Xu Shun, the zone's Party chief.

“We will ensure the smooth construction of key projects — the iron and steel industrial park, the railways on Donghai Island and the central business district — and retain our pioneering spirit to achieve more successes.”

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Baosteel's complex in Zhanjiang will create jobs and entrepreneurial opportunities for the city.

## Baosteel on track to start operations in September

By **LI WENFANG**  
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With construction of the nine main parts of its steel complex proceeding smoothly, Baosteel Group's new project in Zhanjiang is well on track to start operating in September.

About half of the more than 40 billion yuan (\$6.46 billion) investment has been utilized since construction of the project, located on Donghai Island, China's fifth-largest island, began in May 2013, said Zhanjiang Mayor Wang Zhongbing.

The complex is designed to have an annual capacity of 8.75 million metric tons of steel in its first phase.

The project, funded by China's leading steel-maker, promises a historic leap forward of the city's industrial sector to turn Zhanjiang from an agriculture-heavy city to an industrially strong player, Wang said.

A result of phasing out obsolete steelmaking capacity in Guangdong province, the project is set to become an efficient thin sheet and carbon steel production base.

It is expected to lift the equipment, automobile, home appliance and shipbuilding industries, as well as industries that support those, bringing revolutionary changes to the economic level and structure of the city.

The government will work to extend the industrial chain based on the project and plan

other projects in nearby counties to promote their economies.

The steel complex will create more jobs and entrepreneurial opportunities and help cultivate technological and managerial skills. More than 18,000 people are currently working on site for the project.

On the environmental side, Wang said, “I trust that Baosteel has the capital, technology and ability to make the environmental protection of the Zhanjiang steel project the best.”

The investment in energy-saving and environmental protection makes up 16 percent of the total, with 116 well-established and reliable environmental technologies applied. Baosteel has planned the project to have the lowest emissions possible and the highest efficiency of resource utilization.

It also started a greening project on the site earlier this month, with vegetation to cover 490 hectares of the complex.

The first phase of the greening, costing 79.83 million yuan, is scheduled to be completed by the end of this year.

The city government aims to turn the Baosteel project and a giant petrochemical project only 500 meters away into a circular economy park to maximize recycling and environmental protection results.

The city government and operators of both projects have set up a committee for that purpose.



Fishing boats come ashore on Nansan Island in Zhanjiang. PHOTOS PROVIDED TO CHINA DAILY

## Valley strategy will strengthen oceanic industries

By **LI WENFANG**  
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Zhanjiang authorities plan to strengthen the city's oceanic industries with innovation under a plan called the Southern Maritime Valley.

The strategy was listed in June 2014 as a key program in the Guangdong provincial strategy for deepening scientific and technological system reform and accelerating innovation-driven development.

The Southern Maritime Valley, located around Zhanjiang Bay, will highlight innovation in scientific and technological management systems and smoother connections between research

and industry.

It is intended to serve the national strategy of becoming a maritime power, the industrial clusters on Donghai Island, the Fenyoung Economic Zone and six industrial clusters of the city, namely steel-making, petrochemicals, paper-making, and the manufacture of home appliances, pharmaceuticals and aquatic products.

It will help develop strategic new industries for the city, which involve industrial robots, cold chain logistics, information consumption, biological pharmaceuticals and a circular economy.

The project is also aimed at facilitating the integration of innovation and industrial and

capital chains.

The Southern Maritime Valley is seen as important in advancing industrial clustering and lifting the industrial competitiveness of Zhanjiang.

The government is drawing up the overall plan, seeking closer cooperation with national-level institutes of higher learning and research institutes, establishing an administrative organization and selecting the location for the core zone. The startup zone is situated in Xiashan district.

The policies will include plans to attract talented staff and innovation teams, and offer taxation and administrative charge incentives to innovative companies and upgrades in public services.

Zhanjiang has five institutes of higher learning, second only in Guangdong province to Guangzhou. It has 63 vocational schools, nine provincial-level labs, 13 provincial-level engineering centers, and more than 90 corporate research and development institutions.

Since last year, four incubators have been approved, with a total area of 120,000 square meters, and capable of accommodating more than 8,000 people.

An incubator building was jointly launched in June by the city's science and technology bureau and bureau of human resources and social security. Forty-five innovation teams are using facilities in that building.

## Hallsmart leads investment in ‘One Belt, One Road’ plan

By **ZHANG YUCHEN**  
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An innovative local electrical company is aiming high by investing in the “One Belt and One Road” project, hoping to expand its own overseas markets.

Located in Zhanjiang in the western coast of Guangdong province, the pioneering province of China's opening-up and reform, Hallsmart Electrical Appliance Co, led four other companies to raise funds of 2 billion yuan (\$322 million) to invest in markets along the 21st Century Maritime Silk Road.

The 21st Century Maritime Silk Road and the Silk Road Economic Belt are initiatives put forward by President Xi Jinping when presiding over the eighth meeting of the Central Leading Group on Financial and Economic Affairs in November.

It is believed the One Belt and One Road plan will benefit all communities along the route through Asia to Europe.

Hallsmart Electrical Appliance is raising a development fund to invest in coastal ports, shipping and infrastructure, and local resource development.

The enterprise located in tropical surrounds is a joint-venture trading and commercial establishment. In recent years, it has exported lights and household appliances to the United Kingdom, Western Europe, the United States, Canada, South America, Australia and other Asian countries.

Innovation is currently the main goal of the company, said Song Yayang, the company president. Each year, the company puts about 20 new products onto the market.

In 2003, Hallsmart registered its own trademark in the US, Europe and

some other Asian countries, laying the foundation for its overall brand building.

China, Japan and South Korea are the main manufacturers of yearly sales of 218 million rice cookers around the world. China produces 200 million units, half of which come from Zhanjiang, earning a profit of \$80 million.

For 2015, 10 of the 20 new products on the market will be high-end models.

Every month, Hallsmart uses more than three metric tons of rice to test its products, measuring a reasonable temperature curve, the point at which the rice is damaged and the taste.

“In an industry with strong R&D strengths, Hallsmart is responsible for leading the development and revision of national and industry standards. We play a leading role in the development of the industry,” Song said.

In the US market, Hallsmart developed a rice cooker for pet food. For Middle East consumers who like to eat rice with a crust, it also developed a special rice cooker. Such attempts helped Hallsmart survive the financial crisis by developing personalized products for overseas markets.

Trying to connect with markets along the Silk Road, Hallsmart plans to embark on a five-year plan of cooperation with Southeast Asian countries such as India, to cooperate on technology, management, talent and funds.

Through partnerships with famous brands including Ikea, Black & Decker and Philips, Hallsmart produces an annual output valued at more than 1 billion yuan.

Hallsmart's products have been approved by the UK, the US, Germany, Japan and the EU quality and international quality system certifications, which allow them to enter into more than 70 countries and regions.