



Photo shows the Guangdong High Tech Service Zone for Financial Institutions located at scenic Qiantenghu Lake.

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Officials to make Foshan production powerhouse

By ZHAN LISHENG in Foshan
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Using the city's thriving manufacturing sector as a springboard, local leaders hope to grow Foshan into a leading manufacturing hub in southern China's Guangdong province.

The city seeks investments to build, supplement and fortify its industrial chains in order to adjust and upgrade its industrial structure.

"We seek faster and stronger development in the manufacturing of flat-panel displays, automobiles, semiconductor lighting, new-generation information technology, alternative energy, bio-medicine, equipment manufacturing, household appliances and new materials in the coming three years," said Zhou Zhitong, director general of the Foshan Foreign Trade and Economic Co-operation Bureau.

"They are expected to churn out 1 billion yuan (\$158 million) worth of industrial output by 2015, the last year of the nation's 12th Five-Year Plan (2011-2015)."

The official said that the city government has set concrete targets for each of the subsequent three years, and the target set for this year is to secure a couple of investment projects involving strategic growth

industries to make way for new industrial chains.

The city will highlight investments related to next-generation information technology, alternative energy and bio-medicine to enable related strategic growth industrial chains to take shape in 2013.

In the meantime, Foshan seeks projects to supplement and fortify its existing industrial chains.

The industrial output target for 2014 is 70 billion yuan from each of the new industrial chains. The city also expects 100 billion yuan from the industrial chains that are to be supplemented and a 50 percent growth of total industrial output over 2010 levels from each of the traditional industrial chains that would have been fortified with new investments.

According to the official, industrial chains to be supplemented primarily refer to flat-panel displays, automobile manufacturing and semi-conductor lighting. The new industrial chains include next-generation information technology, alternative energy and bio-medicine. The traditional industrial chains that are to be fortified are equipment manufacturing, household appliance production and new materials.

- Flat-panel display

The city hopes to lure at least a couple of R&D facilities and two terminal manufacturing centers to commercialize new types of monitors developed by companies like Taiwan-based Chi-Mei Corp and domestic manufacturers Rainbow (Foshan) Flat-Panel Display Co Ltd and Guangdong Sinodisplay Technology Co Ltd.

Foshan plans to make the National (Foshan) Monitor Industrial Park a world-class LED display production base for supplying state-of-the-art TFT-LCD (thin-film transistor-liquid crystal display) panel production lines, terminal display products and supporting industries.

- Auto manufacturing

Building on the success of Sino-German joint venture FAW-Volkswagen's sedan project, Foshan hopes to maintain its momentum in the industry by attracting at least one automotive design company and 10 world-renowned precision auto parts companies.

- Semiconductor lighting

The city will accelerate the research and development of light-emitting diode (LED) chips and appliances as well as organic LED (OLED)- and LED-packaging technology to form a complete industrial chain from chips to

packaging and application.

Industrial giants the city aims to attract include the Japanese Toyoda Gosei Company, South Korean Samsung Semiconductor and domestic Sanan Optoelectronics

- New-generation information technology

Domestic industrial leaders, including Inspur, Lenovo, and Digital China, are being called upon to develop servers, memory devices, system integration, information services, data center operations and public service platforms.

The city is trying to enlist the help of US-based Freescale as well as domestic firms Datang Telecom Technology and ZTE Corp to develop servers, radio frequency identification (RFID) chips, related embedded software, middleware application software and solutions.

Foshan also plans to persuade China Satellite Communications and Beijing BDStar Navigation to invest here to develop a space-based geographical information application using global positioning and geographic information systems.

- Alternative energy

The city will approach industry leaders at home and abroad to develop highly efficient and high-quality batteries and components, and pho-

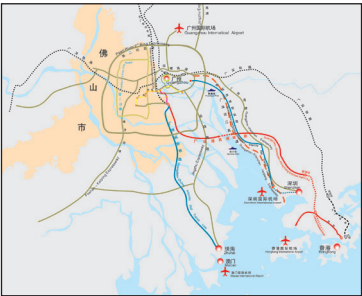
tovoltaic accessories. Foshan is also seeking partners to design, develop, assemble and maintain wind power facilities and related components. These companies include US-based General Electric, Danish Vestas Wind Systems, the German Schott Group and the domestic Goldwind Science & Technology Company.

- Bio-medicine

The city also plans to attract investments from leading medicine suppliers, such as Switzerland's Novartis, the French Sanofi Pasteur and the Chinese Hualan Biological Engineering Corporation for deep processing of active pharmaceutical ingredients, pharmaceutical R&D, gene testing, modernization of traditional Chinese medicine and industrialization of biomedicines.

- Equipment manufacturing

Foshan will step up the development of whole sets of engineering machinery. The city will strengthen the development of machinery for making porcelain, electrical machinery, machinery for processing metal and plastics, printing and packaging machines, as well as hoisting and transport equipment and moulds. Its target firms include the US-based Caterpillar Company, as well as Chinese firms like Shenyang Machine Tool, Chang-



Map of the location of Foshan.

sha Zoomlion Heavy Industry Science & Technology Development, Guangxi Liugong Machinery and XCMG.

- Household appliance

The city will encourage and support its household appliance suppliers, several of which have in fact become well known nationwide and even worldwide, such as Midea, Glanz and Chigo. It will help them push their competitive edge using high technology to make the industry digital, intelligent, green and integrated with the network.

- New material

Foshan hopes to draw the world's top 500 companies in biopharmaceutical materials, nanomaterials, superconductive materials and composite materials to make the existing industrial chain more dynamic and profitable.

Reaching out to Japan for investment

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The municipal government of Foshan will lead a delegation to Japan later this month to promote the city's investment opportunities.

The delegation will launch a promotional campaign in Osaka on March 27 and a similar event in Tokyo on March 29.

It will take advantage of this opportunity to approach some Japanese industrial giants involved in information technology as well as the manufacture of equipment, LED chips, optical and electrical lighting, automotive parts, new-energy automobiles, semi-conductors and household chemicals.

"Many high-end manufacturing industries in Japan are moving operations overseas. Foshan aims to cash in on this

opportunity to secure as many of this businesses as it can," said Zhou Zhitong, director general of the Foshan Foreign Trade and Economic Cooperation Bureau.

"The move is also the implementation of the city's strategy to supplement, build and fortify industrial chains."

The official said Foshan has become increasingly favored among foreign investors, including those from Japan, thanks to its competitive investment climate and ready industrial chains.

He said a large batch of world-renowned Japanese firms have set up 191 investment projects in Foshan to date, with their accumulative capital inputs surpassing \$2.5 billion.

They include Toshiba, San- yo, Panasonic, Honda, Hitachi, Kobelco, Aisin Seiki, Toy-

ota Tsusho, Sumitomo, Itochu and Mitsubishi.

During a meeting last year with Li Yiwei, mayor of Foshan at the time and current municipal Party chief, Toshiba President Norio Sasaki said that Foshan has an outstanding investment climate, and the company is satisfied with its investment in the city.

"Toshiba will seek to invest further in the city in addition to its six existing companies in operation," Sasaki said.

Later on this year, the municipal government will send delegations to other regions for the same purpose. Targeted destinations will include Europe, the United States, Taiwan and Hong Kong.

Foshan acquired more than \$3.26 billion worth of contractual foreign capital in 2011, an increase of 48.8 percent from

2010. The city posted a committed investment of \$2.15 billion last year, up 9.5 percent from a year ago, according to official statistics.

The city has welcomed more than 4,000 foreign-funded enterprises, including 53 of the world's top 500 companies. The 53 multinational companies have set up 99 projects with a cumulative capital input of more than \$7 billion.

And a total of 295 projects involving capital of more than \$10 million each have been carried out in the past five years. The aggregate value of their investments reached \$12.9 billion.

Industrial giants other than those from Japan have invested in Foshan, including FAW-Volkswagen, Chi Mei Optoelectronics, Invista, Anheuser-Busch InBev and Wal-Mart.



The beautiful boomtown of Foshan is ideal for living and business.

Emerging city in right place, time

By ZHAN LISHENG in Foshan
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With a prime location for trade and logistics, Foshan has all the potential ingredients for making a new economic powerhouse in South China, local officials say.

Only 16 kilometers away from the provincial capital Guangzhou, the Pearl City Delta boomtown benefits from the massive infrastructure of its cosmopolitan neighbor, including ports, railway stations, an international airport as well as China's first intercity metro line.

Covering an area of 3,800 sq km, Foshan is in very easy reach of other Delta cities as well as Hong Kong and Macao, both of which are about two hours' drive away.

The city has become a key manufacturing base in China and even globally and is now home to a dozen well-developed industries, including the manufacturing of household appliances, industrial

equipment, ceramics, building materials, textile and garments, food and beverages, plastic products, refined chemicals pharmaceutical products, and household goods as well as electronic information technology and metal products.

The city's industrial output was worth \$300 billion in 2011, ranked fifth nationwide.

In the past few years, the city has endeavored to improve infrastructure and prepare destinations for potential investors.

And the city has a handful of development zones and industrial parks in different districts across the city focused on investments from various specific industries.

With a planned area of 10 square kilometers, the Foshan National Hi-tech Industries Development Zone is expected to become an industrial think tank, auto industrial town as well as a metro traffic pivot.

The zone will consist of parks for the manufacture of optical displays and high-end equipment as well as parks focusing on environmental protection and the bio-pharmaceutical industry.

It is set to become Guangdong's base for the new LED lighting industry, new-materials industry and modern agriculture.

Other possible locations for potential investments include the 10-sq km Chancheng High-tech Industries Development Zone in the city's Chancheng district, the 4.5-sq km Guangdong High Tech Service Zone for Financial Institutions and 55-sq km Nanhai Hi-tech Industries Development Zone in Nanhai district, the 69-sq km Shunde Hi-tech Industries Development Zone in Shunde district, the 61-sq km Sanshui Industrial Park in Sanshui district, and the 100-sq km Gaoming Cangjiang Industrial Park in Gaoming district.



Photo shows the regional operation of the Toshiba Corporation. Attracted by the city's excellent investment climate, Toshiba has set up six projects in Foshan.