



The Guangdong High Tech Service Zone for Financial Institutions.

PHOTOS PROVIDED TO CHINA DAILY

# Foshan's ambitious plan to transform

## Blueprint for reshaping image and infrastructure

By ZHAN LISHENG in Foshan  
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The flourishing Pearl River Delta city of Foshan in South China's Guangdong province is pouring hefty investment into an ambitious plan to profoundly change the infrastructure and overall city image by 2014. The plan includes 103 major projects and investment of 112.2 billion yuan (\$17.97 billion). Most of the

effort will go into infrastructure, renewal and upgrade of the aging downtown areas. It also includes public facilities and work to make the city eco-friendly, scenic and help improve the living standard of locals. The city government expected the initiative to turn Foshan into an "ideal city" with sustainable economic development, appealing scenery, safe and convenient traffic with

well-developed public services and healthcare. At the core of the plan is construction of the so-called Foshan New Town, planned as the city's future central business district. The city government will spend more than 9 billion yuan on the development of the new town in three years. The new town is expected to integrate industrial and urban development and be home to headquarters economy, high-tech services and up-scale commerce. "International business activities can't be held in small

pubs — big business is more often done in deluxe hotels," noted Li Yiwei, Party secretary of Foshan. "The city needs a facelift so that business people here will find it much easier to recruit in-demand professionals, business people elsewhere will become more willing to invest here and local people will live a better life." Foshan Mayor Liu Yuelun agreed and said "what's more, the improvements are affordable for the city".

**Economic strength**  
Official statistics indicate

that Foshan's GDP reached 658.03 billion yuan in 2011, an increase of 12.1 percent over a year previous. Its GDP target for this year is 10 percent growth from 2011. Its industrial output — excluding companies with an annual business turnover of less than 5 million yuan — was worth 1.74 trillion yuan last year, an increase of 18 percent. Foshan ranked 12th in comprehensive competitiveness among the 294 cities nationwide including Hong Kong, Macao and Taiwan, according to a report by the

Chinese Academy of Social Sciences last year. Four of the city's five subordinate districts were on the list of the nation's 100 richest districts or counties in 2006, the last time they were rated in China. According to the mayor, governments at the city, district and township levels will jointly raise funds for the projects, especially those related to infrastructure, while encouraging business people to get involved in projects, say in the way of BOT (build-operate-transfer).

The mayor urged the subordinate districts of Chancheng, Nanhai, Shunde, Gaoming and Sanshui to coordinate well among themselves and join close forces on the aggressive blueprint. Zhou Zhitong, director-general of the municipal foreign trade and economic cooperation bureau, hailed the city's unprecedented move to improve the infrastructure and city image. "The city will definitely heat up for investors in tandem with the further improvement in the investment climate," the official said.

# European surge at Sino-German zone

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Foshan is anticipating a surge in European investors and industrial service providers, especially from Germany, following the establishment of Foshan Sino-German Industrial Services Zone. With a planned area of 26 square kilometers, construction at the zone began earlier this year. Target service companies range from R&D and design to testing and certification, new IT, new energy, biomedicine, convention and exhibitions, and occupational training. The zone is expected to be operational in three years with a 200,000-sq-m high-tech industrial service R&D facility to be home to 300 to 500 high-tech firms and research institutions. When in full operation in five years, it aims to be a model zone meeting international standards with management and a business environment similar to Germany.

The idea to set up the Sino-German industrial services zone came in June 2011 when Wang Yang, member of the Political Bureau of the CPC Central Committee and provincial Party secretary of Guangdong, visited Fraunhofer-Gesellschaft in Germany. The senior official proposed that Guangdong province should forge co-operative ties with the leading R&D institute in Europe. Foshan was later chosen for the partnership. "The zone will be a shot in the arm for our city's new round of industrial development," said Li Yiwei, Party secretary of Foshan. The zone is expected to be a magnet for high-tech industrial service firms from home and abroad, said Liu Yuelun, mayor of Foshan. It was included in the joint statement by the Ministry of Commerce and the Federal Ministry of Economics and Technology of Germany in August, giving it status as a



The ceremony for the establishment of FAW-Volkswagen Automotive Co Ltd in Foshan.

co-operative project between China and Germany. Existing investment by German businesses is also one of the main reasons for establishing the Sino-German zone, analysts said. "The enterprises are in need of on-hand, high-end indus-

trial services and the zone will help to attract many other industrial service providers and investors in Germany as well as other European countries," they said. Foshan has several German ventures including the auto partnership FAW-Volkswagen, lighting

company Osram, a Messer-Deli gas project, an extrusion system by Battenfeld-Cincinnati, dental company Sirona, a coating and sealant project by Actega, metal stamping by Enders Colsman and the chemical business Wacker Dymatic Silicones.

# Financial high-tech area: World-class back office services

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Following the operation of the data center of Fujitsu Technology Corp, a handful of financial facilities including American International Assurance's Asia-Pacific finance center will soon become operational in Guangdong High Tech Service Zone for Financial Institutions. The new \$29.5 million Fujitsu facility, which became operational recently, is the company's first world-class data center in China. Operation of the Fujitsu facility marks a milestone for the zone as it becomes a modern financial back office service center and cluster zone for China's top private-equity and venture capital companies whose influence is felt across the whole Asia-Pacific region. Official statistics indicate the zone secured 29 financial projects in the first three quarters of the year with registered capital and investment adding up to 9.87 billion yuan (\$1.6 billion). Other 40-odd projects are in reserve.

Ninety-six projects had settled in the zone by the end of September with registered total capital and investment of about 27 billion yuan. Of them, 15 are related to back-office and service outsourcing, seven are in banking, four are insurance firms, four are in securities, 64 work in private equity and venture capital and two are in financing and leasing. Located in Foshan's Nanhai district, the zone was founded in 2007 when Li Yiwei, municipal Party secretary of Foshan, served as Party secretary of the city's Nanhai district. Foshan Mayor Liu Yuelun praised the zone's latest achievement during a recent visit, noting the proven feasibility of integrating back office services with industrial finance. Liu said that the city will leverage on all its financial resources for the development of the zone to support its endeavors to become a State-level experimental zone for industrial finance and to work on important innovations in the capital market.



AIA's Asia-Pacific finance center will soon be operational.

# Lender support for industrial chain expansion

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The Foshan Foreign Trade and Economic Cooperation Bureau recently signed an agreement with six banks for credit support to new investment projects. According to the agreement, the six banks — the Industrial and Commercial Bank of China, Bank of China, Agricultural Bank of China, China Construction Bank, Bank of Communications and Shanghai Pudong Development Bank — will jointly

lend up to 50 billion yuan (\$8 billion) over three years, most of which will be earmarked for projects that improve the city's industrial chain, with a priority given to international companies. The agreement marks a new attempt by the bureau to carry out its strategy to strengthen various industries. "We're keeping a close eye on potential investments that will help to build, supplement and fortify our industrial chains, so the financing is a plus for all our endeavors," noted Zhou Zhitong, director-general of the municipal for-

eign trade and economic cooperation bureau. The focus will be on strategic growth industries including new-generation information technology, new energy and biomedicine. Those to be supplemented include semi-conductor lighting, flat panel displays and automobiles. Other sectors that will be strengthened include traditional equipment manufacturing, household appliances and new materials. The new investment strategy aims to drive the city to be the leading manufacturing hub in South China's Guangdong province by 2015, the last year of the nation's 12th Five-Year Plan (2011-15), said Zhou. "It works and we saw an increase of capital inflow in the first three quarters of this year amidst the economic doldrums globally," the official said. The city had 117 new projects with contractual foreign direct investments totaling \$2.52 billion from January to September, a year-on-year surge of 123 percent, according to city statistics. Committed investment was worth \$2.01 billion in the nine months, an increase of 29.2 percent. Investments came from Europe and the United States in addition to Hong Kong and Japan, long the city's key investment sources. "We are negotiating on several other massive projects and many of the inves-

tors have strong interest in the business opportunities here," he said, without disclosing details. The official said that his bureau will set up overseas representative offices in developed countries and regions for the promotion of Foshan's investment climate and will continue to promote the city's investment opportunities home and abroad. The city held a promotional campaign in Shanghai in May and another in Shenzhen in September. It signed deals worth 20.57 billion yuan in capital for 13 projects during the event in Shanghai and 23.16 billion yuan for 21 projects in Shenzhen. A promotion in Munich, Germany in October attracted 130 senior executives and representatives from Germany and other European countries in industries including new energy, electric automobiles and auto components, medical equipment, biomedicine, machinery, environmental protection and new materials. Foshan attracted \$3.26 billion worth of contractual foreign capital in 2011, an increase of 48.8 percent from 2010. The actual investment hit \$2.15 billion last year, up 9.5 percent from a year ago, official statistics indicate. More than 7,300 foreign-funded enterprises had operations in the city by late 2011 ranging from machinery and equipment manufacturing to telecom equipment, metal processing, and foods and beverages.



Strategic location in the Pearl River Delta.