



The Guangdong High-Tech Service Zone for Financial Institutions.

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Financial service forum a hit in US

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The 2012 US Investment Promotion Forum, sponsored by the government of Guangdong province, was held in the Harvard Club, New York, on Wednesday.

More than 150 delegates were present at the event,

including government officials, experts and scholars, financial service outsourcing companies and the local media.

This is the fifth time that the Guangdong government has held the forum, which aims to introduce the Guangdong High-Tech Service Zone for Financial

Institutions to US financial circles, advocate the integration of the technological advantages of US enterprises with the cost and market advantages of Guangdong, and extend a welcoming hand to the service agencies of large financial institutions, financial service outsourcing companies and

institutions of emerging industries.

In 2011, the province's GDP reached 5.3 trillion yuan (\$850.7 billion), one-ninth of the nation's total GDP. Its import and export volume was 25 percent of the national total.

In recent years, the economic and trade relations between Guangdong and the United States have become increasingly closer and the US is now the biggest trade partner of Guangdong.

Last year, the total trade volume between Guangdong and the US reached \$104.4 billion, accounting for 11 percent of the \$913.5 billion total import and export volume of the province. And in the first three quarters of this year, the figure was \$80.5 billion, up 4.3 percent year on year.

The forum to promote the high-tech zone is designed to attract US financial institutions and service outsourcing enterprises to set up regional headquarters or affiliates, back office headquarters and private equity and venture capital institutions in the zone.

Guangdong wants to

attract US financial circles to develop the capital market and insurance market, as well as innovative financial products and services in the zone to provide good financial services for the restructuring and upgrading of Guangdong-based enterprises.

The city of Foshan, where the zone is located, has invested heavily in the construction of the zone, which is already fairly complete in auxiliary facilities.

With its large scale, complete supporting facilities and good environment, the city has been built into the financial backup service base of China, said Deputy Mayor Liu Wei.

He promised "the most competitive supporting policies and the best investment services" to US financial and service outsourcing companies willing to invest in the zone, which has already attracted 96 projects, including AIA Asia-Pacific Backup Support Center, IBM Service Outsourcing, French Capgemini BPO Operation Center and Fujitsu Data Center, with a total investment of 27 billion yuan.



Chen Yunxian, deputy governor of Guangdong, addresses the Conference for Innovative Integration of Finance, Technology and Industry.

Many advantages to staying in the zone

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When it was founded in early July 2007, the Guangdong High-Tech Service Zone for Financial Institutions was positioned as a "backup service base for the modern financial industry that reaches out to Asia-Pacific".

Five years later and the zone is home to nearly 100 companies and institutions, including not only back office business processing centers, such as data processing centers and call centers, but also knowledge-intensive financial back office institutions, such as financial product R&D centers and a financial information consulting center.

The management of the zone believes that many things can be achieved in the Asia-Pacific with financial support, and the financial industry will play a major role in the region's future development.

In 2010, the zone held the first forum on the integrated development of the financial and technological industries and was the first to come up with the development idea of "persisting in back office, exploring front office" and "integrating technology and industries".

It then started building a private equity and venture capital cluster and the Guangdong-Hong Kong Financial Technological Park.

Chen Yunxian, vice-governor of Guangdong, noted that the key to making a success of the "industrial finance" of Guangdong lies in promoting the integrated development of the financial and technological industries.

According to Deng Weigen, Party chief of Nanhai district of Foshan, the zone has a competitive edge in building "industrial finance".

The city of Foshan ranks fifth nationwide in terms of industrial scale. And the zone, located in the center of the Guangzhou-Foshan circle, very early on made explorations into the inte-

gration of finance and industries.

In 2011, the total industrial output value in Foshan reached 1.74 trillion yuan (\$279 billion), with more than 1 trillion yuan coming from the private sector.

The city is also actively strategic emerging industries, such as new materials, services, environmental protection and new energy vehicles.

The deposit balance of its residents in the first half of this year reached nearly 500 billion yuan, leading other cities in the province.

The city is focusing on its high-tech zones as platforms to create a model area for the integrated and innovative development of the finance, technology and industries, and it is encouraging the development of all types of equity investment and financial leasing, pilot intellectual property financing and technology insurance.

Combined drives

The management of the zone believes that developing the financial back office industry means not only data and call centers, but also "the effective gathering of all the resources of the financial industry and the cultivation of the atmosphere for financial innovations".

The zone will introduce the back office headquarters or business headquarters of some large and influential financial institutions. It will also encourage those financial companies that are already established to turn their back office departments into independent institutions.

Attracting investment will be another focus. The annual Conference for Innovative Integration of Financing, Technology and Industry aims to become a bridge between capital and industries.

In addition, research organizations, equity and intellectual property trading markets and technical financing institutions are also working to promote the real economy of Guangdong.



Representatives from Guangdong and experts in finance from the United States at the Harvard Club, New York, on Wednesday, during the forum promoting the Guangdong High-Tech Service Zone for Financial Institutions.

Provincial park attractive to investors

By **ZHAN LISHENG** in Foshan
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Japanese multinational Fujitsu Technology Corp recently opened a world-class data center in Guangdong High-Tech Service Zone for Financial Institutions.

Involving an investment of \$29.5 million, the new facility is the company's first data center in China. Its establishment marks a milestone in the zone's quest to attract financial investments.

"The zone is gaining growing favor among investors, and the strategy to develop back-office operations while exploring front-office ones has proven feasible," said Deng Weigen, Party secretary of Foshan's Nanhai district, where the zone is located.

The latest official statistics indicate that the zone secured 27 financial projects in the first three quarters of the year. Registered capital and investment totaled nearly 10 billion yuan (\$1.6 billion) and more than 40 more projects are in reserve.

A total of 96 projects had settled in the zone by the end of September. The zone had accumulated registered capital and investment totaling more than 27 billion yuan since it was founded in 2007.

Of the projects, 15 are related to back-office operations and service outsourcing, seven are in

banking, four are insurance firms, four are in securities, 64 run private equity and venture capital businesses, and two are in financing and leasing.

"The cluster effect of the financial industry has taken shape now that most of the projects have started operations," the official said.

More than 70 projects are up and running, including the southern information center of the People's Insurance Co (Group) of China, the business process outsourcing center for France's Capgemini Group and the service outsourcing center for IBM.

And several more are expected to become operational by 2013, including the southern international training center of the China Banking Regulatory Commission, American International Assurance (AIA)'s Asia-Pacific finance center, the southern China international financial center of Sun Hung Kai Financial Ltd and the financial operations of China Guangfa Bank.

The zone's achievements are also attributable to the local government's promotional efforts as well as the advantageous positioning and improving investment climate of the zone, analysts said.

The local government has launched promotional campaigns in Beijing, Hong Kong and Singapore almost every year since 2008, and

representatives of the zone will soon go to the United States in November.

Designed as a high-tech service zone for back-office operations, the zone is interested in expanding into such areas as financial innovation; R&D; data processing; clearing and settlement; financial information and consulting; real-time call answering; disaster recovery; training; insurance asset management; bankcards; private equity, and venture capital.

It has a favorable investment climate due to geographical advantages and

a convenient transportation network as well as cost advantages, human resources and competitive IT infrastructure, analysts said.

Only a 15-minute drive from the new Guangzhou railway station and 35 minutes from the Guangzhou Baiyun International Airport, the zone is bisected by the Guangzhou-Foshan metro, the first intercity metro in China, which has three stops inside the zone.

And it will take less than one hour to reach Hong Kong once the new express train between Guangzhou and Hong Kong soon



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