



Nigus Wodajniw Mamuye, a reporter from Ethiopia, tries a Guangdong-made hybrid car. ZHU XINGXIN / CHINA DAILY

Powerhouse province gears up to tap strong African ties

By ZHAN LISHENG
in Guangzhou
zhanlisheng@chinadaily.com.cn

South China's Guangdong province, one of China's major economic powerhouses, is seeking to intensify and extend trade and economic cooperation with African countries.

One of its endeavors in the pipeline is to host the second Investing in Africa Forum in Guangzhou, the provincial capital, on Sept 7 and 8. It will team up with China Development Bank and the World Bank to set up a platform for sharing development experience and talking business with African officials, experts, businesspeople and other groups.

About 300 people from more than 30 African countries, including senior government officials, experts and business tycoons and their Chinese counterparts — such as Justin Yifu Lin, former World Bank senior vice-president and an econo-

“Chinese investors will never take the smash-and-grab approach in Africa.”

Lin Songtian, head of the Foreign Ministry's African affairs department

mist with Peking University, Yuan Longping, dubbed the “father of hybrid rice”, and high-ranking representatives from international and regional institutions — are set to attend the event, an official with the provincial government said.

The forum will focus on themes including agriculture and agribusiness, industrialization with emphasis on light industry manufacturing, connectivity in infrastructure development, trade and energy cooperation, skills development and vocational training and job creation, as well as tourism and culture, said Zhang Aijun, deputy secretary-general of the provincial government, during a

media briefing in Guangzhou on Monday.

Launched by China Development Bank and the World Bank in 2015 in Africa, IAF, a global platform for multi-lateral cooperation and the promotion of investment opportunities in Africa, has won extensive support from African countries, according to the World Bank website.

“The forum signifies the initiative of the provincial government of Guangdong to take part in the development of a platform for multi-lateral cooperation, to deepen Guangdong-Africa cooperation and to fortify its leading position in China's 21st Century Maritime Silk Road program,” Zhang said.

During the forum, the organizing committee will also launch an investment promotion as well as a contract signing ceremony for several Guangdong-funded projects in Africa, according to the official.

The province will also take good advantage of the forum to showcase its competitive products — household appliances, electronic and IT products, light industrial products, medicines, medical equipment and foodstuff — all of which are expected to become more popular in Africa.

During a preparatory meeting for the second IAF earlier this year, Lin Songtian, head of the Foreign Ministry's African affairs department, said that the Chinese government encourages Chinese investors in Africa to integrate the development of their companies, the African destinations and China for a win-win effect and mutual benefit, at the same time advocating green development in Africa.

“Chinese investors will never take the smash-and-grab approach in Africa like the old colonists nor sacrifice local ecology and long-term interest for their own benefit,” he said.

Lin spoke highly of the World Bank for what it has done to alleviate poverty and improve people's lives in Africa.

“We have carried out several trilateral cooperation projects in infrastructure development, investment and funding, as well as in think tank exchanges in Africa with the World Bank, and these have made marked achievements,” he said, adding that the first IAF in Ethiopia last June was one of the successful examples of trilateral cooperation.

The first session saw about 200 people taking part in a platform for pragmatic, candid and constructive discussions on feasible approaches to accelerating industrialization and manufacturing in Africa.

Closer trade, economic relations are set to soar

By ZHAN LISHENG
in Guangzhou

\$43.1

billion

Guangdong's foreign trade value with Africa in 2015

Having launched its Guangzhou-Nairobi direct flight and extended flight services to other African cities through a codeshare agreement with Kenya Airways over the past year, Guangzhou-headquartered China Southern Airlines is considering another direct flight to Africa, a senior airline executive said.

A possible destination is either Cairo or Lagos, said Wu Weijun, general manager of the company's operation in Kenya, during a ceremony celebrating the first anniversary of China's first and only direct flight from Guangzhou to the African continent in early August.

Wu attributed both the decision to launch the direct flight to Nairobi and the expansion plan primarily to the intensifying market demand from China's Belt and Road Initiative and, consequentially, closer trade and economic cooperative relations, cultural exchanges and booming tourism between Guangdong and Africa.

The airline might gain confidence in the African market from the convincing findings of a study headed by the development research center of the provincial government on Guangdong's investments in Africa.

Released in Guangzhou on Monday, the findings said that the province's foreign trade with Africa was worth \$43.1 billion in 2015, accounting for 24.1 percent of the nation's total compared to 18 percent in 2011. The figure was only \$2.8 billion in 2003.

Wang Yiyang, head of the center, said Guangdong's closer relations with Africa has found easy evidence in

investments, education and tourism.

He said that businesspeople from Guangdong set up 28 investment projects worth \$510 million in Africa in 2015 alone, triple the number from the previous year; and utilized capital of \$73 million, more than double the number from 2014.

Guangdong-funded projects had totaled 176 by the end of last year, with total contract value of \$1.5 billion, most of which had been carried out by the private sector, he said.

Meanwhile, the government-funded Ogun Free Trade Zone in Nigeria, one of the first eight free trade zones abroad approved by the Chinese government, has become an exemplary free trade zone in Africa by modeling on successful development zones in Guangdong.

Wang said bilateral scientific and technological cooperation has also been on the fast track, citing examples such as Foshan University's cooperation with South Africa on crucial technology for corn production.

In education, the province took in 4,508 students from Africa and trained 621 health-care officials and technicians from more than 30 African countries last year.

As for tourism, the province posted 658,600 visitors to Africa in 2015, up by 126 percent from a year ago, and received 353,400 visitors from Africa, falling 5.6 percent, he said.



A ground staff member of China Southern Airlines prepares a boarding pass for an African passenger headed for Nairobi.

ZENG JIAN / FOR CHINA

Taking the next big step in successful cooperation

By ZHAN LISHENG
in Guangzhou

\$480

million

investment in the light industrial park in Ethiopia

Having attracted the attention of dozens of enterprises in the Pearl River Delta city of Dongguan, Huajian Group, China's first shoe supplier to invest in Ethiopia, is pushing ahead to promote an international light industrial park in the African country.

The park, which began construction in 2015, involves capital input of 3.2 billion yuan (\$480 million) and covers an area of 126 hectares. Scheduled for full completion by 2020, it is set to become the leading base in Ethiopia supplying footwear, leather products and garments.

The investment decision was made in the wake of the successful operation of the group's footwear project, which started production in 2012 and has put six modern lines in operation and offered jobs to more than 3,600 Ethiopians.

“Labor-intensive industries are losing their competitive advantages in Guangdong. Going abroad to Africa can be an option,” said Zhang Huarong, chairman of Huajian.

Zhang based his analysis on the rising production cost in Guangdong, the province's strategy to upgrade its industrial structure, support from the government for the Belt and Road Initiative, as well

as the rich resources, colossal market potential and much lower wage cost in Africa.

Industrialization, especially light industry manufacturing, is among the fields Guangdong is underscoring in its proposal for stronger ties with African countries, with others being agriculture and agribusiness, infrastructure development, trade and energy development, vocational training, tourism and culture.

Analysts said Guangdong's proposal is feasible, pragmatic, win-win and mutually beneficial.

On the one hand, Guangdong has benefited much from its wide international cooperation and foreign direct investment in its four-decade long opening-up, which has favorably positioned the province to take part in the Belt and Road Initiative, or specifically its African investments, they said.

Thanks to long-term international cooperation with developed countries as well as the province's strategy to opti-



A worker examines shoes at the production line of Huajian Group in Guangdong province.

ZHENG ZHIBO / FOR CHINA DAILY

mize economic structure and promote innovation-driven development in recent years, the province has long occupied China's top position in economic development and has made outstanding achievements, infrastructure and energy development, education and training as well as tourism, said Guo Chu, an international economy researcher with the Guangdong Academy of Social Sciences.

In agriculture, the province has long led in fields such as

fodder, aquaculture, horticulture, sugar, fruits, vegetables and poultry using its limited arable land, which stands at less than 0.03 hectare per capita, much below the nation's average, according to a study headed by the development research center of the provincial government.

In manufacturing, the province boasts many pillar industries such as electronic information, petroleum and chemicals, electrical machinery, electricity, food and bev-

erages, transportation equipment, textiles and garments, general-purpose equipment, metal products and building materials.

New-type display, software, bio-medicine, new materials, new-generation communication and LED businesses have combined to form an industrial cluster worth more than 100 billion yuan.

Its light industrial products ranging from textiles and garments to foodstuff, medicines, furniture, leather, footwear

and motorcycles are globally competitive.

In addition, Guangdong's household appliances makers have found their markets in more than 210 countries and regions worldwide, with their number of product categories and sales topping any other province in China.

In terms of vocational training, the province is the nation's first to subsidize vocational training programs and has set up a sound system for modern professional education and skills training — its 19 State-level bases for training skilled professionals are peerless nationwide.

In infrastructure development, the province has taken the lead to adopt market mechanisms by diversifying capital sources for its infrastructure development. Its modern traffic network has also taken shape.

In new energy, its wind, biomass, garbage, photovoltaic, solar and nuclear powers have all occupied prominent positions in China with several enterprises becoming industrial leaders, including Zhongshan Yangming Wind Power Group, Foshan Aikosolar, CSG Holding, Huawei, Devotion Corp, Guangdong Yuedian Group and China General Nuclear Power Corp.

In the tourism and cultural

industries, well-off Guangdong residents have become China's largest tourist source and tourism is among the key industries the province is developing.

Its cultural industry has seen rapid development as the province has been striving to develop it into a pillar industry — the network ranges from publication and copyright services to print media, cultural exhibitions, printing and copying, news services, entertainment, electronic information to cultural products.

On the other hand, such sectors are in urgent demand and their market potential is immeasurable in African countries, the researcher said.

An op-ed article written jointly by senior executives of the World Bank, China Development Bank and UNIDO and a top Ethiopian official last year said that Africa needs a skilled labor force, infrastructure and a more conducive investment climate, which requires lower transport and energy costs and agribusiness among all.

Guo suggested that Guangdong investors engage more in the continent's strategic industries and shift more attention in time to value-added and technology-intensive product manufacturing, to minimize negative impacts on local fledgling businesses and trade friction.