

Honored firms help fuel high-quality growth

By YUAN SHENGGAO

Characteristic industries strategy kick-starts economic engines across Shanxi province

Towns and counties featuring specialty industries have rapidly developed into a new growth area in Shanxi since a characteristic towns strategy was launched less than a year ago, according to local officials.

The government of Shanxi announced its first batch of 10 provincial-level characteristic towns on Sept 14, marking the inauguration of the development campaign in the province. In the months that followed, various cities across Shanxi announced their own city-level characteristic towns.

Developing towns, counties and districts with characteristic industries is a strategy which aims to create economic engines that accelerate high-quality industrial growth locally, according to Ma Yunxia, deputy chief of the Shanxi Department of Industry and Information Technology.

He said that all 92 characteristic towns in Shanxi now have gathered more than 5,500 business entities engaged in the research, development, production and sales of specialty products. Their collective annual output value surpasses 200 billion yuan (\$27.92 billion).

"This shows the characteristic towns and counties have become a vital force to drive Shanxi's economic transformation and high-quality development," he said.

The official noted that the first 10 provincial characteristic towns and counties have reported impressive growth over the past several months.

"The 10 locales have witnessed the addition of 1,069 business entities in the past 10 months and the launch of 192 new investment projects with funds totaling 61.6 billion yuan," Ma said. "These new businesses and pro-



From left: Workers check the quality of flange products at a plant in Dingxiang, a county famous for the flange industry. A worker paints a vase at a factory in Qixian, a county which is known for glassware production. PHOTOS PROVIDED TO CHINA DAILY



jects have created more than 37,100 jobs for local residents."

The official added that these 10 towns and counties reported a year-on-year increase of 16.4 percent in output value on average during the first five months of 2023.

"All the figures indicated that the characteristic towns and specialty industries are growing bigger and stronger, becoming new engines for Shanxi's manufacturing industry," Ma added.

One prime example is the township of Xinghuacun. It is one of the leading production sites of white liquor in Shanxi and is home to a number of

nationally renowned brands.

Local statistics show that Xinghuacun is now home to 485 businesses in the white liquor industry, which have created more than 50,000 jobs for local people.

These companies produced about 20.15 billion yuan worth of white liquor in 2022. The entire industry chain reported an output value of more than 40 billion yuan.

The town's white liquor, or *baijiu*, industry is represented by Xinghuacun Fenjiu Group, which is among the leading *baijiu* producers in China.

Xinghuacun Fenjiu is also one of the exemplary enterprises that demonstrate how to boost the development of characteristic towns by innovating their operations.

The characteristic towns, mostly focusing on the traditional models of growth, are in great need to upgrade and innovate, said one of the company's executives.

"Over the past decades, we have almost reaped all the 'fruits of growth' in the framework of traditional operational models," he said. "So upgrades and innovations are the solutions to sustain and boost growth."

Xinghuacun Fenjiu's new approach to growth is to strengthen its globalized operations. The company is now among the top three exporters in China's white liquor industry. To date, its products have been sold to more than 60 countries and regions through its 50-plus overseas dealers and more than 9,000 foreign outlets.

Innovation is now the consensus among many entrepreneurs and officials in Shanxi's characteristic towns and counties.

The county of Dingxiang, for instance, is known for the flange casting and manufacturing industry. Over the past six decades, the county has developed into the largest flange casting base in Asia and the largest

exporting base of flange products in the world.

"But we are not resting on our laurels," said Li Zhiyong, deputy chief of the Dingxiang people's congress. "We are expecting greater development through upgrades and innovations."

The county government has released several action plans for the industry's growth, with a focus on industrial digitalization and smart manufacturing.

One move is that the county announced the launch of a digital operation platform for local businesses on June 9. Li said the platform integrates such functions as sharing technological research resources, offering technological services, assisting purchases, transactions, trade and transportation, as well as creating channels for fundraising.

A number of projects for digitalized upgrades of local manufacturers were also launched on the same day.

In Taigu district in the city of Jinzhong, which is a renowned production site of malleable iron, the upgrading of 112 manufacturers is underway. The work is focused on developing smart and low-carbon operations.

The county of Wanrong is a production base of concrete admixtures — additive agents used to bind cement, sand and gravel to improve the performance of concrete in erosion resistance, heat insulation and strength.

The county has forged partnerships with a number of research institutions and universities for research and development and the training of personnel. The joint facilities have not only supported local growth with new R&D results but supplied companies with more than 3,000 workers with various skills.

The provincial authorities in Shanxi are also showing strong support for the development of characteristic towns.

The provincial government recently released an action plan for the high-quality development of characteristic towns, with a number of preferential policies announced in such areas as infrastructure construction, technological upgrade support and business environment improvement.

The government pledged that it will set aside a special fund, from which 500 million yuan will be allocated annually to support technological upgrades of specialty industries in characteristic towns.

It is expected that Shanxi will have a total of 30 provincial-level characteristic towns and counties by 2025.

Yao Yi contributed to this story.

Rural tourism boosted by county's cultural bounty

By YUAN SHENGGAO

Thousands of tourists flock to Lingqiu, a county in the northeast of Shanxi province, every summer, to enjoy the cool weather, see the spectacular sights of the Taihang Mountains, study the local history and experience the local culture and life.

And in mid-July this year, tourists were offered a special treat — the 16th Pingxingguan Cultural Tourism Festival, which opened on July 18.

At the festival, tourists were treated to a variety of shows, including a grand drum dance, folk songs, local operas, martial arts and food shows.

The county's rich historical resources, as well as natural attractions, were also on display at the event.

Lingqiu has a recorded history of more than 2,300 years, which has left the county with numerous cultural assets and historical moments for today's tourists to enjoy, including the Great Wall, ancient residences, temples, pagodas and stone statues.

The most famed is Pingxingguan, a well-preserved Great Wall pass and stronghold. This was also the site where the Eighth Route Army, a military force led by the Communist Party of China, made its first major victory during the War of Resistance Against Japanese Aggression (1931-45).

Lingqiu is now one of the favored

destinations for tourists from Beijing, Tianjin and Hebei province because of its closeness to the three regions. This advantageous location has made tourism an important pillar to vitalize the rural economy and boost the income of rural residents.

Lingqiu's specialty agriculture is another pillar of the rural economy. In recent years, the local produce, including organic beef and bitter buckwheat, has proven to be another draw for tourists as the county is integrating tourism with farming. Shopping for local farming produce is now a choice of many tourists.

The county now has one of the strongest animal husbandry industries in Shanxi province. It is especially famous for its organic beef, with cattle raised in a natural environment, grazing on the grassy slopes of the Taihang Mountains.

Statistics show that Lingqiu has more than 5,500 people engaged in cattle farming, which reported an output value of 694 million yuan (\$97.02 million) last year. Beef products there have been sold to many regions in China, including Hunan, Hubei, Shanghai and Hong Kong.

Bitter buckwheat is another example of the famous organic produce of Lingqiu. It was recognized as a product with geographical indication in 2008.



Local artists put on shows during the 16th Pingxingguan Cultural Tourism Festival in Lingqiu. ZHANG XIULI / FOR CHINA DAILY

The county's annual output of bitter buckwheat is about 3,500 metric tons. It has eight enterprises involved in the processing of the produce, turning it into products like noodles, cakes and beverages.

Lingqiu began the integrated development of farming and tourism in 2013 by establishing a pilot sightseeing farm in the village of

Chehe near the Pingxingguan Pass.

The per capita income of residents in Chehe grew to 23,000 yuan in 2022 from 2,300 yuan in 2013. At present, sightseeing agricultural parks have emerged in five townships in the county.

Zhang Yehua and Ma Mingqing contributed to this story.

Businesses add twist to spirit of merchants

By YUAN SHENGGAO

The city of Jinzhong used to be the hub of Jinshang merchants, generations of businesspeople in Shanxi province who were said to dominate China's foreign trade during the Ming (1368-1644) and Qing (1644-1911) dynasties because of their enterprising and hardworking spirit.

Today, entrepreneurs in Jinzhong are aiming to revive the glory days with an innovative spirit added to traditional values.

An innovation-driven growth model is now what businesspeople pursue in Jinzhong. This is demonstrated in the growing number of high-tech companies, research institutions and technological innovation platforms.

Local statistics show that Jinzhong has 312 State-level high-tech businesses — among the largest number of cities in Shanxi. It is also home to 26 laboratories and technological innovation centers at or above provincial level.

Companies in traditional industries have shown a willingness to innovate, for the purposes of improving efficiency and cleaner production. This is the case of papermaking company Qiangwei in Jinzhong's Shouyang county.

According to Liu Fubin, an executive of the company, the papermaking industry used to be a major polluting source so that it is a focus of Qiangwei's upgrades.

For pollution control, Liu said Qiangwei's researchers have made efforts in developing technologies for the areas of sewage treatment, water recycling and dust removal.

"Our ultimate goal is to achieve sustainable development, generating both economic and social benefits," the executive said.

The company has made a heavy investment to build a recycling economy industrial park that will cover such sectors as papermaking,

thermal power, construction materials and environmental protection.

"Upon the completion of the project, the company's total annual output value is expected to reach 8 billion yuan (\$1.12 billion)," Liu said. Qiangwei's output value in 2022 was 2 billion yuan.

In the county of Heshun, Yinsheng Technology is another example of a company tapping into a cutting-edge sector through innovation.

The company is one of the nation's leading producers of silicon steel class magnesium oxide.

Magnesium oxide is a common material in the metallurgical industry. However, for the production of high-end products like grain-oriented silicon steel, silicon steel class magnesium oxide is a crucial ingredient.

According to Bai Feng, chairman of Yinsheng Technology, China's steelmaking industry had to rely on overseas suppliers for this material several years ago.

The monopoly of foreign suppliers was broken in recent years thanks to products with similar qualities being developed by Yinsheng's research team. Yinsheng is now the supplier of silicon steel class magnesium oxide to such domestic steelmakers as Baowu and Shougang.

"We are among the top eight producers of the product worldwide and the largest in the country," Bai said.

He said heavy investment in research and development is the most important reason for Yinsheng's success. The company's R&D budget has accounted for more than 20 percent of its operational revenue for many years. It is "a remarkable ratio that makes us stand out from many others," Bai added.

Zhang Qian and Feng Xinguang contributed to this story.

City harvesting success from modernized farming

By YUAN SHENGGAO

On July 7, executives of Junda Fruit Farming Cooperative in Linyi county saw 120.15 metric tons of fresh peach loaded onto a freight train at a railway logistics park in the Shanxi city of Yuncheng, which was bound to the Central Asian country of Kyrgyzstan.

It is only a recent move that fruits grown in Linyi, Yuncheng have been exported overseas.

Shanxi province is a famous producer of specialty farm produce in China. It takes the lead in the output of such products as millet and naked oat. It also enjoys a good reputation for fruits such as apples, peaches and pears.

While meeting the demands of domestic consumers, the province has enhanced exports of farm produce over the past years.

The city of Yuncheng has been a major agricultural exporter in Shanxi. Local statistics show that it has been the largest exporter of farm produce in the province for 10 consecutive years, with sales reaching 76 countries and regions.

During the first five months of this year, Yuncheng exported 3,630 tons, or 49.23 million yuan (\$6.88 million) worth of farming products. This period was the slack season for agricultural exports because the harvesting of most of the produce is in summer and autumn.

Yuncheng is the leading fruit producer in Shanxi, with its fruits output accounting for more than 80 percent of the provincial total. Its full-year fruit exports can reach 266,200 tons.

According to local entrepreneurs, such large volumes in output and exports are made possible because of farming modernization.

Huarong Fruits based in Wanrong county, Yuncheng, is one of the leading farming companies that have been benefiting from modernized operations in recent years.

Huang Yue, deputy general manager of the company, said Huarong is a company with comprehensive operations ranging from farming,

purchase, processing, storage and logistics to exports.

"What makes us stand out from others is that we own a number of advanced facilities," Huang said. "For instance, we have air-conditioned warehouses and automatic fruit sorting lines."

And the company's innovative operational model has added to its success. According to Huang, Huarong was the first company in the country to establish a fruit farming cooperative.

"Through the cooperative, we bring together the farmers under our company's standardized operational system," Huang said. "Farmers have access to our advanced farming technologies, machines, fertilizers and skills training. On the other hand, they also need to comply with our rules for quality control."

Because of the high prices that suit the quality of the produce, the company and farmers have both seen a rapid increase in revenue in recent years, according to Huang. He cited the price of early reaped jujube,

which is now sold at about \$18 a pound in the United States.

"We are among the very few fruit exporters in China that have won quality accreditations in multiple countries and regions," he said proudly.

The customs house in Yuncheng has also played its role in supporting the exports of local produce.

For instance, it has substantially improved efficiency for inspection and quarantine procedures through the use of digital technologies. In addition, it offers tax rebates to exporters according to multilateral trade agreements like the Regional Comprehensive Economic Partnership.

"The services will continue to improve in the future," said Xu Weidong, head of the Yuncheng customs house. "But the standard for quality control will be enhanced, for improving the recognition of Yuncheng's products in the international market."

Meng Ting contributed to this story.



Workers assemble new energy vehicles at Geely's production facility in Jinzhong. PROVIDED TO CHINA DAILY