



Qingdao, one of China's most beautiful coastal cities, is a major seaport and economic center in China.

PHOTOS PROVIDED TO CHINA DAILY

# New area to boost Qingdao’s GDP

**Editor’s Note:** Within five years, a completely new “city within a city” will be formed on the western coast of Qingdao in East China’s Shandong province. This plan is going to be realized through the efforts of the Qingdao government to implement a strategy to develop the West Coast Economic New Zone. With sound infrastructure, the latest planning and technology, and considerable financial support from the central government, the new zone is expected to shape the landscape of the already magnificent city of Qingdao, and the Qingdao government expects it to be similar to Shanghai’s Pudong New Area, a place with great character and bold ideas.

By XIE CHUANJIAO AND ZHUANTI

The coastal city Qingdao in Shandong province aims to develop a new economic zone on its west coast, pledging to build it into an economic engine that could rival the city as a whole in terms of economic output in the next five years. The West Coast Economic New Zone has been planned and constructed in response to the nation’s call to develop the marine economy in Shandong peninsula, and the development strategy was elaborately laid out by the State Council. It is expected to grow into a leading economic hub that can drive the development of the whole province’s marine economy, said senior officials from the local and provincial government.

“The development of the city must be oriented toward the sea, depend on the sea resources, and complete the transformation to a marine-oriented economy, with the goal of building the new zone on the west coast, and building a ‘blue silicon valley’ in the east,” said Li Qun, Party secretary of Qingdao. In March, Qingdao published a strategic development plan, which said the economic zone is planned to cover the Qingdao Economic and Technological Development Area (in Huangdao peninsula) and Jiaonan county. The zone will have a land area of 2,096 square kilometers, a marine area of 5,000 sq km and a population of 132,000. Last year, this area registered a GDP of 182.3 billion yuan (\$28.62

billion), local fiscal revenue of 10.2 billion yuan, industrial output of 419.5 billion yuan, accounting for 27.6 percent, 18 percent and 34.2 percent of Qingdao’s total, respectively. “The western coastal area is rich in marine and shoreline resources. Qingdao has more than 700 kilometers of coastlines, 300 kilometers of which belong to this area. The advantageous shoreline gives us the ability to develop marine equipment manufacturing as well as marine-related industries and the services sector,” Li said.

### Advantages

Li Qun said that the west coast has extraordinary strategic significance because it lies in the middle of the Greater Beijing Area and the Yangtze River Delta, two of the most crucial economic areas of China. The west coast faces Japan, South Korea and the Pacific Ocean, and it has the largest port outlet for neighboring regions. “Such a great geographic advantage enables it to develop with sufficient driving force,” said Li, who is also a member of the Standing Committee of the Shandong Provincial Party Committee. He added that the region boasts an ideal advanced infrastructure, and it is among the top provinces in terms of its number of coastal development parks. This region houses a national economic and technological development zone, a bonded harbor area, an export processing zone, a demonstration park for new technology development as well as the Sino-



Overall plan of the Qingdao West Coast Economic New Zone, an economic engine that could rival the city as a whole in the next five years.



Artist’s rendering of Qingdao’s Sino-German Eco-park, which is planned as a demonstration park of advanced technology, high-end industry and eco-friendly residence.

German Eco-park. Qingdao Economic and Technological Development Area covers an area of 274.1 sq km, with a population of 630,000. Its GDP in 2011 reached 117.46 billion yuan, accounting for 20 percent of Qingdao’s total, while it only has 2.4 percent of Qingdao’s land area. It also created 25 percent of Qingdao’s industrial output. The area has also been ranked fifth on the composite index for investment environment among all the country’s national development parks for an eighth consecutive year. Qingdao Bonded Harbor Area covers a planned area of 9.72 sq km and has 21 quay berths. It features a 2.5 sq km bonded area granted by the State Council in 1992, a 1 sq km

bonded logistics park and the Qingdao Qianwan Port, North China’s largest foreign trade container port. According to the development goal set by the governments of Germany and China, the Sino-German Eco-park will be built to be a demonstration park of advanced technology, high-end industry and eco-friendly residence within the next 10 years. “The development of the West Coast Economic New Zone will provide a great impetus for Qingdao’s marine economy and make the city the undisputed leader in marine economy in China,” Li said. There are two international ports in the area — Qianwan and Dongjiakou — which play an important role in this area’s opening-up.



View of the Qingdao West Coast Economic New Zone

Qingdao Qianwan Container Terminal is doing logistics and passenger transport businesses with 450 ports in more than 130 countries and regions around the world. To date, nine of the world’s top 500 enterprises have settled in the Qingdao Port, the seventh largest port and also the eighth largest container port in the world. The development of Dongjiakou Port has focused on constructing a trading center for bulk cargo and an energy conservation center, with the aim of building it into a fourth-generation port characterized by modern logistics trade. Contact the writers at xiechuanjiao@chinadaily.com.cn and zhuanti@chinadaily.com.cn

# Economic zone ready for takeoff

By ZHUANTI zhuanti@chinadaily.com.cn

The West Coast Economic New Zone in Qingdao, Shandong province, will achieve a GDP of 500 billion yuan (\$79.3 billion) by the end of the 12th Five-Year-Plan period (2011-2015), accounting for around 76 percent of the GDP of the whole city in 2011, according to the local government. By 2015, the urbanization level will reach 80 percent, and the zone’s population will grow to 2 million. At that time, regional tax and fee revenue is expected to top 30 billion yuan.

In 2011, the new zone achieved a GDP of 182.3 billion yuan. Local tax and fee revenue was 10.2 billion yuan, according to data from the local government. Boasting a well-developed marine industry, a pristine ecological environment and sufficient urban facilities, the zone is expected to become one of the top economic zones in the country by the end of 2020. It is anticipated that the regional GDP at that time will be more than 1 trillion yuan, and tax and fee revenue will hit 70 billion yuan. The population will reach up to 2.8 million, with an urbanization level of 90 percent.

In March, the local government of Qingdao city published the Development Plan of the West Coast Economic New Zone, which was approved on Jan 31. According to the plan, the new zone will cover an area of 2,096 square kilometers, a sea area of 5,000 sq km and have 132,000 permanent residents. The West Coast Economic New Zone will develop rapidly based on advanced manufacturing and modern service industries, and it will specialize in marine industries in the next five years. At the strategic level, some newly emerging industries will be prioritized, such as the marine equipment manufacturing, petrochemical processing, aviation and space industry, marine transportation and logistics, and the marine-related financial service.

Meanwhile, the government will make more efforts to turn marine technological achievements into meaningful advantages in industry. More attention will be paid to protecting the oceanic environment, and leaders will search for better ways to mitigate pollution. During the process, the new zone will further open to the foreign investment and be established as an international shipping hub. The northern part of the new zone and Dongjiakou Port will become a driving force for the whole region. The region aims to cultivate a group of international brands that have strong competitiveness in the global market. At the same time, it plans to enhance cooperation between China and foreign countries, including Germany, Japan and South Korea in the sectors of trading investment, transportation, logistics, energy conservation and marine technologies. Furthermore, the fast development of the new zone will have a ripple effect on the economic growth of the Shandong peninsula as a whole, which includes the cities of Qingdao, Weifang and Rizhao.

# Coastal city makes way for trilateral FTA

By LI FUSHENG lifusheng@chinadaily.com.cn

Qingdao is planning a region that will act as a springboard for trilateral economic cooperation, paving the way for formal negotiations on a free trade agreement among China, Japan and South Korea, which the three countries agreed to launch by the end of the year. This move follows Premier Wen Jiabao’s proposal for a regional economic cooperation demonstration area among the three countries, which he detailed in his address to the Fourth China-Japan-ROK Business Summit Meeting on May 13 in Beijing. Having already been selected in April to be the host city for the China-Japan-ROK Free Trade Area (FTA) negotiation conference, Qingdao will take a lead by deepening cooperative relationships with some of the larg-

est cities of the two countries, such as Busan and Kobe, in the planned region, said Qingdao Deputy Mayor Liu Mingjun. “Qingdao has successfully applied to the Ministry of Commerce and the provincial government of Shandong to build an international economic cooperative area within the West Coast New Economic Zone, which includes a 10 sq km Sino-Japan park and a 10 sq km Sino-ROK innovative cooperative park, to enhance and deepen trilateral industrial cooperation,” Liu said. “As a preliminary measure of the demonstration area, the region is designed to deepen cooperation among the three countries,” said Liu. One highlight will be cooperation on standards for the electronics and information industries. “Local electronics manufacturers Haier and Hisense can work together

with industry giants, such as Japan’s Sony and South Korea’s Samsung, to promote mutual recognition of industry standards,” Liu said. Other priorities for trilateral cooperation include safety standards for agricultural products, international shipping and port logistics, software and animation, intellectual property protection, tourism and oceanic engineering. Qingdao has long enjoyed sound economic relations with the two countries. South Korea and Japan rank first and third, respectively, among the city’s sources of foreign capital, Liu said. Official statistics show it has utilized \$13.24 billion from South Korea and \$3.4 billion from Japan, accounting for nearly half of the two countries’ total investments in the province.

As of this year, city authorities have granted approval to nearly 11,000 South Korean-funded projects and almost 1,900 from Japan. Japan and South Korea are Qingdao’s second and third largest trade partners, with combined trade volume over the past five years reaching more than \$76 billion. “So it is necessary to simplify customs procedures at Qingdao to facilitate trilateral trade among the three countries,” Liu said. The city’s proximity to the two countries has made it a preferred destination for both tourism and living. It has received 700,000 South Korean visitors and 1 million Japanese over the past three years. Nearly 100,000 people from these two countries live in Qingdao. “As a result, Qingdao is the optimal city for the three countries to conduct cooperation in finance, tourism,



Jiaozhou Bay Bridge, one of the world’s longest cross-sea bridges, and the tunnel underneath play significant roles in facilitating the development of the peninsula’s east and west coasts.

logistics and modern service industries,” Liu said. In addition, Qingdao houses more than 10 universities, including the China University of Petroleum (East China) and the Ocean University of China, which enable the city to cooperate with South Korea

and Japan on personnel training and exchanges. The city is also expected to boost ocean-based economic sectors, such as shipbuilding and aquatic equipment manufacturing, by introducing advanced technology from these two countries, Liu said.