



Province eyes growth, higher living standards

Plan calls for heavy investments in emerging industries, social welfare

By **JU CHUANJIANG** and **WANG QIAN** in Jinan

Shandong's provincial development plan has set high goals for economic growth and quality of life this year, said Jiang Daming, governor of the eastern coastal province.

"The government will make every effort to improve the industrial structure, foster new areas of economic

growth and meet the new economic and social development targets," Jiang said at the ongoing National People's Congress and the Chinese People's Political Consultative Conference meetings, which opened in Beijing on March 3.

Jiang said Shandong's total GDP this year is expected to hit 4.9 trillion yuan, an increase of 9.5 percent from 2011 and slightly lower than last year's

target of 10 percent.

"The rate, which is also 1.4 percentage points short of actual GDP growth last year, has been set purposefully," Jiang said.

"Instead of rapid growth, our major focus is on improving our economic development pattern to balance growth with quality and efficiency," Jiang explained.

Meanwhile, the governor said the province will work to

drive market demand and fight inflation. Officials aim to keep inflation under 4 percent and ensure the total retail sales of consumer goods continues to rise by 15 percent.

A huge budget

To reach the targets, the government proposed a budget of 3.1 trillion yuan for fixed-asset investments, up by 17 percent from last year.

About 2.66 trillion yuan, or 86 percent of the total package, will be invested in emerging industries, technological innovation, construction of urban and rural infrastructure, water and energy

conservation, and environmental protection. Also, a portion will be used to raise the quality of life within the province.

A total of 1,000 projects focusing on high-tech innovation will be launched to accelerate the restructuring of traditional industries.

Furthermore, 10 advanced industrial zones and parks will be established to support emerging industries like alternative energy, advanced materials, new medicines, marine economy and information technology.

The government will also fund the establishment of a number of national-level technology innovation centers for industries such as marine science and engineering, bio-medicines, machine manufacturing, and electronic communications.

Jiang said the coastal province is poised to get more active in the global economy.

The government predicts a 10 percent growth in the province's foreign trade, which is expected to hit \$260 billion this year. It is actively encouraging more foreign investment in sectors like advanced manufacturing, modern services and modern agriculture.

As the birthplace of Confucius, the province has plans to make use of its historical legacies in its modern development.

"The creative industry — from filmmaking and entertainment to publishing and animation — as well as tourism, should look back to our deep Confucian roots to get special attention from the world," Jiang said.

Through greater cooperation with Japan and South Korea, the cities of Jinan, Qingdao



Our major focus is on improving our economic development pattern to balance growth with quality and efficiency."

JIANG DAMING
GOVERNOR OF SHANDONG



and Yantai are expected to see robust growth in the animation industry, he said.

Energy conservation and environmental protection will not be left out of Shandong's development plan, Jiang said. A low-carbon, circular economy is being promoted around a central idea of cutting energy consumption and realizing a 90 percent treatment rate for urban sewage.

People to benefit

Jiang said the government will prioritize improvements to the public standard of living. He said through a series of social welfare policies, more can share the fruits of economic growth.

"We will try to improve people's living conditions and social security by building more affordable housing, raising farmers' incomes, reforming the healthcare system and increasing public services," Jiang explained.

The government will continue to implement several policies on property development and land supply. It promises to invest 800 million yuan to build at least 305,100 government-subsidized affordable apartments this year.

The government also aims to

increase the employment rate and create equal job opportunities among urban and rural residents.

Jiang said the government hopes to help 1.2 million rural laborers find jobs in cities and offer 1 million new vacancies to urban residents.

The per capita disposable income of its urban residents and the net income of rural people will both increase by 10 percent this year, Jiang predicts.

The governor said authorities will endeavor to balance the development of urban and rural areas.

"We will actively and prudently move forward with urbanization and construction of a new countryside," Jiang said.

He said the government will take significant steps toward the urban-rural integration of public services and infrastructure this year.

The governor also predicted Shandong's urbanization rate will surpass 52 percent this year, and the province is expected to lead the nation's latest push to build infrastructure in the countryside.

You may contact the writers through juchuanjiang@chinadaily.com.cn



PROVIDED TO CHINA DAILY

Shandong's ports handled more than 900 million tons of cargo last year, making the province a hub of foreign trade in China.

Coastal area prospers despite world in crisis

By **ZHAO RUIXUE** in Jinan
zhaoruixue@chinadaily.com.cn

Shandong province has made "significant progress in the course of opening up and development" despite the ongoing world economic crisis, Shandong Governor Jiang Daming said at the provincial people's congress, which concluded on Feb 24.

The province's GDP grew 10.9 percent in 2011 to 4.5 trillion yuan, making it the third province to surpass the 4-trillion-yuan mark after Guangdong and Jiangsu.

Jiang attributed the growth to the province's strategy of simultaneously developing traditional and emerging industries.

Thanks to the further restructuring of its traditional and emerging industries, Shandong's industrial enterprises reported a total turnover of 10 trillion yuan last year.

Total fixed-asset investment in Shandong surpassed 2 trillion yuan last year, an increase of 21.8 percent over 2010. Around 80.4 percent of the funds came from non-governmental entities and were mainly used in the service industry, allocated to enterprises for technologi-

cal upgrades, and invested in innovation.

For instance, Shandong spent 1.8 percent of its GDP to promote independent innovation last year, adding 20 new research and development centers.

In addition, a total of 188.5 billion yuan was spent on agriculture, an increase of 31.1 percent over 2010.

Despite extreme drought, Shandong harvested 44.2 billion kilograms of wheat and corn last year, with output increasing for the ninth consecutive year. This achievement is largely attributed to the 84,000 water conservation projects the province built last year at a cost of some 17.5 billion yuan.

About 1.2 trillion yuan — more than half of the province's total fixed-asset investment in 2011 — was spent on the service industry, an increase of 23.8 percent from 2010. Last year, the sector generated 1.7 trillion yuan in revenue.

The province's foreign trade totaled \$235.99 billion last year, up 24.8 percent from 2010. Exports amounted to \$125.8 billion, increasing 20.7 percent.

The European Union has become the largest mar-

ket for Shandong's exports, accounting for 17.4 percent of Shandong's total exports.

To boost foreign investment, Shandong held several promotional events overseas, resulting in a total of \$15.79 billion worth of projects signed last year.

With respect to domestic consumption, the consumer price index rose about 5 percent last year, 0.4 percentage points lower than the national average.

Consumer demand was further stimulated, with retail sales of consumer goods in the province reaching 1.6 trillion yuan last year, an increase of 17.3 percent.

To further promote its growth, the province's authorities have strengthened coordination on several regional development plans, especially the Yellow River Delta Eco-Economic Zone and the Shandong Peninsula Marine Economic Zone, which have been approved as part of the national development strategy.

Zhang Weiguo, an expert at the economic research center of the Shandong Academy of Social Sciences, said that the Yellow River zone and the marine economic zone have developed into engines for Shandong's growth.

Economic zones drive Shandong's GDP

By **WANG QIAN** in Jinan
wangqian@chinadaily.com.cn

Two special industrial zones in Shandong province have become major engines for local economic growth since the State Council approved them over a year ago.

"The Shandong Peninsula Marine Economic Zone and the Yellow River Delta Eco-Economic Zone have developed into new powerhouses for Shandong and hot spots for domestic and foreign investors," said Zhang Chaoshao, head of the Shandong Development and Reform Commission.

Covering the entire Shandong coast, the marine economic zone encompasses more than 3,000 kilometers of coastline, one-sixth of the nation's total. The zone is designed for marine industries, such as marine biology, equipment manufacturing, resource exploration, fishing, transportation and modern logistics.

The Yellow River Delta zone features a vast area of undeveloped land, more than 10 times that of the Binhai New Area in Tianjin. It focuses on modern agriculture, petroleum exploitation, equipment manufacturing, textile production and eco-friendly tourism.

Last year, the two zones reported combined revenue of 2.3 trillion yuan, contributing more than half of the province's GDP. Their export volume and actual use of foreign investment both accounted for 70

percent of the province's total, Zhang said.

He added that a combined 2 billion yuan was invested in a total of 285 high-tech and eco-friendly projects launched in the zones last year.

This year, the provincial government seeks more growth in the zones and has pledged to spend 2.8 billion yuan to help local enterprises establish facilities for technological innovation, said Song Junji, a provincial government official responsible for the two zones.

In addition, two fund management companies for the marine industry were established in the provincial capital of Jinan last month, and they are expected to raise nearly 50 billion yuan worth of capital

within a few years.

Development of the two zones is proceeding smoothly, officials said. Industrial parks have been established, including the Longkou Marine Equipment Manufacturing Park, the Weifang Chemicals Park, the Qingdao Marine Biology Park, the Dongjiakou Marine Industry Park, the Shouguang Vegetable Production Park and the Dongying Petroleum Industry Park.

In 2012, more than 50 large projects in biomedicines, aquatic products, tidal power generation and marine equipment manufacturing will be launched, and these projects will involve an estimated investment of 1.19 trillion yuan.

Song Junji said the zone

located at the Yellow River Delta will have a special focus on environmental protection.

"The Yellow River creates more than 1,000 hectares of new land at its estuary every year, making it possible for large-scale development and construction," said Song.

"However, we still believe wetland protection and rational exploration of undeveloped land are the keys to the area's sustainable development," he added.

Song said a wetland restoration and protection project in Dongying, a city at the heart of the delta, has increased its wetland area by 12,000 hectares over the past seven years. The figure will continue to increase in the years to come, he said.



JU CHUANJIANG / CHINA DAILY

Cars are being assembled at a plant in Dongying, the city at the core of the Yellow River Delta Eco-Economic Zone.