

Shenyang's Tiexi district shines as industrial star

By **WU YONG AND LIU CE**

SHENYANG SPECIAL

South Korea-America Rail Co Ltd, a maker of elevator equipment, will invest \$25 million to start a new company in the Shenyang Economic and Technological Development Zone in Liaoning province.

The 6,000-sq-m production facility is expected to be operational in August after the company signed an investment agreement with the zone's administrative committee on December 30 last year.

Based in the Tiexi Modern Construction Industrial Park, the company will manufacture high-speed elevator guide rails.

Kim Hungil, president of South Korea-America Rail, said China is now in the process of transition to a modern construction industry.

He cited the advantages of the Tiexi park — its industrial expertise, human resources and location — as reasons his company picked the location.

Since its founding last April, the park has secured 99 projects with a total investment of 31.2 billion yuan, of which 30 have started construction.

Among them, 25 with a combined worth of 8.4 billion yuan are funded by overseas investors, according to Li Songlin, head of the Tiexie district.

As well, 114 projects are now under negotiation, Li added.

Located at the eastern end of an industrial corridor in Shenyang, capital of northeast China's Liaoning province, Tiexi park lies at the juncture of the Beijing-Shenyang and Shenyang-Dalian railways. It is also on the way from Shenyang to Yingkou Port at Bohai Bay.

With a total planned area of nearly 50 sq km, the park is expected complete construction in 2020, when it is projected to generate annual industrial output of 500 billion yuan. To date an initial stage covering 12 sq

km has been completed.

Industries related to modern construction like mechanical and electronic products, building equipment and machinery, metal structures and wall materials are priority sectors for the park.

Choice

With a century of history in industrial development, Tiexi district boasts solid industrial foundation and a skilled labor force.

The district has an annual industrial output of more than 190 billion yuan. The equipment and machinery manufacturing sector contributed about 123 billion yuan of the total.

"When we decided to develop construction as a pillar industry, we did not intend to give up our advantageous manufacturing equipment and machinery," he added.

Manufacturing provides equipment and machinery as well as materials needed in construction, while growth in the construction industry promotes expansion of the manufacturing sector, Zeng said.

"Developing a modern construction industry is a decision based on a thorough research and careful consideration with a focus on optimizing the industrial structure and nurturing new economic growth spots," he added.

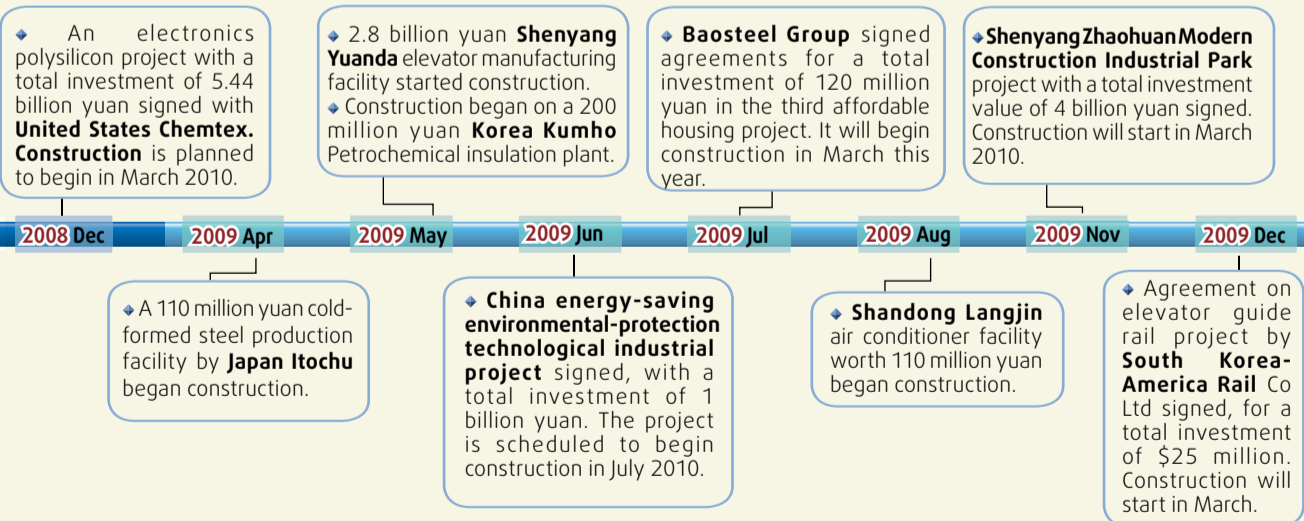
Yao Bing, president of China Construction Metal Structure Association, noted that "the new path of innovative industrialization that the construction industry is taking has close ties with equipment and machinery".

"The traditional advantage in manu-

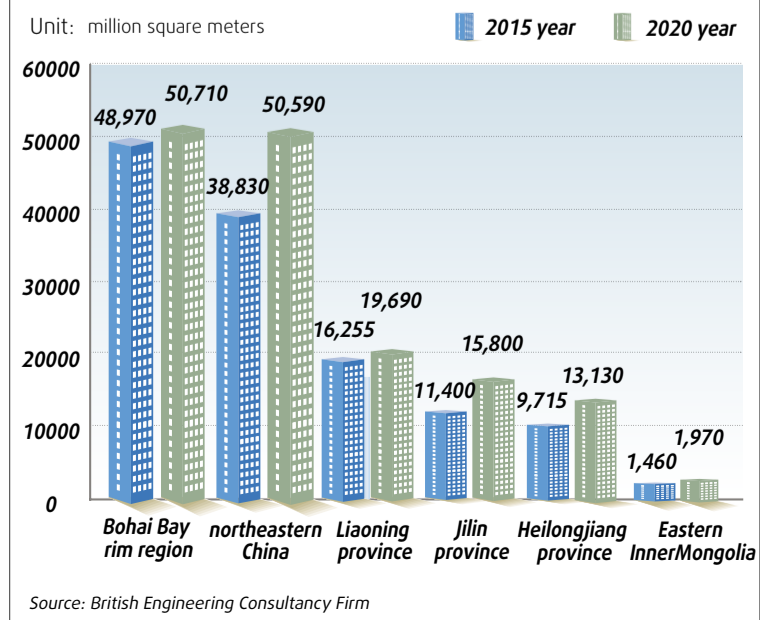


Shenyang-based Yuanda Group's facility in the Tiexie industrial park

Notable Tiexi park projects



Projected new housing construction in the Bohai Bay rim region and northeast China



facturing will provide strong support for the construction industry in technology and facilities and meanwhile promote growth of the latter,' he said.

Opportunity

Data from the British Engineering Consultancy Firm said that China's current construction volume accounts for about half of the global total, ranking the country as the world's largest construction market in both consumption and production.

Sales of construction materials like aluminum-plastic composite panels, ceramics and steel have ranked at the top of the world for years. The country's trade in construction coatings ranks second globally, while its output of elevators is at the top of worldwide production. The nation comprises more than 50 percent of the total global market

for concrete machinery.

Northeast China and the Bohai Bay rim are important building product markets in the country. Their total housing space is projected to reach about 800 million sq m by 2015 and 1 billion sq m by 2020.

"The number of flats constructed in China is approximately 4.5 million annually, about 4.5 times that of Japan. China might be the largest housing market in the world. It is a huge market for entire industries in construction and building materials," said Inoue Ichirou, president of Nichiha Corp.

The enormous market potential has stimulated rapid development of Shenyang's construction industry and helped the growth of leading local industrial players such as Yuanda Group based in Tiexi district.

"Our corporate vision is to open up a channel to the world for Shenyang's modern construction industry," said Guo Zhongshan, vice board chairman of Yuanda Group.

The company has grown into a modern construction group with an annual output value of more than 18 billion yuan, and entered markets in the United States, Japan and the Middle East, among others.

Nurturing businesses

Construction of the Tiexi industrial park provides more opportunities for Yuanda, Guo added.

In addition to nurturing homegrown businesses, Tiexi's advantages have attracted nearly 100 multinationals, 36 of them Fortune 500 firms including GE and BMW.

"A strong industrial base,

advantageous location, well-trained human resources, and upgraded infrastructure all provide a guarantee for development of Shenyang's modern construction industry," said Liu Changfa, president of China Building Materials Industry Planning and Research Institute.

With an annual output of nearly 80 billion yuan in 2008, construction industry has already become a crucial contributor of the city's economy.

"The Tiexi industrial park provides an instrumental platform for Shenyang's development in the new era. With a more open mind, high-quality services and friendly environment, we are on top gear to build the park into a national demonstration zone of modern construction industry," said Wang Ying, the city's vice-mayor.