



A traditional manufacturing hub in South China, Foshan expects to play a big role in the 21st Century Maritime Silk Road initiative. PHOTOS PROVIDED TO CHINA DAILY

# Retooling for modern production

## Maritime initiative and technology converge in Foshan

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Before it was a modern industrial boomtown, Foshan was a dynamic part in the ancient Maritime Silk Road. Today it has a new plan to make its role even more brilliant in China's new initiative to build the 21st-century version of the trade route.

The Pearl River Delta city in South China's Guangdong province is restructuring its

industries to catch the new wave of industrial revolution in smart manufacturing using such technological concepts as Internet of Things and the Internet of Services.

"Having long been a major manufacturing city in Guangdong, or even for the entire nation, the city will continue to highlight the manufacturing industry in its planning for economic growth," said Zhou Zhitong, chief of the city's bureau of commerce.

"The city will upgrade its traditional industries through technological innovation, application of information technology and new types of manufacturing while gearing up efforts to secure investment in smart manufacturing and modern services," he said.

Zhou said traditional industries that have been prioritized for upgrade range from household appliances, porcelain and building materials to textiles and garments, metal process-

ing, food and beverages and furniture.

Smart industries that city highlights include manufacturing equipment for engineering, automobiles, energy saving and environmental protection, new energy, rail transport, satellites and related applications, the Internet of Things, cloud computing, big data, 3D printing, as well as integrated circuits and key components.

Zhou said the equipment manufacturing industry is expected to produce more than 1 trillion yuan (\$159.9 billion) worth of products in 2020.

The sector produced more than 400 billion yuan in products in 2014, about one-fourth of the city's gross industrial output value, official statistics indicate.

Local authorities are also encouraging the development of modern services in industrial design, logistics, e-commerce, industrial software development, supply chain finance and technological support, all expected to help boost smart manufacturing.

"We encourage local manufacturers to innovate their production and operation modes so our manufacturing becomes



Automated production at a packaging plant of Midea Group.

smarter," Zhou said.

"And pleasingly, a growing number of enterprises involved in traditional manufacturing have already taken action."

The official cited the local Midea Group and Wision Furniture Manufacturing Co Ltd as example of companies that incorporate the Internet and other information technologies into traditional manufacturing.

As part of its so-called

"M-Smart" strategy, Midea Group, one of China's leading home appliance suppliers, recently partnered with Beijing-based Xiaomi Inc, a maker of popular smartphones. The two firms will join in developing smart household appliances and mobile Internet business.

Prior to this, Midea forged partnerships with the nation's e-commerce giants Alibaba Group and JD.com to further tap its sales potential.

Foshan Wision Furniture Manufacturing Co Ltd, is keeping abreast of the industrial revolution by using new information and production technologies to innovate its manufacturing process and reform its business model.

According to He Yubing, an executive of Wision, technologies such as big data and cloud computing have made it possible for the company to digitalize its production and make its operations more efficient.



Robots are used by Wision Co for the manufacturing of furniture.

## City blueprint for 'going smarter'

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The city government of Foshan is increasing efforts in attracting investment to help manufacturing industries "go smarter", according to a local official.

The government has put the focus on advanced equipment manufacturing and modern service industries, said Zhou Zhitong, chief of the local bureau of commerce.

"We aim to strengthen such sectors with new investment so we will have bountiful sources to sustain the future growth of our manufacturing industries," Zhou said.

The official said that his bureau will contact potential investors worldwide and approach industry leaders based on thorough feasibility studies.

The city will launch several promotional campaigns at home and abroad to make its competitive investment climate and business opportunities better known among its potential investors.

To aid in attracting investment, Zhou said Foshan will continue to improve its major facilities including the State-level Foshan High-Tech Zone, the Sino-German Industrial Services Zone and the Guangdong High-Tech Service Zone for Financial Institutions, as well as several other industrial zones and parks for smart manufacturing, new light industry and new materials.

The facilities are expected to better accommodate advanced projects and high-quality human resources nationwide and worldwide.

Analysts said that today's Foshan has many aces to play



The Foshan Bureau of Commerce is the first government department in China to hire foreign professionals.

that can win the hearts of investors.

They said the city's livability, modern public facilities, a business climate that welcomes international practices and the complete industrial chains make it an alluring destination.

Only about 20 kilometers from downtown Guangzhou, Foshan residents have easy access to public facilities in Guangzhou and other Pearl River Delta cities through the Guangzhou-Foshan metro line, the first intercity metro in China.

As one of China's pilot cities for administrative approval reforms, investors in Foshan can enjoy the simplest and quickest administrative procedures in the nation, made even more convenient by service from foreign professionals, they added.

The Foshan bureau of commerce is the first if not only government department in China that has hired foreign

professionals on its staff.

And Foshan has developed an unprecedented array of industry chains thanks to the city's legacy as an historical industrial boomtown and its strategy of seeking investment in building, supplementing and consolidating industrial chains in recent years.

The industry chains range from machinery and equipment to household appliances, porcelain, building materials, metal processing, textiles and garments, electronics and IT as well as food and beverages, refined chemicals and medicine, household goods, optoelectronics, environmental protection, new materials, new medicines and new-energy vehicles.

The latest official statistics show that 98 of the foreign-funded projects launched in 2014 involved capital input of at least \$10 million each with their total investment hitting \$8.29 billion.

## Living legacy of maritime trade

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A major manufacturing city in South China, Foshan has positioned itself well as one of the hubs in the nation's 21st Century Maritime Silk Road initiative.

"Historically speaking, Foshan played an active part in the ancient trade route as a producer and exporter of porcelain and silk as well as its geographical proximity to Guangzhou," said Zhou Zhitong, chief of the bureau of commerce of Foshan.

Guangzhou was a major trade port, while Foshan supplied products desired around the world.

The ancient Maritime Silk Road was a trade route that carried goods from China to Southeast Asia, South Asia and East Africa then on to the Persian Gulf and Red Sea.

The new version of the Maritime Silk Road is an initiative Chinese President Xi Jinping proposed in 2013.

"With our traditional and present position as a key manufacturing hub in Guangdong, we will play an even bigger part in the nation's initiative," he said.

"We will seek to strengthen trade ties and industrial cooperation with the regions along the route and we will encourage more local enterprises to

invest there," he added.

Zhou said that tens of thousands of overseas Chinese of Foshan origin in those regions as well as industrial zones the city has developed for investors and the city's easy access to the resources of Guangzhou will be among Foshan's advantages for greater involvement in the national initiative.

The city had 79 projects funded by businesses along the route from 2012 to 2014. The agreed investment of the projects reached \$763.60 million, accounting for 7.2 percent of the city's total. The actual investment was \$447.35 million in the three years, 5.9 percent of the city's

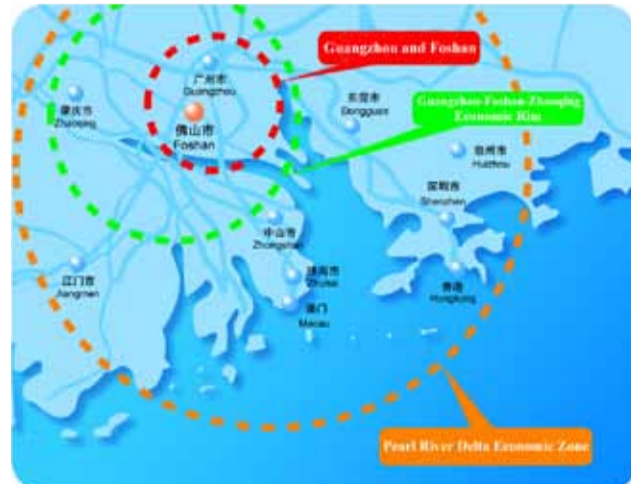
total, according to local statistics.

Foshan's foreign trade with Southeast Asia, India, the Middle East and Africa totaled \$22.35 billion in 2014.

Exports in the year were \$12.52 billion. The value of imports in the period was \$9.83 billion.

Businesspeople in the city had invested \$269 million in 35 projects in regions along the trade route by 2014.

According to Zhou, local household appliances giant Midea Group alone has projects in Vietnam, Thailand, India and Egypt with requiring investment of \$124.9 million.



Foshan, about 20 km from Guangzhou, shares the resources of the provincial capital and other neighboring cities.

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