



The booth of GAC Group, a Guangzhou-headquartered automaker, receives an influx of foreign visitors during the first phase of the ongoing Canton Fair. PROVIDED TO CHINA DAILY

Guangdong hinges on manufacturing sector for bullish momentum

Canton Fair showcases host's commercial and industrial expertise

By WANG JINHUI

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Local enterprises showcased a variety of top-notch products and cutting-edge technologies at the first phase of the 136th China Import and Export Fair, or the Canton Fair, in Guangzhou, South China's Guangdong province, highlighting the commitment to the real economy and leadership in advanced manufacturing.

The Guangzhou trade delegation saw participation of 336 enterprises representing new quality productive forces, a 6.6 percent increase from the 135th session. Among them, Chinese automaker GAC Group presented its first global strategic model from its new energy vehicle brand Aion. It featured advanced intelligent driving functions such as urban and highway navigated driving assist and one-click remote parking.

In recent years, Guangdong has steadfastly been advancing new industrialization to establish itself as a manufacturing province. The



province's industrial scale accounts for about one-eighth of China's total, with its manufacturing scale comprising nearly 4 percent of global manufacturing. The province hosts all 31 categories of manufacturing, with the sector making up about one-third of its GDP. High-tech manufacturing contributes more than 30 percent to the industrial added value of the enterprises each with annual business revenue reaching 20 million yuan (\$2.81 million).

At the forefront of China's reform and opening-up, Guangdong holds a significant position in the country's manufacturing landscape. In the early days of reform in the 1980s, the province was known for its manufacturing industries of food, beverage, clothing and household appliances; in the 1990s, for automobiles, ships, petrochemicals and machinery; and nowadays, for

advanced equipment manufacturing, NEVs and many more. Guangdong has transformed from the world's factory to a hub of industrial innovation.

"Guangdong's commitment to manufacturing and advanced manufacturing development is rooted not only in its solid economic foundation but also in years of self-exploration and overcoming various challenges," said Peng Peng, executive chairman of the Guangdong Society of Economic Reform.

He said that Guangdong's early layout for advanced manufacturing began in the 12th Five-Year Plan (2011-15). Since reform and opening-up, Guangdong's industrial restructuring has been international in nature. Recent changes in the global industrial landscape have pushed Guangdong to strengthen its industry and supply chains.

Moreover, Guangdong has adhered to a "going global" strategy, gaining more international experience and forming a global perspective for industrial iteration and

renewal, Peng said.

Peng believes Guangdong has developed a mature "industry, academia, research and finance" model, achieving significant results in the race for industrial technology leadership.

The annual report on China's regional innovation capability in 2023 shows that Guangdong has ranked first for seven consecutive years. The driving force of Guangdong's regional innovation capability is its enterprises, particularly private enterprises.

Bai Ming, a member of the Academic Degree Committee at the Chinese Academy of International Trade and Economic Cooperation, noted: "The spillover effect of technological innovation in the Guangdong-Hong Kong-Macao Greater Bay Area is significant, leading national technological innovation."

Guangdong has advantages in industries such as NEVs, electronic information and biomedicine. Transforming these advantages into innovation-driven growth and expanding development space will be crucial for Guangdong's future in building new quality productive forces, Bai said.

Official data indicate that in 2023, Guangdong's manufacturing enterprises each with annual business revenue reaching 20 million yuan achieved more than 18 trillion yuan in operating revenue, 4 trillion yuan in added value and 1 trillion yuan in profits. Of the total investment in the manufacturing sector in the first eight months of this year, 29 percent and 49.9 percent went to high-tech manufacturing and advanced manufacturing, respectively.

"The investment in advanced manufacturing and high-tech manufacturing far exceeded the growth rate of industrial investment in the first eight months, laying a solid foundation for the high-quality development of manufacturing in the next step," said Zou Yongbing, chief economist of the Guangdong Provincial Department of Industry and Information Technology. Guangdong should strengthen the innovative role of enterprises and improve the technological innovation system of manufacturing, Zou added.

Small and medium-sized enterprises are key to achieving independent and controllable industry and supply chains. From 2018 to 2023, the number of SMEs in Guangdong increased from some 4.4 million to more than 7.2 million. In that time, eight manufacturing enterprises entered the Fortune Global 500 list. The province also cultivated 190 national manufacturing champions; 1,528 specialized and innovative "little giant" enterprises; 27,339 specialized and innovative SMEs; and 42,815 innovative SMEs, all leading the nation in numbers.

Foreign guests tour some of province's dynamic enterprises

By YUAN SHENGGAO

GD Today, an international media outlet of Nanfang Media Group in Guangdong province, launched a business tour for Canton Fair guests on Saturday. Eleven guests from six countries including the United Kingdom, Italy, Pakistan, Peru and Thailand joined the tour and visited some of the advanced manufacturing enterprises in Guangzhou, capital of Guangdong province.

As the first stop, they visited Guangzhou Bio-island and were amazed by the cutting-edge medical technologies.

Enrique Medrano, consultant of Biz-Asia and a Peruvian buyer, said that he did not know that there was such a cluster of high-end medical technology and research in Guangzhou.

The bio-island is a good place for demonstrating Guangzhou and China's achievements to the world, he said. "We can learn so many things from how they're doing things here. And then we can bring these ideas and technologies to our country in Latin America."

Abdul Sammad, researcher of LifeOne Pakistan, was interested in an autonomous catheter exhibited at the bio-island, which can travel through blood vessels to go inside the body and on to the brain, the heart and so on.

He said that although the idea has been in practice for a long time, seeing it become commercialized has excited him greatly. "I got a bio-island marketing team

6 countries

from which the business tour guests hail

member on my WeChat. I'm actually in contact with them. I have to have a meeting with them to see what and how they can (make an offer) to me."

The group also visited XAG, an enterprise focusing on agricultural drones and agricultural technologies in general. The advanced drones and agricultural internet of things system that monitors rainfall, temperatures, wind and soil, and autonomous farm driving system, all aroused interest among them. Some of them asked about the flight speed, distance, altitude and more about the drones, and were curious about the potential adaptation of them for use in their own countries.

The tour guests said that they wished for more such events in the future, to explore more advanced technologies in Guangzhou and even in other cities in the Guangdong-Hong Kong-Macao Greater Bay Area, such as Shenzhen.

GD Today is planning another tour on Oct 27 afternoon and applicants will have the chance to visit some well-known enterprises of consumer goods and household items in Guangzhou.

Guo Chuhua and Li Muzi with GD Today contributed to this story.



An XAG staff member introduces a drone developed by the Guangzhou-based company to Canton Fair guests on a business tour of the city. ZHANG LING / FOR CHINA DAILY

Clusters of strategic and future industries mapped out for economic leadership

By YUAN SHENGGAO

Guangdong aims to develop a biopharmaceutical and healthcare industry cluster with a combined output value of more than 1 trillion yuan (\$140.82 billion) in 2027, according to a plan released by the provincial government.

The action plan for promoting the high-quality development of the biomedical industry in Guangdong, issued on Oct 9, projects the scale of the local pharma enterprises, each with annual business revenue reaching 20 million yuan, to surpass 500 billion yuan by 2027.

Its goal is to develop at least 15 businesses, each with annual revenue exceeding tens of billions of yuan to hundreds of billions of yuan; form a group of specialized and innovative companies in specific fields; foster unicorn companies — startups valued at more than \$1 billion — and industry champions; and promote well-known domestic and foreign pharmaceutical companies to establish regional centers in the province.

To this end, the action plan has listed 38 tasks and measures centering around multiple areas including innovative mechanisms, product upgrading, industry clustering and building an industry-friendly environment.

Competitive strengths

Over years of development, Guangdong has established a foundation and advantages in growing the biomedical industry.

Since 2018, large-scale biomedical enterprises in the province have seen an average compound annual growth rate in their operating revenue exceed 10 percent.

The biomedical and healthcare industry cluster in Guangdong achieved 663.8 billion yuan in operating revenue in 2023, putting the province at the forefront of the country.

663.8 billion yuan

operating revenue generated by the biomedical and healthcare industry cluster in Guangdong in 2023

Guangdong has also maintained its No 1 position in China for years in terms of medical device industry scale. Currently, there are more than 58,000 people working in research and development in the biomedical industry.

"This plan fully demonstrates Guangdong province's emphasis on the biomedical industry. In this plan, I see many opportunities, such as building platforms," said Liu Jian, CEO of the Bioisland Innovation Center at BeiGene.

"China established many incubators before, but now it is not just about incubation; researchers themselves also engage in commercialization and industrialization of their research achievements. Currently, institutions such as the Shenzhen Bay Laboratory and Guangzhou Laboratory are focusing on commercialization and industrialization of research results. The release of this plan, I believe, will provide further support for accelerating the commercialization of related achievements."

Michael M. Yang, senior vice-president (innovation and enterprise) of City University of Hong Kong and the Yeung Kin Man chair professor of biomedical sciences at the school, said that the development of the biomedical industry requires collaboration and cooperation among various sectors such as government, industry, academia, researchers, investors and medical professionals.

The Guangdong-Hong Kong-Macao Greater Bay Area, which has



Using a computer's numerical control system, workers operate machines on the production line of a textile company in Shantou, Guangdong province. PROVIDED TO CHINA DAILY

abundant industrial and supply chain resources, as well as a foundation for innovation, can play an important role in the global collaborative development of the biomedical industry, he said.

Modern system

The biopharmaceutical and healthcare sector is one of the 10 strategic pillar industry clusters that Guangdong is developing.

In June 2020, Guangdong proposed to ramp up the construction of a modern industrial system led by scientific and technological innovation, by developing 20 strategic industry clusters.

Of them, 10 focus on the strategic pillar industries of new-generation electronic information; green petrochemicals; smart home appliances; automobiles; advanced materials; the modern light industry and textiles; software and information services; ultrahigh-definition display; biopharmaceuticals and health; and modern agriculture and food.

The other 10 strategic emerging industries cover semiconductors and integrated circuits; high-end

equipment manufacturing; smart robots; blockchain and quantum information; cutting-edge new materials; new energy; lasers and additive manufacturing; digital creativity; safety, emergency response and environmental protection; and precision instruments and equipment.

Official data show that the 20 strategic industry clusters' added value achieved a year-on-year increase of 5.2 percent in 2023, accounting for 40 percent of Guangdong's GDP.

The revenue of the 10 strategic emerging industry clusters reached nearly 3 trillion yuan in 2023, a year-on-year increase of 9.2 percent in added value, nearly doubling the GDP growth of Guangdong during the period, becoming a new engine of the province's economic growth.

Another ambitious move

On Sept 30, the provincial government issued another action plan for future industries — future networks, general intelligence, life and health, low-carbon energy, advanced materials, future space

and quantum technology.

By 2027, Guangdong aims to make breakthroughs in core technologies in several key areas; establish high-level innovation platforms for future industries; create demonstration scenarios for the industries; and foster internationally influential leading and innovative enterprises. By then, the clusters of future industries will have taken shape, according to the plan.

By 2035, the entire innovation chain of future industries is projected to be in place in Guangdong, forming a number of benchmark products and services ranking at the forefront of science and technology in future industries.

In areas such as future networks, general intelligence, and life and health, several globally leading future industry clusters will be formed, making Guangdong a global source of innovation and a highland for the development of future industries.

"The industry layout in Guangdong reflects (the decision-makers') foresight and strategic thinking," said Zhu Keli, founding director of the China Institute for New Economy and director of the Bay Area Institute of New Economy.

This move will not only help Guangdong gain the upper hand in future competition but promote the optimization of its economic structure and enhance its competitiveness, Zhu said. Guangdong has a complete industrial support system and comprehensive supply and industry chains for the development of future industries across the board, he added.

Additionally, Guangdong has a super-large market scale and is rich in application scenarios, which contribute to the rapid iteration and growth of future industries.

At the same time, the province has strong manufacturing and technological innovation capabilities, which enables Guangdong to take a

leading position in the landscape of future industries. It is expected to accelerate the formation of several globally leading future industry clusters.

As the No 1 manufacturing province and economic powerhouse in China, Guangdong is at the forefront of the country in fostering and developing industrial clusters.

The province has established eight industrial clusters, each capable of generating over 1 trillion yuan in annual production output value. They encompass new-generation electronics and IT, the modern light industry and textiles, advanced materials, green petrochemicals, modern agriculture and food, smart home appliances, software and information services, and automobiles.

In addition, three industrial clusters — new energy, ultrahigh-definition display, and digital creativity — have annual production capabilities surpassing 500 billion yuan each. Seven industrial clusters — biomedicine and health, safety emergency and environmental protection, high-end equipment manufacturing, semiconductors and integrated circuits, precision instruments and equipment, lasers and additive manufacturing, and cutting-edge new materials — have annual production capacities exceeding 100 billion yuan each. And two industrial clusters — smart robots, as well as blockchain and quantum information — boast annual production capacities of over 10 billion yuan each.



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