

Foshan master plan for new industries

Mayor: 3-year initiative has 'strategic importance'

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Foshan made a good start last year on its three-year master plan to modernize the city's

industrial chain by securing a large number of investment projects.

The latest statistics from the Foshan Foreign Trade and Economic Cooperation Bureau

show that 23 key projects with total investment 33.12 billion yuan (\$5.33 billion) began in the Pearl River Delta city last year that are expected to help build new industrial chains.

Some 168 other operations with combined investment of 95.7 billion yuan were started to support or consolidate the city's existing industries.

The city began implementing the three-year plan in 2012.

It outlines industrial chains with "strategic importance" including new-generation IT, new energy, biomedicines, flat-panel displays, automobiles, semiconductor lighting, and modern services, as well as traditional industries ranging from equipment manufacturing and household appliances to new materials.

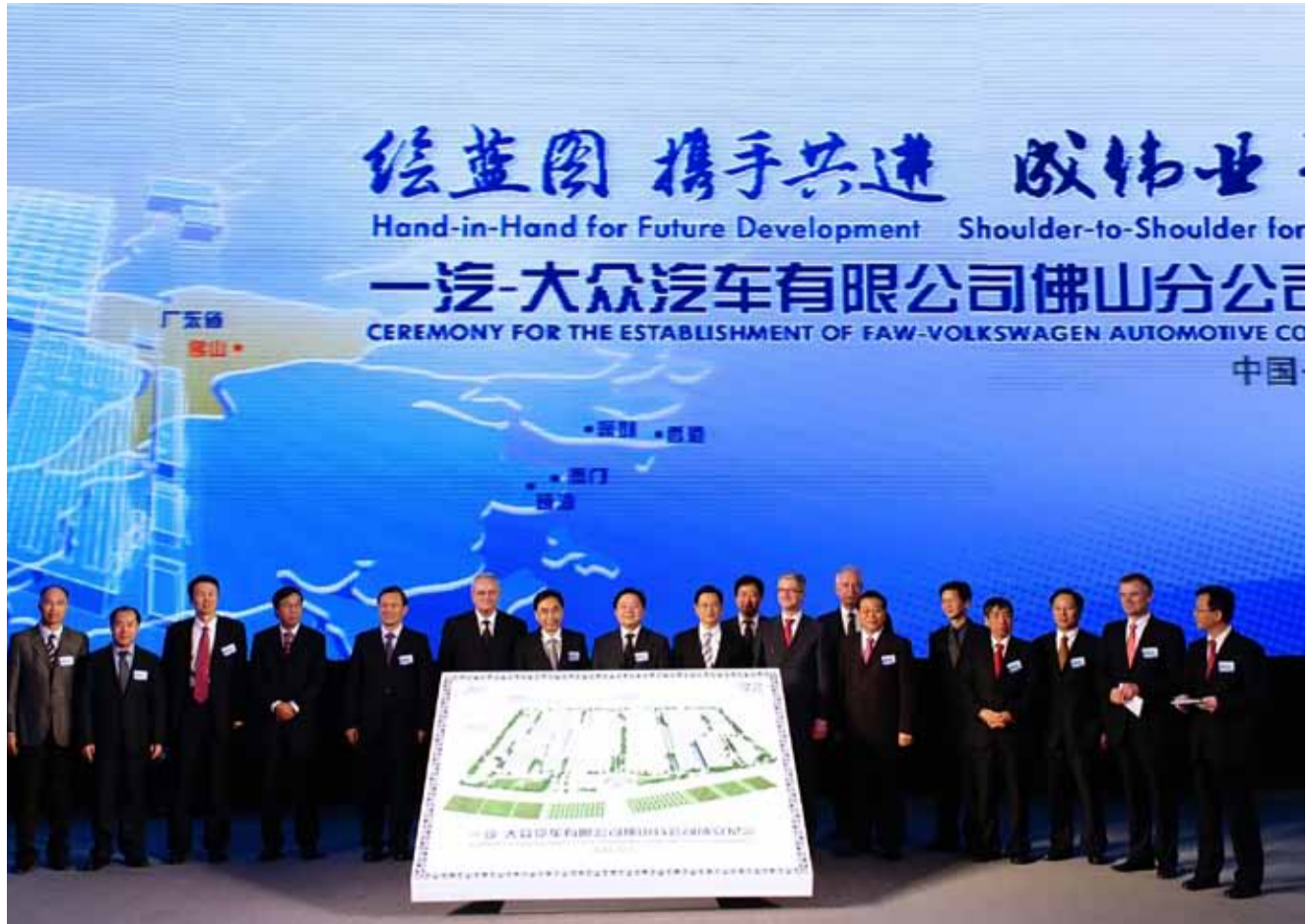
Foshan Mayor Liu Yuelun said the plan lays the groundwork for growth areas that will help fuel the city's future development.

"We highlight these strategic industries in the plan because of their substantial development potential," he said.

"But that doesn't mean we will ignore well-developed traditional industries such as furniture and ceramics. The city government will continue to support these sectors as before."

Liu said he expects the new industrial chains to begin taking shape initially by 2015 and become the city's new pillar industries in a decade.

"Foshan plans to grow into a leading hub for manufactur-



FAW-Volkswagen signed up to build its Foshan facility in 2010, helping make the city an auto industry hub in Guangdong.



The Midea Group (above) and AsiaAlum Group (below) are top companies in household appliances and building materials, traditional industries in Foshan.



ing and modern services in Guangdong province with an economic volume estimated at 3 trillion yuan by 2015," said the mayor.

"To fulfill the goal we need a large number of investments into these strategic industries."

To attract investment, the city government of Foshan has required its various departments to coordinate to

improve the quality and efficiency of services for investors, said Liu.

He noted that the city government can help investors gain access to bank loans more easily because of its close ties with local financial institutions.

"Investors can expect a better business environment in Foshan because we are implement-

ing a massive plan to upgrade infrastructure. The city will have a new image by 2014," Liu said.

The local government is investing 112.2 billion yuan in 103 major new infrastructure projects that will upgrade aging downtown areas and public facilities.

The growing investment will give the city's major industrial

zones — including the Foshan High-Tech Industrial Development Zone, Foshan New Town and Guangdong High-Tech Financial Service Zone — better facilities and increase their appeal to investors, said Liu.

"We also began a new human resources development plan in 2012 to seek high-caliber professionals worldwide and train local talent," the mayor said.

Flow of investment funds remains strong

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Despite the global economic slowdown, Foshan received growing capital flows from home and abroad last year, showing its appeal to investors is still strong.

The boomtown in Guangdong province secured \$3.31 billion worth of foreign investment contracts in 2012, a 1.46 percent increase from a year ago. But actually utilized foreign capital grew

more than 9 percent to \$2.35 billion, according to official statistics.

The city now has 9,250 foreign-funded projects.

International big names such as Siemens, Volkswagen, Dupont, Bosch, Coca-Cola, Budweiser, Invista, Shell, Caterpillar, Hitachi, Total Fina Elf, Honda and Toshiba have all invested in the city.

The list also includes Japan's Kobe Steel, Toyota and Sumitomo Mitsui, South Korea's Posco, Italy's Fiat, H.

J. Heinz from the US and many others.

Zhou Zhitong, director-general of Foshan Foreign Trade and Economic Cooperation Bureau, said the city's growing allure to investors is due to its already competitive industrial chains, great market potential and favorable location.

One of the most-developed cities in Guangdong, Foshan is already home to such industries as household appliances, machinery, ceramics, build-

ing materials, textiles and garments, food and beverages, plastics, chemicals, pharmaceuticals and metals.

Newer industries in the city that have achieved rapid growth in recent years include automobile production, optical-electrical products, new materials and environmental protection.

"It's evident that new investors can benefit greatly from the complete industrial chains here," the official said.

Zhou said tens of thousands of different types of manufacturers in and around the city generate huge demand for everything from raw materials, parts and components to finished goods and services.

He added that the well-off population in the city and its locale mean a ready and prosperous consumer market.

Zhou said the market size can be magnified many times because of city's prime location that is only 16 kilometers from the provincial capital Guangzhou and a two-hour drive to Hong Kong and Macao. It conveniently shares the facilities — seaports, railways, airports and highways — of its neighboring areas.

Another key reason for investor favor is the city government's highly efficient and professional services for investors, said Zhou.

"Many investors told me that our services helped them decide to locate here," he said.

He added the city government cancelled almost all its banquets during the Spring Festival to save money, except a reception for foreign investors.

"We think the reception was a very necessary channel for communicating and solving problems," he said.

"A senior executive of a foreign-funded company did turn to us for help and his problem was solved right that evening," he said.

The official added that the Foshan government has a stronger rule of law than many other regions.

The city launched a tribunal for intellectual property rights cases a decade ago, the first among similar cities in China.

It even has the nation's first elementary school that offers an IPR course.

Foshan also leads many other cities in the number of approved patents and trademarks, he said.

"We will learn from the world's developed economies in improving infrastructure and services. For instance we are now studying Germany in these aspects," he said.

The city government estimates foreign investment will rise 6 percent this year.



The new Sino-German Industrial Service Zone is designed to have a business environment similar to parks in Germany.

Germany center latest in international links

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Zongshen Industrial Group recently signed an agreement with the government of Foshan to set up a South China Germany Center in the city's Sino-German Industrial Services Zone.

Chongqing-based Zongshen is one of the nation's industrial giants, reported to have close relations with many European companies.

According to the agreement, the center will facilitate cooperation between the Foshan zone and industrial organizations and training agencies in Germany.

"The deal marked a milestone in the zone's development," Foshan Mayor Liu Yuelun told the local media.

With a planned area of 26 square kilometers, the Sino-German zone was founded in 2012.

It was developed to foster industrial services such as R&D and design, test and certification, information sharing, conventions and exhibitions and vocational training.

It is envisioned as a model zone with management standards and a business environment similar to industrial parks in Germany.

According to Xu Ping, deputy director of the zone's administrative committee, the area will take a series of measures to improve its R&D and other

public services.

The moves include forging a partnership with Germany's leading R&D institute Fraunhofer-Gesellschaft, introducing 20 to 30 R&D teams from home and abroad and establishing a Sino-German enterprise service center.

Xu said the zone will continue to seek cooperation with industrial associations and research institutions in Europe, the US, Japan, South Korea and Taiwan to improve services for the local manufacturing industry.

The cooperation has already led to the establishment of several research sites including the Asia-Europe Economy Research Center, according to Xu.

The zone is now preparing to build a polytechnic school and several other training institutes with possible investment from Canadian and German businesses.

An institute for training multimedia and animation professionals is also planned for the zone with funding from the globally renowned SAE Institute and a local digital media company.

Xu said the zone's officials are also in talks with Germany's Bavarian government and the Federal Association for Economic Development and Foreign Trade, as well as the Asia Dragon Boat Federation, to locate their China or regional headquarters in the zone.



Only 16 km to Guangzhou and a two-hour drive Hong Kong and Macao, Foshan shares markets and facilities with neighboring areas.



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The Foshan High-Tech Financial Service Zone is attracting an increasing number of financial institutions due to its modern business climate.