

What they say

Editor's note: Business executives, a government official and a school principal were among those who shared their insights into Yantai's ties with the Republic of Korea. **Yang Cheng, Zhao Ruixue** and **Wang Qian** report.

"Container throughput from Yantai to the Republic of Korea saw a year-on-year increase of 10 percent during the first half of this year. One more container shipment line was added in the second half of last year to meet the increased needs of businesses."

Huang Shuren, vice-president of Yantai International Container Terminals Co Ltd

"We are ready to open train-ferry services from Yantai to Pyeongtaek. Our train ferry project has the world's leading technologies and has been tested many times to ensure that it is safe. On the Yantai side, we are ready in every respect, based on our previous agreements with the ROK, and we expect the ROK side to officially open their services there to benefit bilateral trade ties."

Liu Jun, general manager of Sinorail Bohai Train Ferry Co Ltd

"Korea Town, run by our company, is expected to take shape as a pioneer of the China-ROK Yantai Industrial Park. It is, in the near future, expected to become the country's largest ROK products' logistics hub and exhibition center as well as the country's largest ROK residential community."

Li Guo'an, president, Huanan Group

"Our company has already benefited significantly from the FTA agreement, to the tune of at least 1 million yuan (\$150,000) since the FTA was launched last year. Doosan has become China's top manufacturer of earth excavators in terms of inventory. Our accumulated sales hit 140,000 units in 2015. In terms of my life here, I think Yantai offers convenient transportation to ROK and improved schooling for my children."

Park Chanhyug, vice-president, Doosan China

"Yantai's opening-up is on a sound growth trajectory. I learnt that more supportive policies for international schools are in the pipeline. We have set our sights on cementing our foothold by expanding our school into an international school, not only benefiting ROK children but also more children of foreign investors in Yantai."

Kim Changueun, Principal, Korea School in Yantai

"Our community has seen a growing number of new ROK residents. They bring happiness and a colorful lifestyle to our community. During a recent grand summer party, they performed lively modern dances for local residents and received warm applause. We are beefing up efforts to offer more tailor-made services to them. It is our hope that Huanghai Community will become a big international family."

Wang Junwei, director of Huanghai Community in Yantai, a concentration of ROK residents

"The China-ROK Animation Experience Hall, based in our park, opened this May. It is the nation's first animation, gaming, and 3-D interaction experience zone. It has been jointly invested in by Chinese and ROK companies and boasts a strong ROK style. We expect by 2018 that the park will have attracted 500 ROK companies, with annual revenue of 2 billion yuan."

Chu Peisheng, administrative official, Yantai Ad Creative Industry Park

FTA SPARKS NEW GROWTH

ROK is Yantai's largest trade partner, major overseas source of investment

By **ZHAO RUIXUE**, **WANG QIAN** and **YANG CHENG**

Yantai, a coastal city in East China's Shandong province, is cashing in on the China-Republic of Korea Free Trade Agreement, which was officially signed on June 1 last year, with expanding business in e-commerce, healthcare, the creative industries and high-end maritime economy.

The FTA, which is China's largest bilateral free trade agreement in terms of volume, focuses on 17 areas, including trade in goods and services, healthcare, entertainment and investment, as well as e-commerce and government procurement.

"Yantai has really benefited and developed as a result of the FTA and the city has undergone great changes during the past year," said Zhang Yongxia, mayor of the city.

"The ROK has become Yantai's largest foreign trade partner and its main source of foreign investment," Zhang told a group of journalists and photographers from ROK media outlets who gathered in the city last month.

Statistics from Yantai's commerce bureau show the city's foreign trade with the ROK reached \$11.08 billion last year, a year-on-year increase of one percent and accounting for 22.4 percent of the total foreign trade generated by Yantai last year.

Located in eastern Shandong and geographically close to the ROK, Yantai has become a popular destination for leading ROK firms, including LG Corp, Doosan Heavy Industries and Construction Co and Hyundai Motor Co.

By May, 3,651 ROK-backed projects were underway in Yantai, involving utilized investment of \$5.56 billion. These projects cover a wide range of fields, including textiles, electronics, machinery, food, maritime shipment and finance.

Such growth and investment has continued this year, with contractual investments from ROK enterprises registering a year-on-year growth of 143.6 percent to reach \$166 million during the first five months of this year, according to the commerce bureau of Yantai.

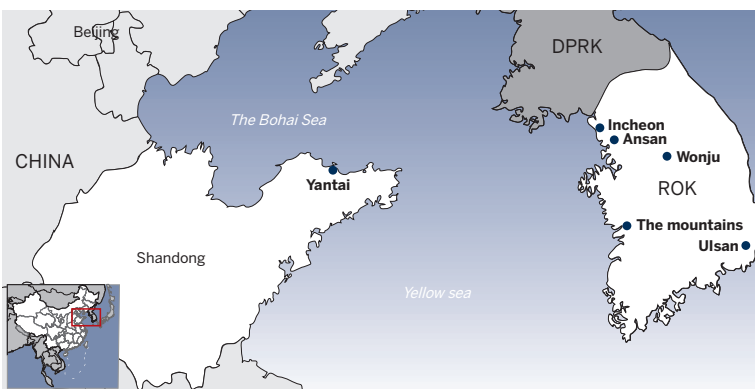
Zhang said Yantai will continue to push for innovation and foster an international business environment with advantageous policies, so that the China-ROK Yantai Industrial Park develops into a hub for enterprises from the ROK.

Covering 32 square kilo-



The coastal city of Yantai, in East China's Shandong province, has been trading with the Republic of Korea for more than 2,600 years.

JU CHUANJIANG / CHINA DAILY



YANTAI TRADE, INVESTMENT WITH ROK

The Republic of Korea is both Yantai's largest trade partner and source of tourism.

Trade A total of nine Fortune 500 companies from the ROK have invested in Yantai.

3,651

ROK projects had been undertaken in Yantai by the end of May 2016



\$11.08

billion Yantai's trade volume with the ROK in 2015

1/3 accounting for one-third of Shandong province's trade volume with the ROK

\$5.56

billion investment

1/25 of the total Sino-ROK trade volume last year

Life

Roughly 50,000 ROK citizens work, live and study in Yantai.



30,000 people from Yantai live and work in the ROK.

Travel

Combined tourist numbers from Yantai to the ROK and the ROK to Yantai hit 340,000 every year.

Major industries

Machinery manufacturing electronic information food processing modern chemical

Emerging sectors

high-end equipment manufacturing energy saving biomedicine animation and design

Source: Yantai Commerce Bureau

SHEN WEI / CHINA DAILY

ometers, the China-ROK Yantai Industrial Park is focused on developing the bioscience, intelligent manufacturing, auto manufacturing, marine

technology and high-end service industries.

Yu Dong, director of Yantai's commerce bureau, said the industrial park will provide a

platform that will enable both countries to develop.

A number of firms have already established facilities and undertaken projects or

South Koreans find home from home in Yantai

Yantai's mayor Zhang Yongxia is often told by foreign visitors to the city that they are impressed by the city's strong "Korean elements", including road signs in both Chinese and Korean.

To date, roughly 50,000 people from South Korea are living, working and studying in the city, and to the surprise of many outsiders, a growing number of South Koreans see Yantai as their second home.

This was echoed by Zhang Junhai, deputy director of the Huanghai Community, who said he was touched by the fact that some South Korean residents, such as Jung Hoejin, principal of BOB Training School, who lives in the community, register "return home" on airport arrival cards as their "purpose of visit".

In Huanghai Community, there are 128 South Korean families out of a total of 3,918, and 500 South Korean residents out of the total of 12,600.

There are South Korean cafés, restaurants and schools run by South Korean people, and the number of businesses run by South Korean nationals is rising, according to Zhang.

To better serve their needs, the community offices now offer Korean-language services.

Han Inkyung, owner of the Ti Amo restaurant, said she has run business in the community for 10 years and her business has grown rapidly despite the recent slowdown of the food service sector.

"More South Korean people have moved to the community and, as a result, Chinese people's lifestyles have undergone major changes in recent years," she said. "Both of these factors have benefited my businesses."

At the beginning of the year, construction began on a Korea Town, which is invested by Huanan Group.

The project involved investment of 117.3 billion yuan (\$19.2 billion) and covers 20 square kilometers.

According to Li Guo'an, president of Huanan Group, the town, benefiting from the China-Republic of Korea Free Trade Agreement, is expected to become home to more than 200,000 South Korean people in the near future, which will make it the largest South Korean community in the country.

YANG CHENG



Yantai Mayor Zhang Yongxia

are currently establishing a presence in the park. Asiana Airlines Inc opened a cargo distribution center in the park in March; the first phase of Huanan Korea Town, which involves investment of 28.8 billion yuan (\$4.72 billion) is under construction.

Yang Li, deputy mayor of Yantai, said the city is currently transforming its industrial structure and is looking to move from equipment manufacturing to more high-end industries and service sectors.

The city aims to develop into a hub for ROK businesspeople to both invest and live in China and make them "feel at home" in Yantai.

Park Junghwan, editor-in-chief of Business Korea magazine, noted that under the strategy of "Two countries, two parks", the industrial park located in Yantai is now competing with some parks based in ROK and he urged Yantai to develop more industries with unique features in order to attract investors.

Contact the writers at zhaoruixue@chinadaily.com.cn, wangqian2@chinadaily.com.cn and yangcheng@chinadaily.com.cn



Scan it! see more on chinadaily.com.cn

Bustling metropolis bucks national trend

IAN CALLISON

Although China's economy has experienced a slowdown in recent years, the city of Yantai has been racing forward at a breakneck pace.

According to the local government, Yantai's GDP grew by nearly 10 percent annually from 2008.

This figure, in part, is owed to the increasingly strong relationship between China and the Republic of Korea.

Before coming to Yantai, I had heard little of the trade relationship between China and the ROK. I knew about the Free Trade Agreement, which was officially signed in 2015, but wasn't aware of the extent of the relationship.

After seeing it first hand, I now realize that Yantai has developed into a remarkable center for international trade.

The partnership has seemingly seeped into every corner of the city, surfacing in industry, culture and even education.

Perhaps the most impressive example of this growth is the China-ROK Yantai Industrial Park. The zone was set up to maximize the effects of the FTA, and allows companies that set up inside it to enjoy favorable tax policies.

In the park, we were able to visit huge and successful South Korean companies, including LG's display manufacturer in Yantai and a Doosan Infracore plant. Both companies cited the economic benefits that had resulted from the FTA.

The quality of companies that have already been working in the industrial park has led me to believe that this trade deal will only get stronger. If ROK companies continue to invest in Yantai, then I can see this deal boosting the

economies of both nations.

And why wouldn't they invest? Yantai officials said they aim to make Yantai as hospitable and welcoming as possible for ROK investors.

For example, the city now boasts the Korea School in Yantai. Many businesspeople from the ROK living in the city like to send their children to this international school, and its curriculum integrates traditional Korean schooling with Chinese and English language teaching.

One of the most ambitious elements of this relationship is the Korea Town project in Yantai. Though it is currently a 20-square-kilometer construction zone, it will eventually include residential properties and will also be home to numerous companies from the ROK. The target date for completion of the project is 2026, and I was astounded by its sheer scale.

Along the seaside, the Port of Yantai is another integral component in the China-ROK relationship.

Huang Shuren, deputy head of Yantai International Container Terminals Co Ltd, said that in the first five years of his job, he saw about 10 percent increase in trade with the ROK. The port handles 13 ships sailing to and from the ROK per week, exporting industrial products, garments and food.

However, Huang said that between January and June this year, business was on the rise again, with a 10 percent increase in trade with the ROK. The port handles 13 ships sailing to and from the ROK per week, exporting industrial products, garments and food. Equally impressive is the Yantai-Dalian railway ferry. From the port in Yantai, a large ferry boat with a hollid-out interior is capable



Students at the Korea School in Yantai share a light moment during the 'Discover Yantai' ROK media tour in late June. WANG QIAN / CHINA DAILY

of loading freight trains. Railroad tracks run from Yantai, right up the dock, and into the belly of the ferry boat.

Though it only ships between Yantai and Dalian at present, ferry port general manager Liu Jun hopes that Yantai will soon develop a relationship with a ROK port city. If this happens, Liu claims the time it would take to ship goods from the Xinjiang Uygur autonomous region to the ROK would be halved.

At the end of the day, there was not one specific business or facility we visited that impressed me most. Instead, I was surprised by how far-reaching the China-ROK relationship is. Within Yantai, there are so many separate aspects working towards the same goal of improving the economies of both nations through trade.

Contact the writer at iancallison@chinadaily.com.cn