

Financial aid driving growth of SMEs in HSP

By LU WEI

Haidian Science Park (HSP) is now home to 25 new listed enterprises.

Nearly 160 business establishments in the core of the Zhongguancun national innovation model park have gone public, accounting for one 10th of the nation's listed companies.

As China's first national hi-tech industrial zone, HSP has been combining science, technology and finance for more than two decades.

Gov't support

HSP is hardly short on talent. The park partners with 68 colleges and universities, as well as 213 research institutions. It employs nearly 400,000 professional and technical personnel.

"China does not lack entrepreneurs with creative spirit. But many small and medium sized enterprises (SMEs) don't have access to adequate financing," said Gregory W. Becker, president of Silicon Valley Bank in the United States.

Tech-based SMEs are frequently regarded as high risk by financial institutions, denied loans, and subsequently faced with a shortage of capital.

Haidian district created its first local innovation fund in 1999. It provides 30 million yuan each year to assist enterprises with technological innovation, accelerated transformation and international marketing strategies.



Businessmen of a SME talk with a government official of HSP on a loan plan.

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Over the past 10 years, the government-initiated fund has handled the declaration of 1,808 pieces, 749 of which were approved with 252.3 million yuan in support.

Multi-level service

Government funds however, will not be sufficient for many HSP technological enterprises. A multi-level financing system for science and technology projects is necessary.

Park officials strongly support the establishment of commercial banking institutions in HSP. They also encourage venture capital institutions to sup-

port the development of SMEs.

Recently, HSP established a venture capital leading fund with an annual investment of 70 million yuan. The park also provides additional financial support and services to help SMEs become listed.

Efforts are similarly directed at developing small loan companies able to back emerging SMEs.

In the first half of 2010, the number of financial institutions and branches in Haidian district stood at 1,460.

Currently, 88 financial institutions — including banks, insurance companies and

equity investment firms — are located in the district's Zhongguancun quarter.

"Loans are much easier to obtain than before. Now, for example, they do not require collateral," said Shi Rongju, financial manager of Beijing's China Cotton-unis company.

"We used to request a loan from the bank and then go through a series of complex procedures. Now we cooperate with the small loan companies and receive 20 million yuan within a month."

Backed by strong government policies, the financial sector in Haidian has seen full swing development.

Currently, the district has attracted a combined financial asset worth of nearly 50 trillion yuan, which has aided the takes-off of local SMEs.

Since this year, Beijing municipal government has set higher sights for Haidian, aiming to build the district into a financial center to better service technology innovation.

It envisions the district to become a pilot area to boost financial innovation and reform and strives to build it into a financial innovation center with paralleling international influence of its technology strength.

Zhongguancun is 'dynamic, promising'

By ZHANG YIWU

Zhongguancun has been a symbol of the high-tech development and innovation of China for many years, displaying the creativity and imagination of the Chinese people.

It is also a platform for Chinese youth to realize their dreams.

Zhongguancun has evolved from tumultuous beginnings in the 1980s, rapidly expanding in the 1990s and experiencing full-swing development in the first 10 years of the 21st century.

It has kept pace with China's rapid development and has been recognized as one of China's most dynamic, promising and pioneering areas.

The area is outstanding proof that China's fast development in the past 30 years provides infinite opportunities.

I'd like to make two key points regarding the future development of this core area of Zhongguancun national independent innovation model park.

One point is that it should combine technology with cultural creativity, which will provide new punch to the development of Zhongguancun.

It is globally acknowledged that the cultural innovation industry is crucial to future society. As a key part of the nation's soft power, the sector will become a new growth area for China's globalization.

The success of the film of Avatar indicates that the



Zhang Yiwu, renowned scholar and professor at the Department of Chinese Language and Literature of Peking University.

combination of cultural innovation and high tech sectors has tremendous power.

Zhongguancun is a cluster containing both sectors. Its advantages and industrial foundation will help the area gain new momentum in development.

Another point is that it should develop technologies in accordance with all kinds of new issues.

For example, as the value of low-carbon has become a new topic around the globe, people should pay more attention to the popularization and development of its technology.

They are also advised to keep abreast of global trends, make new breakthroughs and seek new growth areas.

Those are the winning cards for future innovation.

The author is a renowned scholar and professor at the Department of Chinese Language and Literature of Peking University.

ShinewayTech soars on optical fiber testing

By HAO NAN

Shineway Technologies Inc in the Zhongguancun Haidian Science Park (HSP) plans to forge an internationally known brand in optical fiber testing equipment as it further innovates in its products.

Founded by Liu Yunlong and six partners in 2002 with a total investment of 1.05 million yuan, the company is now eyeing a public stock market listing in 2014.

Named one of 10 companies with the most potential in the HSP in 2005, ShinewayTech now has sales in more than 70 countries and regions and net assets exceeding 45 million yuan.

Liu, a 38-year-old PhD from prestigious Beijing University of Posts and Telecommunications, led the rapid development of ShinewayTech as it provided optical fiber testing equipment for network operators, construction companies, the military, schools, laboratories and scientific research institutions.

Its home base, the HSP, is considered China's Silicon Valley with some 33 percent China's high-tech companies.

In addition to the synergy from such a gathering of high-tech enterprises, Liu said another important reason for the company to be located in the park is that it provides a range of preferential policies for startup companies.

Besides, "the HSP has many



ShinewayTech was listed as one of the 10 companies with the most potential in the HSP.

advantages that cannot be matched by other parks in China," said Liu.

"Abundant human resource is one of them. Innovative talents from nearby universities, including two of the top — Tsinghua and Peking universities — are core competitiveness and wealth of high-tech companies, he said.

"Most staff in research and management at ShinewayTech are hired from nearby universities and research institutions."

ShinewayTech was a major supplier for networks Test & Maintenance products to guarantee the communications of the gymnasiums during the Beijing Olympic Games.

"We are proud to make contributions in securing Chinese communication networks and promoting its goal of establishing an innovative country," Liu said.

Shineway now is seeking a public listing.

LIU YUNLONG
PRESIDENT OF THE COMPANY.

70
countries and regions
Shineway Technologies' businessness have extended to more than 70 countries and region across the world.

Liu told China Daily that ShinewayTech now has more than 100 products in 25 series. It also owns the independent intellectual property for its products, including 21 software copyrights and eight national patents.

Liu said he is very optimistic about the company's future as optical networks has huge potential in the world including China.

"Seven national departments and ministries recently released an opinion on promoting the construction of optical fiber broadband network," he said.

"In the coming three years, the total investment of that construction will be more than 150 billion yuan, with 50 million new optical fiber broadband network users."

"This presents huge opportunities for ShinewayTech. We will definitely seize them."



Leili General Manager Tang Jie (first from left) honors awards to the company's top foreign clients during the company's 10th anniversary of internationalization.

Leili markets eco-friendly fertilizer

By HAO NAN

Zhongguancun Haidian Science Park (HSP) was once an electronics market. Now, just two decades later, the area is a national independent innovation demonstration center.

"We feel at home in HSP," said company chairman Guo Zhanwu, and vice general manager of Beijing Leili (Group) company Zhang Yonghua.

His firm relocated to the park to take advantage of preferential policies and services offered to emerging high-tech enterprises.

"Park officials really care about my company's growth. They frequently create cooperative opportunities with universities, research institutions and foreign businesses to boost innovative and internationalization," Zhang said.

Founded in 1993, Leili specializes in the development, manufacture and sale of new green agriculture and marine products. It is currently a leader in the Asian seaweed bio-fertilizer industry.

Under the direction of company chairman Guo Zhanwu and general manager Tang Jie, Leili has pioneered several domestic technologies and created more than 150 unique products.

"Innovation is not only the basic function of entrepreneurs but also the key to success," said Guo.



Leili Chairman Guo Zhanwu

Product development

The chairman noted Leili has a well qualified and professional research team, as well as a successful production and marketing team.

The company boasts its own research and development center, where it first created its signature sustainable solutions.

Leili produces algae fertilizer extracted from seaweed, earning it a special certificate from the Chinese Ministry of Agriculture.

As demand for the eco-friendly product rose, Leili expanded its Beijing R&D center and established a new production base in Shandong province.

Now, owning dozens of intellectual property rights and using international technologies, the corporation is testing 20 new fertilizers on several thousand hectares of land.

The company successfully devel-

oped markets for 100 varieties algae fertilizer sustainable products for field crop, vegetable, fruit and flower crops and gardening. The enterprise is currently making stride for the intensification and facilities for agriculture full nutrition service system.

International partners

Leili's overall development strategy focuses on a green future. The enterprise owns a low carbon emission demonstration base in cooperation with China Ecological Environment Applied Technology Institute and Shandong's Huimin and Juye counties governments.

Although seaweed fertilizer has existed in Europe for more than 30 years, nearly 70 countries and regions recognize the Leili brand.

The company's products have improved soil structure in Saudi Arabia and South Korea at Asian district; aided the growth of roses in Ecuador and Egypt at Africa; extended in soilless cultivation in Italy at Europe. Further, thousands of local farmers have benefited from Leili run seminars.

Leili algae fertilizer has been used on 6.6 million hectares of land since 2007. It has been accumulated to reduce two million kg of chemical pesticides and 150,000 tons of nitrogen fertilizers and 1 million tons carbon dioxide emission.



Liu Yunlong, president of Shineway Technologies Inc