

Investors worldwide taking note of Foshan's progress

By ZHAN LISHENG

in Foshan, Guangdong
zhanlisheng@chinadaily.com.cn

Though global businesses remain cautious about investment as regional competition for scarce capital is intensifying nationwide, Foshan city recorded sustained growth in foreign investment in 2013.

This is not just coincidence. Foshan's economic climate is booming and foreign investors are taking note, local officials said.

The city's competitiveness ranks among the eight best of China, according to the Chinese Academy of Social Sciences.

In addition, Foshan has been featured in the Economist and Foreign Policy magazine as the city that "best represents China's emerging economic frontier."

Zhou Zhitong, director-general of the Bureau of Foreign Trade and Economic Cooperation of Foshan, said the city's pursuit of investments in the light of the strategy for industrial chain development bore new fruit in 2013.

The city has secured high quality investment projects that helped its transformation and the upgrade of local industrial structure.

The official cited many examples of the new high-end manufacturing and modern service projects.

They include the R&D project of Japan-based Howa Textile Industry, the data back-office support project of KPMG, the ceramic chip capacitor plant invested by Japan-based Murata, the Asia-Pacific headquarters of Osram, the ceramic machinery pro-



Foshan in Guangdong province has drawn an influx of foreign investment for its business-friendly environment.

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duction center funded by Italy-based B&T, and the automobile manufacturing facilities of FAW-Volkswagen and Beiqi-Foton.

The city began to implement its three-year investment-seeking strategy in 2012, which attaches maximal importance to potential investments that help to build, supplement and fortify the city's industrial chains.

"The new projects on one hand are expected to make the city's traditional and advantageous businesses more technology-intensive and on the other to cluster up its strategic

growth industries and advanced manufacturing sectors," Zhou said.

The city government has made it a priority on its agenda of this year to increase innovation and promote the growth of the service industry. Technological and financial expertise, as well as human resources, is anticipated to help local industries have a new lease on life, he said.

Also, the government focuses on optimizing industrial structure. It continues to put an emphasis on attracting advanced manufacturing projects and strategic emerging industries in 2014, enabling local

industries to move up the value chain.

The move is expected to help increase the city's core competitiveness and transform it from a production hub to a creation center.

Moreover, the government will advance foreign trade and e-commerce this year, through building a comprehensive service platform for international transactions and aiding small businesses to go global more conveniently, said the official.

Foshan will continue to expand its global network for investment promotion and foreign trade to build a world-class business environment

based on the rule of law, he said.

It will accelerate its pace to improve administrative and financial services for enterprises and elaborate innovative preferential policies, according to the city government.

Drawing more professionals and experts will also help strengthen the information collection network and communication mechanism, Zhou added.

Local officials are striving to improve efficiency within the municipal government to make Foshan an ideal destination for investment and business, he said.

Foreign consultants help improve local government

By ZHAN LISHENG

in Foshan, Guangdong
zhanlisheng@chinadaily.com.cn

In an effort to improve public services for foreign investors, officials in the city of Foshan are taking a new approach.

The city's foreign trade and economic cooperation bureau now has three foreign consultants in place, and more may be added in the near future, according to the bureau.

"We are adopting the optimal practice for promoting our investment climate," noted Zhou Zhitong, director-general of the bureau. "Our new team with foreign professionals is expected to maximize our outreach to foreign companies."

The official said that Foshan needs not only to create a "foreigner-friendly" visual identity but also to provide foreign investors with an internal easy-to-reach consultation tool to access investment opportunities.

And foreign professionals help local officials and enterprises learn about global markets and overseas investment opportunities in their

attempts to expand globally.

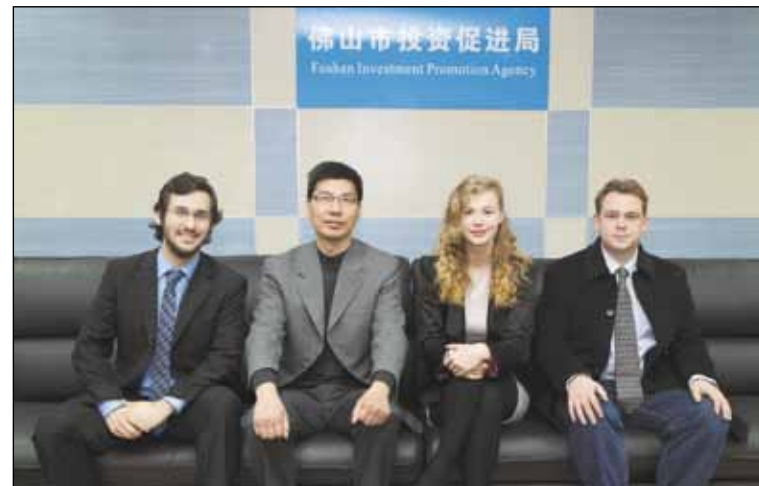
"I'm satisfied with their performance," Zhou told China Daily in a recent interview. "We may seek some more, depending on the business demand."

Three foreign professionals have won the renewable one-year employment contract as investment consultants. They are Chris Blake and Abbey Heffer from the United Kingdom, and Nicolas Santo from Uruguay.

"Foreign professionals bring strong and multilingual research skills and enhance Foshan's capabilities for inbound and outbound investment promotion," said Santo, a Uruguayan lawyer who received a master's degree from Tsinghua University in Beijing and formerly held a position at the Harvard Law School as a visiting scholar.

"New opportunities will become easier to detect if you are familiar with the places you need to look for and if you know how to get in touch with the key people there," he added.

Santo also encouraged local business people to go abroad for alluring investment but at the same time



Yu Hongping, deputy director of the Foshan Investment Promotion Agency, among the agency's foreign staff.

advised that they learn to adapt to new realities and cast off the assumption that what works well in China will also do elsewhere.

In the eyes of Blake, the bureau's initiative to hire foreign professionals is a two-way partnership.

"As foreigners, we are learning more about the great developments and prospects here and cooperat-

ing with our Chinese colleagues to achieve important goals," he said. "They are also gaining more first-hand experience working with foreigners, sharing knowledge and expertise."

"Mutually we're benefiting from each other's unique languages and cultures," he said.

Well versed in multimedia design

and development as well as in marketing and branding, Blake is designing a new website for the bureau's investment-promotion agency.

"The website is simply a window into Foshan, which provides the unique opportunities the city has and the knowledge and experience of the international people who reside here," he said.

The new portal, which will come online very soon, is expected to act as a digital handshake and become one of the best and most informative websites of all investment promotion agencies on the mainland.

Both Santo and Blake agreed that Foshan is a dynamic city worth recommendation to foreign investors.

And they cited many factors as Foshan's appeals. They include the city's pioneering and forward-thinking initiatives, favorable investment policies, administrative efficiency and transparency, world-class infrastructure and facilities, availability of skilled workers and vocational education programs, domestic market bonanzas, cost-effective living and fantastic lifestyle.



SNAPSHOT

• Foshan's GDP was \$114.6 billion in 2013.

• Foshan will be the 13th most dynamic city in the world in terms of projected GDP growth between 2010 and 2025, according to McKinsey Global Institute and Foreign Policy magazine.

• Its population is 7.26 million and the disposable income of urban residents grew 10 percent to 38,040 yuan (\$6,189) in 2013.

• It ranked eighth among China's most competitive cities, according to a competitiveness blue-book published by the Chinese Academy of Social Sciences.

• Projects supported by the State and Guangdong provincial governments including the Foshan National High-Tech Zone and the Guangdong High-Tech Services Zone for Financial Institutions confirm the city's strong commitment to integration of technology, finance and industry.

• Foshan's proximity to Guangzhou allows the two cities to share infrastructure, such as the Guangzhou-Foshan metro, which is China's first intercity metro line.

• There are daily trains connecting Foshan and Hong Kong.

• The city has one of the vastest talent pools in China; and local universities and polytechnics have established several agreements with foreign companies to offer training programs.

• Foshan has the first privately financed toll bridge in China, which has taken good advantage of the "loan to build roads, toll to repay loans" mechanism.

• It is home to some of the most successful Chinese companies such as Midea Group, Haitian and Country Garden, making the city a great location for professional services firms seeking to advise Chinese enterprises that are expanding globally.

• Foshan had a 94 percent urbanization rate in 2012, the third highest in China.

• The quality of Foshan's urbanization ranked fifth nationwide in terms of such indices as livability, business-friendliness, environment, information and culture, and urban and rural balance.



Despite a high urbanization rate, the city conserves a friendly ecosystem.

Sino-German zone creates space for service cooperation



The sound eco-system is factored in the decision to establish the industrial service zone in Foshan.

By ZHAN LISHENG

in Foshan, Guangdong
zhanlisheng@chinadaily.com.cn

The Foshan Sino-German Industrial Services Zone, a bilateral cooperative project between the German and Chinese governments, is forging ahead in its transformation into an ideal base for Sino-European industrial cooperation.

Founded in 2012, the zone is dedicated to the development of industrial services ranging from R&D and design, testing and certification, new IT, clean energy, convention and exhibitions to occupational training. It aims to become a model zone in line with international standards, with its management and business environment similar to Germany.

Of its latest developments, the zone has forged extensive cooperative ties with leading research institutes in China and abroad to enhance R&D capacities.

For instance, it has joined closer forces with Fraunhofer-Gesellschaft

in Germany, a leading R&D institute in Europe, for a model project of energy-efficient architecture.

At the same time, the Chinese Academy of Sciences has unveiled an industrial technology institute there with 25 innovative teams and eight research centers.

And the zone has partnered up with several globally renowned vocational training organizations including Germany-based F+U International and Steinbeis Foundation, with the preparation of a Sino-German polytechnic right underway.

The zone has seen a growing number of regional headquarters of international companies, including the Asia-Pacific headquarters of Osram, the Southern China headquarters of Allianz and Steinbeis Foundation, and the southern base of TUV Rheinland.

The zone is also anticipating the South China headquarter of Zongshen Group, an industrial giant based in Southwest China's Chongqing city. The group company intended

to construct its South China German Center in the zone.

It will also introduce manufacturer associations from abroad, including the United States, Europe, Japan and South Korea, by providing all round services.

The zone has set up several platforms with partners primarily from Germany for high-end industrial services ranging from intellectual property right protection, business matchmaking, computing and service-oriented cloud manufacturing, German think-tanks, private equity and exhibition.

Beside, the zone aims to attract not only capital but also intelligence and mechanism in particular from Europe.

For more inquires, contact:
The Bureau of Foreign Trade and Economic Cooperation or the Foshan Investment Promotion Agency
Email: fsipc@126.com
Website: www.fsbofec.gov.cn
TL: 0757-8328 8307/ 8303 6005