



Entrepreneurs transform Tonghua

City in Jilin province benefits from surging companies

By HAO NAN
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Li Yikui worked his way up from almost nothing to become a millionaire.

He owns a globally renowned healthcare company selling effective drugs to treat liver and brain ailments across the world.

With an initial investment of only 20,000 yuan (\$3,238), Li turned Tonghua Dongbao Group from a small workshop into an industrial giant that boasts world-advanced production lines and research teams with strong innovative capacity.

Li is just one example of many private entrepreneurs who thrived from preferential policies in place for decades in Tonghua, Jilin province, where the private economy continues to surge.

Since 1990s, the Tonghua government has placed great importance on developing the city's private economy.

According to the city's Party chief Liu Baowei, the decision was "vital to realizing the goal of building a strong and wealthy city".

By last year, Tonghua had more than 7,860 private companies that generated 47.4 billion yuan, some 53 percent of the city's GDP.

They also paid 6.63 billion yuan in taxes, 62.5 percent of local fiscal revenue.

Robust growth

Before a complement to the State-owned economy, the private sector has become "a mainstay, a major source of fiscal revenue as well as an important channel for employment and entrepreneurship", said the Party chief.

To better utilize land resources and form industrial clusters, the local government has eyed the construction of industrial parks as a tool to promote healthy growth in private companies since 2008.

Thirty-five key industrial parks have been built in the city, covering an area of nearly 15 square kilometers.

Companies in the zones work in medicine, biotechnology, steel, machinery manufacturing, magnesium alloy, healthcare products, the green economy and cultural innovation.

The parks have also attracted many new investments



Liu Baowei (second right), Party chief of Tonghua, visits Dongbao Group to see innovations in life science.

over the years. In 2012, some 46 projects located in just one pharmaceutical area.

Two of the key operations are worth more than 1 billion yuan each, while 26 large projects are each worth more than 100 million yuan.

According to the local officials, construction of seven new industrial parks for wine and metallurgy was recently approved by the provincial Department of Industry and Information Technology to further strengthen the city's competitive sectors, including the wine and metallurgy industries.

Innovative ability

Despite stable and rapid growth in the sector, innovation is now key to the city's overall development.

With that in mind, the Tonghua government cooperates with nine prestigious academic institutions including Tsinghua University to bring their academic achievements to meet corporate needs.

It has also carried out a three-year project since 2010 to tackle 10 major technological problems, commercialize 10 important scientific achievements and nurture 10 high-tech companies with international influence.

Last year, the government established the province's

first academic workstation based in the local pharmaceutical high-tech zone.

Backed by strong technical support, many of the private companies boast a range of proprietary products.

Dongbao produced China's first and only brand of recombinant DNA human insulin with patented technologies in 1998, making China the world's third nation to have such technology.

Tonghua Petro-chemical Machinery Manufacture Co Ltd has made the list of China's top 50 in the field with their overseas counterparts in international markets.

Companies are also encouraged to extend their marketing strategies to foreign countries to compete with their overseas counterparts in international markets.

As well, nearly all the private companies now have modern corporate management systems.

Some were transformed from State-owned enterprises on the verge of bankruptcy at the time.

After reorganization as well as some M&A activities, Tonghua Shuang Long Chemical Co and Tonghua Wantong Pharmaceutical Co are among those that emerged.

Responding to local policies encouraging government officials to start private companies, Tonghua now



No. 1 Manor in the city's Zhenguo Ecological Valley.



Tonghua Shuang Long Chemical Co was listed on the Shenzhen Stock Exchange in 2010.



Advanced insulin production at Dongbao

has more than 1,090 government leaders who started a business. But the local government noted more talented managers and professional entrepreneurs should be hired from overseas and other Chinese cities to augment the many outstanding native entrepreneurs.



Vibrant private sector anchors provincial economy

By ZHANG ZHAO
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The private economy is surging in north-east China's Jilin province following government support and a series of pioneering projects, said local officials.

"The private sector is vital to economic growth, a key approach to restructure economy and a major force to boost innovation," said provincial Party chief Wang Rulin.

The sector now generates half of the province's GDP and provides 80 percent of its jobs.

He said that the government now aims improve its services, administration, efficiency of examination and approval times

for local privately owned enterprises. Last year, revenues in Jilin's private sector increased 20 percent over 2011, 8 percentage points higher than the growth rate of the overall provincial GDP.

A number of companies are leading the sector to rapid and stable growth, including Ginsber Draft Beer Co, which ranks in the top 10 in beer production in China.

The company dates back to the mid-1980s when farmers in Hongzui village of Siping city founded a brewery.

Three decades later, the once-small Siping Hongzui Brewery thrives and is now striving to build a "green industry chain that extend from the soil to the table".

In recent years, it invested more than 100

million yuan (\$16.2 million) in developing environmentally friendly technologies.

The brewery itself is a sightseeing destination that welcomes nearly 10,000 tourists a year.

Ginsber is one of four pilot subsidiaries of the Hongzui Group managed with modern corporate system that turned traditional farmers into owners of the brewery.

Revenues of the group hit 20 billion yuan last year, a number expected to double by the end of 2015.

Another noted private company is the Changchun Dacheng Industrial Group that has a world-class industrial cluster for corn processing.

It is the world's largest site for production

of the amino acid lysine and third-largest in corn processing capacity.

Its products include corn starch, fiber, corn oil and refined starch sugar that are exported to more than 60 countries and regions globally.

Subsidiaries of the group located in Xinglongshan township are connected to each other by underground tunnels that enable transport to other companies as raw materials.

Dacheng has invested more than 1.5 billion yuan in R&D since 2000, more than 8 percent of its profits each year.

The company processed 4 million tons of corn in 2012 whose value exceeded 50 billion yuan for the first time.

In addition to companies in the agricultural sector, Jilin is also home to a range of high-tech enterprises.

Tonghua Dongbao Group specializes in healthcare and bioengineering. Its most notable achievement came to fruition in 1998 with the development of Gansulin, China's first and only proprietary brand of recombinant human insulin.

The company will have around 20 types of insulin drugs by 2015.

The local government said that it will also introduce the international-standard technologies, management, market-oriented systems and professionals it believes to be an efficient "shortcut to sustained development".

