

SINO-MALAYSIAN TRADE

WU ZHIYI / CHINA DAILY

China's Premier Wen Jiabao and Malaysia's Prime Minister Najib Razak at the signing ceremony and inauguration of the China-Malaysia Qinzhou Industrial Park, on Oct 21.

A model of cooperation in the China-ASEAN Free Trade Area

By HUANG ZHAOHUA AND HUANG FEIFEI

In recent years, Malaysia has been China's largest trading partner in the Association of South-East Asian Nations (ASEAN) and a new industrial park in Guangxi reflects the degree to which that bilateral trade relationship has grown.

In 2010, trade between China and Malaysia amounted to \$74.2 billion, or eight times the amount for 2000.

The new China-Malaysia Qinzhou Industrial Park is planned for the Guangxi Beibu Gulf Economic Zone, in the city of Qinzhou, in the Guangxi Zhuang autonomous region.

Qinzhou has good access to the sea and to ASEAN countries and is arranging a deepwater channel for ships of 300,000 deadweight tons.

By the end of this year, there will be a high-speed rail link to shorten the journey from Qinzhou to Nanning, the capital of Guangxi.

And now that the China-ASEAN Free Trade Area (CAFTA) was set up, Qinzhou is becoming even more interesting to investors, both in China and abroad.

In recent years, Qinzhou has been improving its

infrastructure and investment environment with the idea of turning itself into a modern city that is ideal for living and business. And it wants to be a regional hub that focuses on China-ASEAN cooperation in shipping, logistics, industrial development, and trade.

The roots of this development go back to 2009, when Malaysia's Foreign Trade Promotion Institute and the Malaysia-China Chamber of Commerce for Economic and Trade suggested that Qinzhou establish an industrial, logistics park.

Then, last year, thanks to the cooperation of China's Ministry of Commerce and Malaysia's Ministry of International Trade and Industry, Qinzhou began working in that direction.

On April 28 of this year, at the Malaysia-China Economic, Trade and Investment Cooperation Forum, in Malaysia, China's Premier Wen Jiabao pointed out that the China-Malaysia Qinzhou Industrial Park will be the first Sino-Malaysian deal of its kind in that part of China.

It could turn out to be a landmark in Sino-Malaysian trade cooperation, Wen said, and, the Chinese gov-



Guangxi, China-Malaysia business seminar taking place in Kuala Lumpur, Malaysia, on April 6, where leaders of the Guangxi region and city of Qinzhou took part. A signing ceremony for the China-Malaysia Qinzhou Industrial Park was held on Oct 21.

ernment is welcoming any and all enterprises to join in the planning and development of the park.

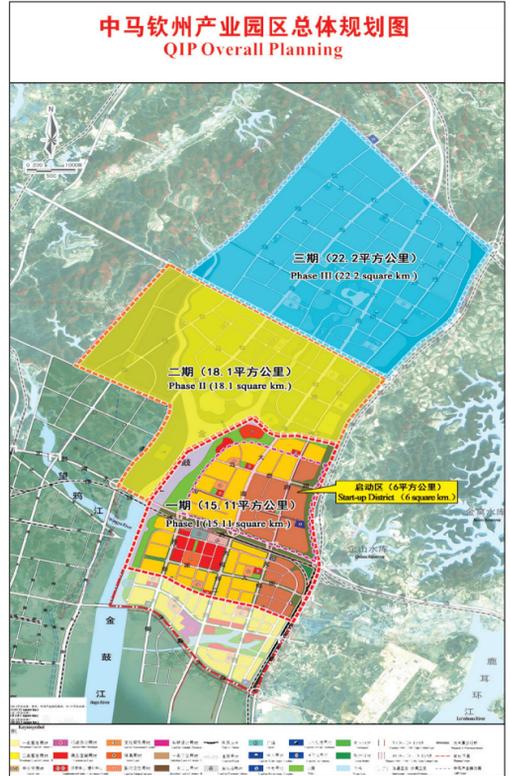
Malaysia's Prime Minister Najib Razak also expressed Malaysia's support for the proposal.

The park has a planned area of about 55 square kilometers. A bilateral cooperation and development framework has been drawn up so that everyone benefits in accordance with the "guided by government, operated by enterprises, driven by projects, and aimed at shared interest" principle.

The park will have the following areas: industrial district, residential district, service district, production center, living area, and scientific and technological service district.

It consists of three phases. The first phase for residences and office buildings on a 15-sq-km space, in the southeastern part; the second is the living service center, industrial district and residential district on an 18.1-sq-km space, in the central part; and the third, with an ecological district and part of the industrial district on 22.2 sq km of land in the north.

The industrial park is designed as an advanced manufacturing base, a modern cultural area, and a model of Sino-Malaysian, and



Plan of the China-Malaysia Qinzhou Industrial Park.

China-ASEAN, cooperation. It will also become an important place for exchanges by enterprises and investors from ASEAN and all over the world.

Zhang Xiaogin, Qinzhou's Party secretary, said that the China-Malaysia Qinzhou Industrial Park will focus on integrated manufacturing,

information technology and modern services.

"I believe it will be an international industrial park whose virtues are competition, technology, and low-carbon emissions with a concerted effort from both sides. It will be a model of cooperation in the China-ASEAN Free Trade Area."

On the front line of development of Beibu Gulf Zone

By LIU XIAOQIONG AND HUANG FEIFEI

Qinzhou is part of the Beibu Gulf Economic Zone, in Guangxi and covers 10,800 square kilometers of land, with a coastline that stretches for 563 kilometers, and a population of 3.88 million.

Qinzhou is a national open port area that is 28.78 kilometers long and contains China's sixth bonded port and its fifth finished automobile import zone. It already has container terminals to handle 100,000 deadweight ton (DWT) ships.

It is also on the front line of development for the Beibu Gulf Economic Zone because it is the closest point for China's central and western parts to the ASEAN region.

Qinzhou clearly represents the views of the State Council on developing Guangxi's economy and certainly has some golden opportunities.

The State Council first approved plans for the Beibu Gulf Economic Zone in January 2008, which made the Beibu Gulf region a part of the nation's development strategy.

Then, in April of the same year, the Commerce Ministry said that Qinzhou was a key place for the processing trade.

The following month, the State Council approved a bonded port there, the only bonded port for a broad area.

In September 2009, the State Council approved a bonded port proposal for finished automobile imports, in Qinzhou.

In March of 2010, the Commerce Ministry announced that Qinzhou was a model of modern logistics in the distribution sector.

In November of that year, the city's harbor Economic Development Zone was made a national economic and technological development zone. The same month, the port got approv-

al to expand even more — to 28.78 km — and add 98 new berths.

Qinzhou is obviously an important city and it has a natural deep-water port. It was, in fact, the port of departure for the Maritime Silk Road in the distant past. In 1919, it was regarded as the second largest port in China by Sun Yat-sen.

Qinzhou has tried to leverage its port status to develop such industries as the petrochemical, automobile, and equipment manufacturing, and industrial clusters in energy, paper-making, metallurgy, foodstuff, edible oil, food processing, and logistics.

Qinzhou has also caught the eye of investors in ASEAN countries, such as Malaysia, Singapore, and Indonesia.

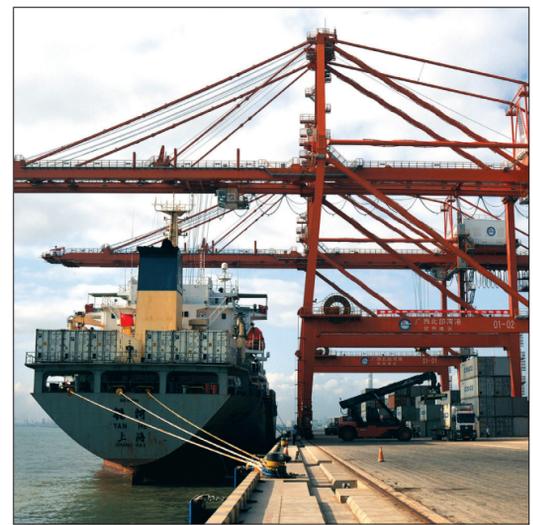
Work on a bigger harbor has begun, for example, 300,000-DWT port facilities, and 10 100,000 DWT berths.

Qinzhou's bonded port area is a center for container routes to Haiphong (Vietnam) and Hong Kong. A connection with Port Klang (Malaysia) will open this year.

By next year, Qinzhou is expected to be a 100-million-ton harbor, and a China-ASEAN free trade harbor. It will be a regional shipping center for international logistics and an export-processing base that is open to the world.

Qinzhou's real development goal is "Three hubs and one new city" for China-ASEAN cooperation: a regional hub of international shipping logistics; an industrial cooperation hub; a market trading hub; and a new harbor city (Qinzhou) that is fit for both merchandising and living.

It wants to use its unique advantages to promote harmonious relations with neighboring countries and to help China-ASEAN cooperation as a part of the China-ASEAN strategic cooperation.



A bustling Qinzhou bonded port.

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Petroleum refinery project of China Petroleum in its initial stage of construction (above) and night view of the project site after construction work was completed (below).



Map of the Industrial Park area.