

Guangxi: New opportunities for investors

By HUANG FEIFEI AND FENG LILI

Editor's note During a recent China Daily interview, Yang Jinghua, head of the Guangxi Investment Bureau, talked about the opportunities that the autonomous region has to offer investors.

Q: Could you describe some of Guangxi's advantages?

A: Among its many advantages are the location, resources, environment and low operational costs.

Guangxi is on a crossroads between the rest of China and Southeast Asia.

It's rich in marine, mineral, tourism and forest resources and is especially well-known for its nonferrous metal production.

In the area of environmental protection, it has 22 national and provincial nature reserves and 45 percent of its land is

forested. Nanning, the capital, is a winner of the UN habitat award.

In addition, labor, land and production costs in Guangxi are only two-thirds those in the eastern parts of China.

Q: What investment incentives does Guangxi offer?

A: This is a southwestern region, enjoying the nation's preferential policies for western development, including financial support, low land-use costs, and lower taxes. The corporate income tax rate, for instance, is as low as 15 percent.

Guangxi is a national pilot in using the renminbi for cross-border trade.

It also has autonomy in its tax incentives for investment in the Beibu Gulf Economic Zone, where the corporate income tax can be as low as 9 percent.

And the China-ASEAN Free Trade Area went operational this year, and most of



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Representatives from China and ASEAN members talking about transportation development at the 7th China-ASEAN Expo.

the goods moving between China and ASEAN countries enjoy zero tariffs.

Q: Are there any new opportunities in Guangxi?

A: One of the biggest opportunities for investors is the Beibu Gulf Economic Zone, one of the fastest-growing of all of China's major economic zones.

There are a number of large projects in the zone, like Petrochina's 10-million-ton oil refinery, and the huge steel-making and nuclear power projects in Fangchenggang. All of these need other projects to expand the industrial chain.

In the next three to five years, we expect a total of 1,390 projects in the zone, with more than 1.5 trillion yuan in investment.

The China-ASEAN Free Trade Area is another place

with unprecedented opportunities, which will greatly boost trade and investment with ASEAN countries.

The Ministry of Commerce has said that two-way investment is expected to increase by 48 percent annually in the next few years. Guangxi is a bridgehead to ASEAN and will be one of the greatest beneficiaries of the trade and investment boom.

In industrial development, Guangxi will feature areas like foodstuff, automobiles, petrochemicals, power, non-ferrous metals, machinery, building materials, paper and pulp, electronic information, pharmaceuticals, textiles, garments, biological materials, and ship building and marine engineering equipment production. These will be a priority for investors.

Beibu zone: Crucial role in southern coastal growth

By HUANG FEIFEI AND FENG LILI

This former backwater, at the western end of China's southern coastline, the Guangxi Zhuang autonomous region, is now becoming a more attractive destination for investors.

This is a result of the Beibu Gulf Economic Zone — a 42,500-square-kilometer area consisting mainly of the cities of Nanning, Beihai, Qinzhou and Fangchenggang — and the China-ASEAN Free Trade Area.

Guangxi lies next to the Pearl River Delta, to the east, and Southeast Asia, to the south, and is Southwest China's easiest passageway to the sea.

The zone plays a major role in regional cooperation programs like the Pan-Pearl River Delta, Pan-Beibu Gulf, and the China and Association of Southeast Asian Nations (ASEAN) Free Trade Area (CAFTA).

The Beibu zone's development plan was approved by the State Council in January 2008, and the region has grown into one of the most rapidly developing zones. Its average annual gross domestic product is growing 15.9 percent, or 2 percentage points higher than the rate of Guangxi overall.

CAFTA was formed on Jan 1, 2010 as the world's third-biggest free trade area. It covers an area with 1.9 billion people, and has a combined gross domestic product of \$6 trillion, and total trade worth \$4.5 trillion.

This gives Guangxi, espe-



Qinzhou port is an important passageway for the export of goods originating in Southwest China.

cially the Beibu Gulf Economic Zone, new economic development opportunities.

Recent achievements

This emerging economic area has already shown great promise with the Nanning Bonded Logistics Center, Qinzhou Bonded Area, Pingxiang Bonded Port Zone and Beihai Export Processing Zone.

The regional government's Beibu Gulf office and the Guangxi Social Sciences Academy have established the Beibu Gulf Research Institute to study the zone's development and to provide consultation services to decision makers.

That government has also established a special fund of 30 million yuan for the zone to attract talented people.

Even greater proof of the zone's success can be seen in the large number of investment projects there.

At the end of 2007, the China National Petroleum

Corp began work on a large oil refinery at Qinzhou. The project went into operation on September 8, 2010.

The Qinzhou city government is now planning a series of downstream petrochemical projects in fine chemical and new energies in the Jingu Petrochemical Industry Park. The park is expected to have an output worth more than 100 billion yuan by 2012.

In 2008, the Beihai Electronic Industrial Park attracted a number of electronics companies, including Japan's Sanyo and Taiwan's Liteon Technology Corp. Beihai's electronics industry now accounts for almost half of Guangxi's electronic production.

Since 2006, the Beibu zone has got 43 large projects with more than 1 billion yuan in investment each. Total capital input for all investment projects amounted to about 400 billion yuan over that same period.



Panoramic view of Nanning, capital of Guangxi and a winner of a UN habitat award.

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