

# Europeans take tour, note range of opportunities

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The giant steel, petrochemical and papermaking projects under construction in Zhanjiang are showing great potential for cooperation between the city and Europe, consuls-general of European countries in Guangzhou told China Daily.

"Italy is a traditional powerhouse in these sectors," said Benedetto Latteri, consul-general of Italy, adding that the country has the largest crude oil processing capacity and the second-largest steel output in Europe.

"There are reasons to believe that tremendous cooperation opportunities in these new and emerging sectors are waiting for us (Italy and Zhanjiang) to explore together."

"The cooperation between Germany and Zhanjiang includes that in energy saving and environmental protection, circular economy, trade and vocational education. German enterprises are ready to support the development of Zhanjiang's steel, petrochemical and paper-making industries," said Stefan Gallon, consul-general of Germany.

One example is Siemens cooperation with Baosteel's iron and steel project in Zhanjiang.

Zhanjiang's European partners are also concerned about possible pollution problems due to the city's fast industrial development.

Bruno Bisson, consul-general of France, said history shows economic gains have come without taking good care of environment in many places.

He spoke highly of the Zhanjiang government's decision to "develop eco-friendly industries to keep a blue sky."

"To achieve these important goals, green technologies, energy-saving equipment and innovative processes have to be put forward," Bisson said, adding that the energy-recycling system between the steel factory and the refinery on Zhanjiang's Donghai Island is a very good beginning.

"In that context, France has many assets including advanced technologies and environmentally friendly industrial processes that could help Zhanjiang modernize further," Bisson said.

"So it is suggested they make contacts with our main groups such as Vallourec and Total, and with our SMEs that have a world-class know-how."

Since China began its reform and opening-up in 1978, European investors have established 24 enterprises in Zhanjiang with a total contractual investment of \$140 million.

The indirect investment from European enterprises in

Zhanjiang through third countries and regions adds up to about \$200 million.

The major industries that have drawn the investments include food, glassworks, trade, mineral processing, metal work and chemical fertilizer production.

Latteri, the Italian consul-general, is optimistic about the investment environment in Zhanjiang.

"With deep-water harbors and berths, convenient highway and railway transportation, and an airport, Zhanjiang has great development potential as far as logistics is concerned," he said.

The southernmost city on the Chinese mainland is accelerating the construction of the Shenzhen-Zhanjiang high-speed railway, with the Maoming-Zhanjiang section completed. Relocation of the city's airport is expected to be completed in three years.

According to Gallon, since Zhanjiang is close to southwestern China and Southeast Asia, investing in the city benefits the European country's cooperation in the two regions.

"In addition, the labor costs are still comparatively low and that is a further point to consider when deciding to invest in Zhanjiang," Latteri said.

He welcomes Zhanjiang to join the Milan Expo in 2015, which has the theme "Feeding the Planet, Energy for Life".

"Zhanjiang is home to a variety of fruits and crops, while aquaculture, offshore fisheries and processing of aquatic products are crucial to the local economy," the consul-general said.

"It's believed that the Milan Expo will provide an incomparable opportunity for cities in China like Zhanjiang to showcase their achievements in this regard."

Rich in tourism resources and cultural heritage, Zhanjiang has fascinated visitors including the consul-general of Italy in Guangzhou.

"Embraced by blue sky and sea, with big or small islands sparkling along the serpentine seashore, Zhanjiang in my mind is a picturesque city, and sometimes reminds me of my beautiful hometown," Latteri said.

"I'm glad to see that even with a fast economic development there is a growing awareness about the need to protect local environment."

"A healthy environment can be an important resource helping improve living conditions and develop the tourism industry. With that in mind, a balanced, sustainable urbanization process is crucial. In this field Zhanjiang and Italy may establish an effective cooperation."

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STEFAN GALLON, CONSUL-GENERAL OF GERMANY



Sandy beach and clear waters at Jinsha Bay.

PHOTOS BY ZOU ZHONGPIN / CHINA DAILY

## Growing trade, streamlined ports

### Local government moves to support increase in exports

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Zhanjiang's trade with Europe in the first four months of 2014 increased 15 percent from a year ago, making a good start for the city in western Guangdong province to achieve its target of 6 percent growth in the overall foreign trade this year.

While the city's exports to Europe from January to April decreased 20.8 percent to \$73.53 million, its imports grew 170 percent year-on-year.

Exports were mainly aquatic, marine, mechanical and electrical products along with plywood and furniture

sold to countries including the United Kingdom, Russia, the Netherlands, Austria and Belgium.

Imports were mainly fertilizer, paper pulp, iron pyrite, machines and electrical products. Major trade partners include Finland, Italy, Germany, Switzerland and Austria.

To strengthen ties with Europe, a trade delegation led by Zhanjiang's mayor Wang Zhongbing will visit France, Germany and Italy later this month.

The Zhanjiang government will also improve its services to help local exporters grow, said Wang Xiaosui, director of the city's bureau of foreign trade and economic cooperation.



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WANG XIAOSUI  
BUREAU OF FOREIGN TRADE AND ECONOMIC COOPERATION

“We encourage local enterprises to go out to participate in professional trade fairs at home and abroad to expand their networks and seek orders,” Wang told China Daily.

“To build a favorable environment for foreign trade, our bureau stays in regular contact with other government bodies and institutions including customs, quality inspection, finance and tax bureaus as well as the foreign affairs office,” Wang said.

As a port city, Zhanjiang has an advantage in sea transport, especially in shipping goods to and from Southeast Asian countries. To give a full play to the advantage, since last year Wang's bureau has cooperated with the customs to initiate reforms on clearance procedures at the city's ports.

The around-the-clock service for reserving clearance is already in use. Xiahai became the city's pilot port on Oct 30 last year to simplify clearance procedures.

As a result, enterprises no

longer need to declare goods for customs clearance and have them inspected separately any more. Customs staff requires enterprises to open the containers only once for inspection.

Wang said the new procedure will be promoted to all the first-class ports in Zhanjiang this year.

The city government will also establish a bonded logistics center this year, Wang added.

Construction on the new bulk cargo wharf for iron ore in Xiashan Port will be completed within the year.

Construction on office buildings and living communities in Donghai Island Port is expected to begin this year to build complementary facilities for the mega steel and petrochemical projects on Donghai Island.

## Pharmacy and cosmetics bottle maker finding scent of success

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Frenchman Cyril Ruiz-Moise is not only the general manager of Zhanjiang Saint-Hua Glass Containers Co, commonly named SGD Asia Pacific, but also a citizen of the city.

"In Zhanjiang, I do feel at home," Ruiz-Moise said.

The 39-year-old spent eight years in China during his 15-year career with SGD. Apart from two or three short visits back to France each year, Ruiz-Moise spent most of his time in Zhanjiang and Guangzhou, where he has his residences. Last year, he celebrated Christmas in Zhanjiang with his Chinese colleagues.

SGD Group is a leading global producer of glass bottles for the pharmaceutical and perfume-cosmetics industries. SGD Asia Pacific was founded in 1998 in Zhanjiang and is part of the group.

SGD used to own a 70 percent stake in the company, with the remaining 30 percent owned by the city government.

In 2006 SGD bought the 30 percent stake and became a wholly owned foreign company.

"Despite the stake change, I didn't feel any difference in our relationship with the local government. They are still very supportive and respect our plan," said Ruiz-Moise.

The company regularly exchanged ideas with government officials and pushed forward with the investment plan.

"The Zhanjiang government is far-sighted and they always checked with us about our future plans," said Ruiz-Moise. The company's global CEO is due to have a meeting with the mayor soon about their investment and expansion plans for the coming five years, he added.

With an increasingly open economy, Zhanjiang offers promising market prospects, Mayor Wang Zhongbing said during a previous meeting with Francois Portenseigne, director of strategic planning and analysis at Paris-based SGD Group.

Wang said the city government would continue to support the company. Portenseigne pledged further innovations in production and said the company would upgrade its product mix to strengthen business in Zhanjiang.

The company's strategy, Ruiz-Moise said, was quite



Cyril Ruiz-Moise (left), general manager of wholly-owned Zhanjiang Saint-Hua Glass Containers Co, inspects production in the workshop.

clear — simply work with industry leaders. SGD Asia Pacific worked with almost all the top companies in the cosmetic and pharmacy industries at home and abroad including L'Oreal, Estee Lauder, Fresenius KB, Litai, Leung Kai Fook, and Haw Par.

"And our priorities are safety, quality, sustainability and profitability always," he added.

Ruiz-Moise said China's economic slowdown would not influence the company's business as the pharmacy and cosmetics industries are expected to maintain a rapid growth rate.

China's economic growth dipped to 7.4 percent in the

first quarter, which increased the risk that the country could miss this year's economic growth target of 7.5 percent.

SGD Asia Pacific's turnover accounted for 10 percent of the SGD's global business but the proportion is expected to grow in the coming years.

"We've achieved average annual growth of 20 percent in the past eight years and we are confident we will maintain such a rate in the coming years," Ruiz-Moise said.

In 2010, SGD Asia Pacific's turnover was 100 million yuan, and the figure is set to double in 2015 and triple in 2019, according to Ruiz-Moise.

The company's EBITDA —

earnings before interest, taxes, depreciation and amortization, a major financial indicator — is expected to rise to 20 percent by 2020, he added.

"We not only want to earn money but also would like to be a good corporate citizen," said Ruiz-Moise.

In the past 10 years, the company has used water-based paint for the words on its bottles. The paint is more expensive than oil-based paint but it is more environmentally friendly.

"We will make every effort to improve our criteria in protecting the environment and improve energy efficiency," Ruiz-Moise said.