



CAN DO! CHENGDU

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'Right time to invest in Chengdu'

Delegation to Singapore: City's many advantages

By LI FUSHENG
lifusheng@chinadaily.com.cn

It is the right time to invest in Chengdu, the capital city of Sichuan province that will soon host the 2013 Global Fortune Forum, city officials told Singaporean business representatives last month.

As part of its campaign to attract more overseas investment, the city government held a forum in Singapore in late April to brief local entrepreneurs on the latest development and opportunities in Chengdu.

The event attracted more than 100 participants from companies including Temasek Holdings, Sembcorp Development Ltd and the NTUC LearningHub.

Liu Jianing, head of the investment division at the Chengdu Investment Promotion Commission, told the audience that Chengdu is now home to operations by 238 Fortune 500 companies, adding that 31 of them arrived since Fortune magazine announced in March 2012 that the city would host the 2013 forum.

Singaporean investment has also been on the rise in the city, Liu said.

By the end of March, 299 companies from the island country had signed deals to invest \$3.37 billion in Chengdu, with \$3.15 billion having now in place.

They are mainly engaged in electronics, semiconductors, food processing, real estate and finance.

Cui Wei, CEO of Sino-Singapore (Chengdu) Innovation

Park Development Co Ltd, said at the forum that when it comes to the Chinese market, multinationals must do the right thing at the right time.

He said that now is the time for them to enter western China and Chengdu is the "parlor" from where they can reach the vast market in the region.

Li Xiaoyang, a representative of the Chengdu government, said at the forum that multinationals should not miss three great opportunities in Chengdu.

In addition to its easy access to neighboring regions, the city has more policy support from the central government now that the Chinese government is promoting a new round of development in western China and adopted a series of its own favorable policies on land use and other frequent concerns of companies, Li said.

Tianfu New Area

He said Chengdu's Tianfu New Area also offers rich opportunities for companies.

The 1,578 sq km area is designed to serve as the home to high-tech industries, a site for advanced manufacturing, a modern service hub in western China and one of the innovation hubs in the country.

It will play an important role in opening China's inland regions to Europe and Asia, serving as a channel for exchanges and cooperation in trade, technologies, information and culture, said a city government official.

Construction is now underway on a large number of



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After decades of development, the southwestern city has evolved into an international metropolis where 238 of the Fortune 500 companies have their operations.

infrastructure projects in the new area including an electronics and information park and an international auto city.

The Sichuan provincial government has approved 10 packages of incentive policies to boost development, while the Chengdu government will also offer support in such areas as financial services and taxes, the official said.

The Tianfu New Area is expected to be a major window to further open up western China and to play the most powerful role in boosting local economic growth, said a statement on the website of the Sichuan provincial government.

Officials also encourage entrepreneurs to seize the opportunity offered by the

Global Fortune Forum in Chengdu.

As Chengdu is the fourth Chinese city to host the influential event seen as a barometer of development in the global business community, the city is expected to see greater development, a local official said.

In addition to large multinationals, the city also called for investment from overseas small and medium-sized companies.

"Many have sought their fortune in Chengdu and a lot more are joining their ranks as they see their friends or upstream or downstream companies get established in the city," said Liu of the Chengdu Investment Promotion Commission.



The Chengdu Tianfu Software Park is a major destination for overseas investors.

Report outlines the allure of the west

By LI FUSHENG
lifusheng@chinadaily.com.cn

Foreign investment in China is now diverting from coastal cities to western inland regions, according to a recent report on trends among Singaporean companies.

Compiled by the Sichuan Academy of Social Sciences and the National University of Singapore, the study attributes the change to more rapid economic growth in the west than in China as a whole.

The report released in late

April said that the country's western cities, especially Chengdu, are becoming preferred investment destinations for Singaporean companies and other multinationals.

As of the end of March, Chengdu had attracted 299 Singaporean companies whose investment totals \$3.37 billion, of which \$3.15 billion is now already in place.

Among those seeking their fortune in the west is the Sino-Singapore (Chengdu) Innovation Park Development Co Ltd, which is responsible for

overall planning, construction and marketing of the Singapore-Sichuan High-Tech Innovation Park, known as SSCIP for short.

The 10.34 square kilometer SSCIP is a milestone in the collaboration between Singapore and Chengdu, which also sets the benchmark for clusters of industries with high added value in western China, said its administrators.

The park is focused on developing eight pillar industries — information technology, biomedicine, service out-

sourcing, new digital media, precision machinery, environmental technology, finance and training.

"As the economy slows down in eastern China, the western part of the country has seen its economy grow at a rate of more than 10 percent for eight consecutive years," according to the jointly researched report.

China's central government development strategy defines the western region as Shaanxi, Qinghai, Gansu, Sichuan, Yunnan, and Guizhou prov-

inces along with Chongqing municipality and Ningxia, Tibet, Inner Mongolia, Xinjiang and Guangxi autonomous regions.

"They have different features. Guangxi, Yunnan, Xinjiang and Inner Mongolia have advantages in opening up to Southeast or Central Asian countries," noted the study. "Sichuan, Chongqing and Shaanxi have better economic performance and higher development levels, so have been termed the 'Western Delta' (a parallel to the Yangtze River Delta)," the report said.

Regional engine

Liu Shiqing, director-general of the West China Development Research Center at the Sichuan Academy of Social Sciences and one of the authors of the report, said many experts predict the Chengdu-Chongqing Economic Zone will become the next major regional engine for the nation's economic development due to its size, growth and technical strength.

The zone is home to 98.4 million people, three-quarters of them in Sichuan province. In 2011, its GDP stood at \$440 billion, accounting for 28 percent of the total in western China.



The neighborhood of the Chengdu Museum now under construction will be a cultural and creative hub in the city.

"Especially Chengdu with its favorable geographic location plays an increasingly important role in China's multi-polar pattern of development," Liu said, adding that the city can help companies gain an easy access to a population of at least 200 million people in neighboring regions.

Cheng Yung-nien, head of the Institute of Eastern Asian Studies at the National University of Singapore, encouraged more Singaporean entrepreneurs to keep a close eye on Chengdu, which will host the Fortune Global Forum in June. The business gathering of top executives is seen as a barometer of development in the global business community.

As the Chengdu government works to build the city

into western China's economic powerhouse, the report predicts the largest opportunities lie in the finance, education, medical care, environmental protection and high-tech industries.

The potential has already attracted many multinationals to Chengdu.

As of May, 238 Fortune 500 companies had branches in the city in a wide range of industries including electronics, IT, automobiles, machinery, finance and energy, the report said.

They will boost the development of their industrial chains and create more investment opportunities, it added.

In addition to Chengdu, the report said Chongqing, Xi'an, Kunming and Guiyang also deserve attention from entrepreneurs.



Artistic rendering of the Singapore-Sichuan High-Tech Innovation Park, a milestone in collaboration.