

# 'Nanjing-style' development pays off

By LAN XUAN

Located at the center of China's Yangtze River Delta zone and renowned as major economic engines in eastern China, Nanjing has played a remarkable role as one of China's fastest-growing commercial centers in recent years.

Since China's adoption of its reform and opening-up policies in 1978, the city, the provincial capital of Jiangsu province, has established a wide-ranging, all-encompassing development program that embodies a unique "Nanjing-style".

The city has become one of the most successful centers for attracting foreign investment. It has established stable trading relationships with more than 200 countries and regions across the world, achieving an annual trade volume in excess of \$40 billion.

With the global economic downturn widely seen as coming to an end, Nanjing is now planning its "after-the-crisis" business development program. This is part of a bid to better exploit the city's advantages in terms of industrial resources and geographical benefits, as well as to create additional points of economic growth.

The city will also actively engage in promoting a major upgrade for its traditional industries, accelerate the centralization of its business sectors, usher in a period of intensive development, update its overall industrial capacity and integrate its competitive offering.

Nanjing will also push the high-tech development of its most significant sector - the Electronic Information Industry, where the city is most renowned for its provision of ubiquitous flat panel display products.

Over the next three to five years, Nanjing will also cooperate with Japan-based Sharp. This will see the city secure an investment of 65 billion yuan in order to establish a large-scale flat panel display manufacturing

center, as well as a Sharp-backed global research and development facility.

According to local officials, Nanjing is now well on the way to accelerating the development of its modern service industry.

As one of the most significant business centers in the Yangtze River Delta, the service industry has played a leading role in Nanjing's economic development. Over recent years, the city has paid considerable attention to nurturing its modern service industry. Its successes in the sector include making considerable in-roads in the software, service outsourcing, finance and insurance, cultural and creative industries.

## Economic development

Over the past three years, the Nanjing government has approved more than 10,000 foreign investment projects, generating a trade volume in excess of \$70 billion.

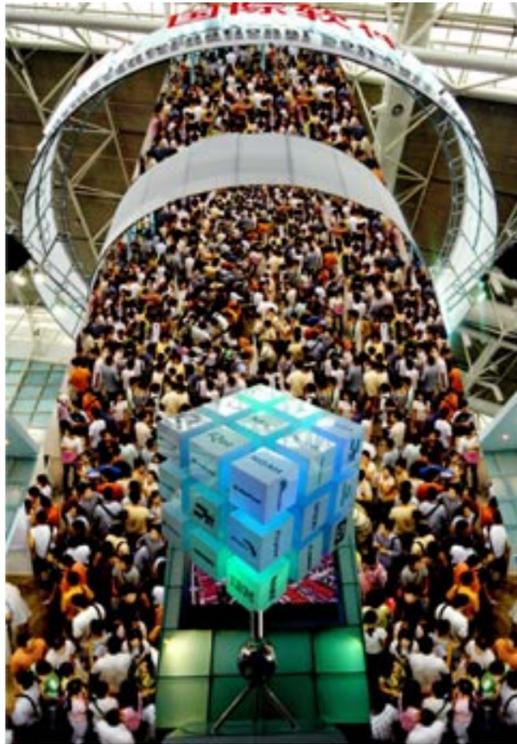
Foreign investment has been as key driving force in Nanjing's economic development, according to local officials. Recent years have seen foreign economic and technical cooperation achieve considerable momentum within Nanjing.

In 2006, Nanjing was recognized as one of China's primary National Service Outsourcing Demonstration Cities. A number of the city's regions and development zones - notably Gulou, Xuanwu, Yuhuatai Districts, Nanjing High-tech Economic Development Area and the Jiangning Economic Development Area - were also designated as China's service outsourcing industry demonstration areas.

Currently, there are 500 service outsourcing manufacturing companies in Nanjing. In 2008, the total trade volume from the sector reached \$800 million, representing some 13.6 percent part of the total national trade volume of the service outsourcing industry.

## Software industry

Between the end of last year and the first half of this year, Nanjing sought to establish itself as the primary software center in Jiangsu.



Visitors gather for the Nanjing International Software Expo.

Its local government has strived to establish a national Software Industry Park and has continuously promoted the development of its five software industry centers within the city - the Xuanwu, Gulou, Yuhua, Jiangning and Pukou districts.

Statistics showed that, in the first half of this year, revenues from Nanjing's software industry reached 28.339 billion yuan, a 48.2 percent increase compared to the same period last year.

In 2000, there were around 200 software companies choosing to invest in Nanjing, generating a combined annual sales revenue of 1.8 billion yuan. The situation in 2008 is very different. Backed by a far stronger team of software developers looking to invest in the city, the sales revenue of Nanjing's software industry has now reached 47.1 billion yuan, a 30 percent year-on-year increase.

Recently, six of the Nanjing-

based software developers were honored as being among the top 100 Chinese companies in the sector.

In light of this, the Nanjing Software Industry Park has attracted a group of the world's leading software giants, including Microsoft, Lucent, Motorola, Siemens and Epson.

Recent policies initiatives have also seen the local government placing greater emphasis on nurturing human resources in a bid to better support the fast-growing software industry.

Over the coming three years, Nanjing will implement a "Focus" strategy - aimed at attracting large-scale software businesses to the city in order to maintain the rapid development of its software operation.

As part of this strategy, the local government will nominate a number of candidate companies for the implementation of a special incentive package as a way of fuelling their rapid expansion.