



# CAN DO! CHENGDU



## TALL ACHIEVEMENTS

FENG YONGBIN / CHINA DAILY

Former NBA star Yao Ming and Andy Serwer, managing editor of Fortune magazine, discuss what constitutes world-class achievements at the Fortune Global Forum.

# FORTUNE SMILES ON CHENGDU AS FORUM CONCLUDES

Global spotlight, \$18 billion in deals from three-day event, **Li Fusheng** reports

**F**ortune has smiled on Chengdu now that the 2013 Fortune Global Forum drew to a close on June 8 in the western city of international renown.

The fruitful three-day event saw at least 74 business deals signed between the capital city of Sichuan province and Fortune 500 companies or large multinationals with the combined value surpassing 112 billion yuan (\$18.26 billion).

Of them, 12 major projects worth 25.6 billion yuan were sealed on June 7 at a contract signing ceremony held at the city's Jinjiang Hotel.

Semiconductor design and manufacturing company Texas Instruments announced its long-term strategy for manufacturing facilities in Chengdu in conjunction with officials of the Chengdu High-Tech Industrial Zone at the ceremony.

Its future plans include a new assembly and testing operation and the expansion of its existing wafer fabrication factory.

TI's investment in the operation could total \$1.69 billion over the next 15 years for more facilities, manufacturing equipment and land.

"The Chengdu High-Tech Industrial Zone has been an

excellent location for TI's manufacturing investment in China. We believe this region offers significant benefits to TI and the more than 100,000 customers we serve," said Kevin Ritchie, senior vice-president of TI's Technology & Manufacturing Group.

Schneider Electric of France is planning to establish its first subsidiary for Southwest China in Chengdu.

Sam Chum, vice-president of Schneider Electric China, said the company will soon upgrade its representative office to a branch in the Chengdu High-Tech Industrial Zone as the market in western regions attracts more and more attention from the company's top management.

The branch's business will cover sales, management, coordination and service support and is planned to become a regional hub that could reach other cities in Sichuan province, Chongqing, and the Tibet autonomous region by the end of 2014.

### More progress

Chum said as western China is set to make more rapid progress than in the past decade he hopes his company can get involved in the development

**"The Chengdu High-Tech Industrial Zone has been an excellent location for TI's manufacturing investment in China."**

KEVIN RITCHIE  
SENIOR VICE-PRESIDENT  
TEXAS INSTRUMENTS TECHNOLOGY & MANUFACTURING GROUP

**"As you move up the ladder to more high-tech and capital-intensive products, foreign investment will be a big part."**

ROBERT MUNDELL, NOBEL PRIZE-WINNING ECONOMIST

**"Looking to the future, (West China cities) may become engines of growth when export-oriented coastal cities encounter more headwind from shrinking external demand."**

SHI LEI, ECONOMICS PROFESSOR AT FUDAN UNIVERSITY

of Chengdu and Sichuan province as a whole.

In addition to the high-tech zone, Qionglai, a county-level city under the administration of Chengdu, has also become home to Fortune 500 companies.

On June 7 AkzoNobel unveiled its plans to build a

production base in Qionglai's industrial park.

The planned 55,000-square-meter facility is scheduled to be completed in two phases by 2017, according to the Dutch multinational that specializes in paints, coatings and specialty chemicals.

With the investment for

phase one totaling 40 million euros (\$52.96 million), the facility's annual output for decorative paint is expected to exceed 100 million liters.

The same day French food and beverage giant Danone announced it would increase its investment in its Qionglai project that opened last September.

The move will bring the company's total investment in Chengdu to 600 million yuan, said Gu Peiji, general manager of Danone Asia Pacific Management Co.

With a designed annual capacity of 250,000 tons, the 14.6-hectare plant will produce Mizone and be Danone's largest beverage facility in the Asia-Pacific region.

Other investors include US-headquartered Flextronics, which will set up a center making precision instruments in Chengdu's Shuangliu county, and auto manufacturer Geely, which will establish a production base in the city's economic and technology development zone.

A total of 238 Fortune Global 500 companies now have branches in Chengdu.

Cheaper labor and booming foreign investment are the key strengths for China's western

business center, Nobel Prize-winning economist Robert Mundell said during the forum.

Mundell said the inland economic hub should exploit its comparative strengths to benefit from economic globalization.

"As you move up the ladder to more high-tech and capital-intensive products, foreign investment will be a big part," he said, adding that foreign investment simultaneously brings capital, technology and market access.

### Industrial hub

Mundell said Chengdu should consolidate its role as a manufacturing base and continue to foster investment in order to maintain its advantages.

He also expressed confidence in China's economy.

"Growth has been spectacular in Chengdu with a huge increase in foreign investment and exports," said Mundell.

Ellen Kullman, chief executive officer of DuPont, said that the company built a plant in Chengdu last year while jointly founding a research institute with Sichuan University to develop new fire- and heat-resistant materials.

"The western city is now a

hub for many manufacturing industries and we are glad to have set up a plant here," she told China Daily in an earlier interview.

Among all provincial capitals, Chengdu has the strongest growth rate in the manufacturing sector, said officials with the city's statistics bureau.

The sector's 13.7 percent growth was a major contributor to the city's GDP in the first quarter as it increased by 10.5 percent from the same period last year to 215.1 billion yuan, they added.

Those figures far exceed the nationwide growth in GDP of 7.7 percent and the 10.2 percent registered by Sichuan province.

Cities such as Chengdu in western China are maintaining resilient momentum, Shi Lei, an economics professor at Fudan University, told media.

"Looking to the future, they may become engines of growth when export-oriented coastal cities encounter more headwind from shrinking external demand," Shi said.

You may contact the writer at lifusheng@chinadaily.com.cn

Qing Yujiao contributed to the story.