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# Foshan: Attracting investors with many advantages

By ZHAN LISHENG

For many investors, the city of Foshan in the Pearl River Delta has its unique appeals.

These include its geographic advantage and infrastructure, mature industrial chains, the ready market, as well as the local government's efficient service.

"Foshan has a well-developed traffic network and it is less than one hour's drive to Guangzhou; everything is just so convenient," said an executive of a Japanese auto part company. "The local government's efficient service is also something attractive to investors like us."

And the booming consumer market resulting from the rapidly growing social and personal wealth is the source of Wal-Mart's confidence in opening outlets in Foshan.

During his July meeting with Li Yiwei, then mayor of Foshan and now the city's Party chief, Norio Sasaki, president and CEO of Toshiba Corp, said that Foshan has outstanding investment climate and Toshiba is satisfied with its investment in the city.

"Toshiba will seek to invest further in the city besides its existing six companies in operation," Sasaki said.

Foshan's competitive advantages are also arresting potential investors' attention.

## New projects

The city secured 28 new foreign investment projects — each with an investment of more than \$10 million — in the first half of this year, with total capital reaching \$1.08 billion, according to official statistics.

These include a \$120-million solar energy cell film project funded by DuPont Teijin Films and a \$60-million LED chip project invested by Taiwan's Chimei Lighting Technology Corp.

Actual inflow of overseas capital to the city was US\$1.97 billion in 2010, an increase of 5.01 percent from 2009.

So far, the city has 95 projects backed by the world's top 500 enterprises, with total investment surpassing \$4.79 billion.

And the number of foreign-funded enterprises in Foshan has surpassed 7,000.

FAW-Volkswagen — a leading Sino-German auto making joint venture based in Changchun — is among the ambitious investors in Foshan. It announced a massive investment plan with an initial capital input of about \$2 billion in the city in mid-2010.

Other famous multinational companies with investment in Foshan include Invista, a leader in polymers and owner of the renowned trademark of Lycra; Anheuser-Busch InBev, a globally leading brewer headquartered in Belgium and owner of the beer trademark of Budweiser; POSCO, a global leader of iron and steel from South Korea; and Esquel Group, a Hong Kong-based global leader of premium cotton shirts.

## Easy transportation

Located at the heart of the Pearl River Delta region, Foshan has easy access to the transportation hubs including Guangzhou Baiyun International Airport, Guangzhou Nansha Port and Guangzhou's railway stations.

And the Guangzhou-Foshan subway already in service is the first intercity subway line in China, further integrating Foshan with the capital city of Guangdong.

Only 231 kilometers away from Hong Kong and 143 kilometers from Macao, Foshan can make full use of these two international cities in attracting overseas investment and developing the global markets.

The huge market potential of Foshan finds expression not only in the bustling outlets of global retail giants including Wal-Mart, Metro, Jusco, Lotus and Trust-Mart but also in the booming special wholesale markets for products ranging from furniture, ceramics, steel, knitwear, underwear and plastics, to nonferrous metals.

And the Guangdong High-Tech Service Zone for Financial Institutions, based in city, offers a range of financial services to investors.

The city is expected to become the largest manufacturing hub in Guangdong with its gross industrial output targeted at 3 trillion yuan in 2015 as compared to 1.58 trillion yuan in 2010.

The city's competitive industries include household appliance, electronics, plastics, textile, ceramics, building materials, machinery, optical and electronic integration, and auto parts.

Foshan is also looking for investment to help it have a leading position in such industries as LED and photovoltaic industry, new materials, new medicines, environmental protection and new-energy automobile, as well as modern service, said the city government.



Already with six companies in Foshan, Toshiba promises to make further investment in the city.

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Taiwan's Chimei Lighting Technology Corp will invest \$60 million in an LED chip project in Foshan.