

Guangdong seeking more business links with Poland

By ZHAN LISHENG

The governments of Guangdong province and Hong Kong Special Administrative Region will jointly host a business promotion event on Oct 27 in Poland to fortify trade and investment with the eastern European nation.

"More than 1,000 distinguished guests from government, industry and commerce as well as financial circles in Poland and other EU countries are expected to attend," Liang Yaowen, director general of the Guangdong foreign trade and economic cooperation department, said in a recent exclusive interview.

"In addition to a wide range of trade opportunities, Guangdong will promote key projects to potential investors in IT, infrastructure, heavy industry, chemicals, machinery, logistics and tertiary industries," Liang said.

The Guangdong delegation will also sign contracts for several massive projects and host business consultations



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DIRECTOR GENERAL OF THE GUANGDONG FOREIGN TRADE AND ECONOMIC COOPERATION DEPARTMENT

on projects and policy during the event, he said.

"Guangdong and Poland have long had excellent trade and economic cooperation and this year marks the 10th anniversary of the sister relationship between Guangdong and the province of West Pomerania," he said.

"That partly explains why we will go for the campaign."

Complementary economic structures, markets and resources also interest Guangdong's planners in closer ties with Poland, he explained.

Poland's position as the biggest economy in eastern

Europe, its geographical location at the crossroads of the continent and its rapidly growing consumer market make it ideal for Guangdong's foreign trade, he said.

The 2012 European Championships in soccer will be held in Poland, further signaling its growing influence, he said.

For its part, Guangdong has competitive advantages in supplying machinery and electrical equipment, chemicals, finished metals, light industrial products and porcelain, all important imports for Poland.

The Chinese province

needs agricultural products, timber and raw minerals, sectors that are all well developed in Poland.

Guangdong's trade with Poland was worth \$1.61 billion in the first eight months of this year, an increase of 10.2 percent from a year ago.

Total trade hit \$2.28 billion in 2010, 11 times the figure of a decade ago. The province's trade was 20.5 percent of the total between China and Poland last year.

The official said closer ties in manufacturing will be mutually beneficial to both sides.

Poland has well-devel-

oped heavy industry, while Guangdong is now focused on advanced manufacturing and high-tech based on its already robust sectors in IT and electronics, telecom equipment, household appliances, machinery and electrical equipment.

To date, 20 Polish-funded projects worth a total of \$5.71 million have started in the province, while Guangdong businesses have invested in 14 projects in Poland worth about \$77 million, according to official statistics.

Liang said the province will encourage local businesses to import more from Poland, establish production facilities and invest in energy development and infrastructure in the nation while boosting exports of competitive Guangdong products.

"We welcome Polish businesses to invest, especially in advanced equipment manufacturing, shipbuilding, auto, iron and steel production, tourism, environmental protection and energy conservation," he said.



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Guangdong officials and executives of Fortune 500 companies and other large foreign-funded firms meet to discuss improvements to the local business climate.

‘Closer to the world than any other region’

By SHENG JI

Businesspeople have varied reasons for choosing Guangdong as their investment destination.

But most have a few ideas in common — that investing in the province pays off and their investment decisions have proven wise.

"As one of the best-developed regions in China, Guangdong has an outstanding investment climate," Hattori Etsuo, chief representative of Toyota in China, was quoted by local media as saying.

"Toyota appreciates the well-developed industrial chain and thus the convenient access to raw materials and components," he said.

In the view of Kazunori Okuyama, president of Sumitomo Mitsui Banking Corp China Ltd, the fact that Guangdong attaches importance to high-quality enterprises and has the determination to transform its economic structure will make foreign enterprises focus more attention on new opportunities in the province.

"Guangdong seems to be closer to the world than any other region or metropolis in South China region — with the Pearl River Delta cities of Guangzhou, Shenzhen, Dongguan and Hong Kong at the core — will be significant for the bank's development in China," he said.

Ed Chan, former president and CEO of Walmart China — who resigned just last week — hailed Guangdong's favorable geographical location neighboring Hong Kong and Macao along with the substantial consumption capacity and local people's awareness of innovation and willingness to accept new services and new things.

Chan also spoke highly of the rich variety and convenient supply of commodities from Guangdong's position as a major manufacturing base for China and even of the world.

"That makes the retail business extremely convenient," he said.

Chan's viewpoints were echoed by Peter Nestmann, general manager of Allianz China General Insurance

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CHIEF REPRESENTATIVE OF TOYOTA IN CHINA

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PETER NESTMANN
GENERAL MANAGER OF ALLIANZ CHINA GENERAL INSURANCE COMPANY LTD

Company Ltd, a wholly owned subsidiary of the German insurance company.

"Guangdong has a very dynamic market, and innovative products and services — the people have a strong sense of finance and are always ready to take in new things," he said. "And the government here has been making efforts to optimize the market environment."

According to Nestmann, Guangdong has topped all regions in China in insurance premiums since 2007, and premiums have maintained double-digit growth over the past five years.

Noting the competitiveness of the investment climate, Mei-Wei Cheng, president and CEO of Siemens Ltd, China, and CEO of Siemens Northeast Asia, advised the province to continue refining the entire environment to remain appealing to multinationals.

He suggested that the province redouble efforts to make the area cleaner and more orderly with less traffic congestion.



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Shenzhen Port in Guangdong. The southern province is an important manufacturing center in China and even globally.

Investor passion for provincial powerhouse

By LI SHENG

Guangdong province secured \$21.77 billion in foreign capital for 233 projects during a campaign held in Guangzhou, the provincial capital, in late September.

Senior executives from 140 of the world's top 500 enterprises and 145 other big foreign companies attended the seminar.

Most of the representatives showed strong passion for investment and business cooperation in the province, local media reported.

"Once again it reflects the fact that Guangdong clearly has more competitive advantages with foreign investors in the wake of its efforts to accelerate economic transformation," said Liang Yaowen, director general of Guangdong Foreign Trade and Economic Cooperation Department.

"The province is willing

233

projects

signed with the province in late September are foreign-funded

\$7k

in Guangdong's per capita GDP ensures continuing strong consumer demand

to forge closer ties in capital, management, technology, equipment, idea and talent with renowned enterprises all over the world for mutual benefit," Liang said.

He cited Guangdong's high level of economic internationalization, booming manufacturing industry, availability of development zones of varied kinds, as well as friendly environment for investment and

business operations, as the main competitive advantages.

He said the province's 143 ports have shipping links to more than 1,100 harbors in about 130 countries and regions with their container throughput accounting for over one-third of the nation's total.

The province has trade relations with more than 230 countries and regions globally and has seen investment from over 100 countries and regions.

Guangdong is also an important manufacturing center in China and even globally with a comprehensive and mature industrial system.

Development of its advanced industries is expected to accelerate due to the province's generous financial support over the 12th Five-Year Plan (2011-2015).

Guangdong has a long tradition for trade and also hosts

a number of influential international exhibitions and trade fairs throughout the year.

As well, protection of intellectual property and a market economy with international practices are deeply rooted among its administrators and businesses.

Liang said the province's population of over 104 mil-

lion and its per capita GDP of \$7,000 ensure continuing strong consumer demand.

Its 34 State-level development zones, nine State-level high-tech zones, 15 industrial bases listed in the nation's "Torch Plan" for high-tech industries and 35 province-level industrial parks ensure enough land for investors.



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The signing ceremony for \$21.77 billion foreign-funded projects in Guangdong

TCL's Polish plant: Production and international experience

By LAO ZHAN

TCL Operations Polska is playing an increasingly important role in the global supply chain of TCL Corp.

The parent company headquartered in Huizhou, a Pearl River Delta city in Guangdong province, is the world's 25th-largest consumer electronics producer and sixth-largest television maker.

Its facility in Poland is

located in the middle of the country about 50 kilometers from the capital Warsaw.

Established with an investment of \$66.38 million, construction on the Polish plant began in 1997 and went into operation the following year.

"The investment is an inseparable part of TCL's global strategic development," said Hao Yi, chief sales officer of TCL Multimedia Technology Holdings Ltd.

"As a major production base in Europe, the plant has a special position in the firm's global industrial chain as well as a crucial part of our strategy in the European market."

According to Hao, Poland's favorable position in Europe makes it possible to deliver products and components to any corner of the continent in a maximum of four days. The plant helps TCL avoid possible trade barriers targeting

China-made products while lowering its sales costs in the European market.

The Polish plant also plays an active role in procuring raw materials, deploying production resources and servicing global clients and offering product and technology support to both its own brands and OEM operations.

The TCL plant employs about 600 people, mostly local staff and has five production lines to make LCD

and LED color TVs as well as DVD players.

"Despite the big costs primarily due to the cultural differences and unfamiliarity with the local laws in the first few years, TCL Operations Polska has helped us gain valuable experience in the construction and international management of projects outside China," he said. "The plant has set an example for other Chinese firms seeking to invest abroad."



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The TCL Operations Polska plant