

# Xiamen: From fortress to forefront of reform

## Port city pioneers cross-Straits business, cultural connections and tourism ties

By HU MEIDONG AND TAN ZONGYANG

For several decades the port city of Xiamen in Fujian province was best known as a fortress island facing Taiwan.

Since the 1950s, it was of strategic importance in defense of the mainland if an attack was mounted by the Kuomintang that had taken refuge in Taiwan.

Xiamen's Dadeng Island, just a few kilometers from Taiwan's Kinmen Island, was battered to ruins during massive bombardment in 1958.

But today the atmosphere of Dadeng is totally different. It is a peaceful place that has close trade ties with Kinmen.

Dadeng is now gearing up for renewed cross-Straits trade and becoming a scenic spot in Xiamen.

With tourists to the island buying duty and tax-free imported goods from Taiwan,

the history of Dadeng illustrates how Xiamen changed from a military frontier to a pioneer city in cross-Straits exchanges. Beginning in the early 1980s, the central government endowed the city with the mission to develop ties between the mainland and Taiwan.

### Investment and trade

Modern business relations between Xiamen and Taiwan began with the establishment of the Xiamen Special Economic Zone. Preferential policies in the city generated interest and investment from Taiwan's businesses.

Their investment then spread further into the mainland through Fujian and especially Xiamen.

In 1989, China's first business zone for Taiwan investment was established in Xiamen's Haicang area.

The 100-sq-km Haicang Taiwanese Investment Zone, which is close to Xiamen Port, is also the largest Taiwanese investment zone on the mainland.

Later, two similar zones were developed in Jimei and Xinling districts, enabling the city to build industry clusters backed by Taiwan's investors.

Xiamen is now home to three of the four Taiwanese investment zones in Fujian.

By the end of 2010, Xiamen had attracted almost \$5 billion in total direct investment from Taiwan. Some 3,112 Taiwan-invested projects in the city are involved in industrial production and now serve as pillars of Xiamen's economic development.

In 2010, total trade volume with Taiwan reached \$6.38 billion as Taiwan replaced Japan as Xiamen's second-largest trade partner following only the United States.

Xiamen has established the country's largest distribution center for fruit from Taiwan. It received 5,963 tons of the fruit last year, the most of any mainland city.

"Over the past three decades, Xiamen has become the favorite city for Taiwan people to invest and do business on the mainland," said Yu Guowei, Xiamen's Party chief.

### Further links

Increasing numbers of Taiwanese investors on the mainland and mainland tourists to Taiwan have boosted develop-



The city has become an economic hub for cross-Straits cooperation.

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The Xiamen-Kinmen ferry provides an important link between the mainland and Taiwan.

ment of transport facilities and services across the Straits.

Xiamen Port was among the first authorized by the central government to begin cargo services to Taiwan. In 1997, a direct route for container liners between Xiamen and Kaohsiung ports started trial operations.

In 2001, authorities on the mainland and Taiwan agreed to begin the "three initial links" — to restore tourist exchanges, the flow of commodities and mail service between the mainland and Taiwan's offshore islands.

The Xiamen-Kinmen ferry service became the most important channel for connections with more than 5.8

million people visiting Xiamen and Kinmen.

Chartered flights between Xiamen and Taipei were put into operation, and in 2006 Xiamen became the fourth mainland city to have direct flights to Taipei and Kaohsiung.

Before the direct link, travelers departing from Xiamen would first take a ferry to Kinmen and then fly to Taiwan.

In July 2008, Taiwan's authorities lifted the ban on mainland tourists.

### Financial cooperation

In 2010, the State Council announced that Xiamen would be a regional financial hub for cross-Straits cooperation. The city is moving toward a new

goal as home to more mainland headquarters of Taiwan businesses.

The mainland and Taiwan also signed the Economic Cooperation Framework Agreement last year that will facilitate mainland operations by Taiwan's insurance, securities and futures companies.

Xiamen was once again the pioneer in development. King Dragon Life Insurance Co Ltd established in Dec 2008 and headquartered in Xiamen was the first mainland-Taiwan joint venture insurance company to begin operations on the mainland.

In September 2010, Taiwan's Fubon Financial Holdings set up a property insurance unit,

Fubon Property and Casualty Insurance Co Ltd in Xiamen to become the mainland's first insurer with exclusive investment from Taiwan.

According to plans by the Xiamen city government, the guiding principle of building the financial service hub is to explore possibilities for launching further financial reforms such as renminbi settlement for cross-Straits trade and promoting local financial businesses in Taiwan.

Today Xiamen remains a hot destination for Taiwan investors. Ever-increasing economic and cultural exchanges ensure that Xiamen plays a more important role in cross-Straits ties.

## Healthy environment, scenic attractions

By TAN ZONGYANG

Picturesque coastal Xiamen is also called Egret Island because its healthy environment and abundant food attract flocks of the water birds.

With a pleasant sub-tropical climate all year round, the island also hosts millions of tourists every year. Many are thrilled to see egrets frolic on the waterfront at Yuandang Lake in the center of Xiamen, an area surrounded by the city's most vibrant commercial neighborhood.

The lake that is home to egrets is regarded as a symbol of the environmentally friendly city. It is just one

scenic spot among a wealth of tourist attractions on the island that also include Gulangyu Island, Wanshi Botanic Gardens, the Island Ring Road and Nanputuo Buddhist Temple.

Dubbed "the garden on the sea", Xiamen has delighted tourists from both home and abroad with rich sightseeing attractions and excellent travel services.

Satisfaction surveys rank the city second among the country's tourism destinations. The surveys by the China Tourism Academy also found that Xiamen performed best among all Chinese cities in dealing with tourism complaints.

As one of China's top 10

tourist resorts, Xiamen accommodated more than 30 million tourists in 2010. More than 1.63 million arrived from overseas, generating \$1 billion in foreign exchange earnings, according to Xiamen Bureau of Statistics.

The number of tourists in 2010 even surpassed the combined figures from 1981 to 1990, a period when it hosted 22 million domestic tourists.

Tourism revenue contributes more than 9 percent of the city's GDP, showing its importance as a pillar industry in the local economy.

"Xiamen is a warm and romantic city with its charm of blue seas, sandy shores, exotic flowers and ancient buildings," said Guo Daosheng, an official at Xiamen Tourism Bureau.

Guo said the city is transforming from a sightseeing destination to a seashore resort for holiday tourists.

"We are promoting the concepts of romantic travel and relaxed life in Xiamen," he said.

Due to the booming trade, Xiamen now has 69 star-level hotels and restaurants including 11 five-star hotels and 23 four-star accommodations.

The city also strengthened its transport network of aviation, rail, highways and sea links to make tours more convenient.

Gaoqi International Air-

port has become a significant regional aviation hub in the past 30 years. The airport has direct links to 86 cities in North Asia, Southeast Asia, Europe and North America.

The city is also leveraging its advantages in the booming tourism across the Taiwan Straits. The Xiamen-Kinmen ferry route that opened in 2001 ended a half century of no direct sea transport between mainland and Taiwan.

Tourists from both sides of the Straits have now made more than 5 million trips with the ferry service.

In 2009, the passenger ship *Cosco Star* sailed out of Xiamen to Taichung in Taiwan to become the first direct passenger sea link between the Chinese mainland and Taiwan Island. In June, Xiamen was selected as one of the three mainland cities whose residents can take individual trips to Taiwan.

"Xiamen will further develop diverse tourism products with more major projects coming up," said Huang Guobin, head of the Xiamen Tourism Bureau.

According to Huang, Xiamen has plans for cruise travel, yachting and caravan camping to serve the high-end tourism market, adding the island will also be "a shopping paradise".



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Tourists cycle along the coastal ring road.



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Tens of thousands of professionals and amateurs have competed in the Xiamen International Marathon every year since 2003.

## Seaside city's majestic marathon

By TAN ZONGYANG

In 2004, Xiamen received the UN Habitat Scroll of Honor Award, an honor given to individuals and institutions instrumental in improving living conditions in urban centers around the world.

The well-preserved environment and beautiful natural landscape of the subtropical island also make it an ideal place for outdoor sports events.

Every year, the Xiamen International Marathon is held on the island's ring road that winds its way along the coastline. Held on the first Saturday every January, it is one of the top two marathons held in China.

The annual competition was first held in 2003 and sanctioned in 2007 as a Gold Label Road Race by the International Association of Athletics Federations. The competition is now renowned for its scenic seaside environment.

The race courses through many of the scenic sections of the city as runners pass Gulangyu Island, Xiamen University, Nanputuo Buddhist Temple and other famous spots of Xiamen.

The idea of the international competition came from a resident in Xiamen who wrote a letter to the local government in 2002 suggesting a marathon be held along Xiamen's beautiful seaside.

The first race in 2003 attracted 10,000 runners. In 2011, more than 64,000 professional and amateur competitors from 42 countries and regions took part.

The 2012 Xiamen International Marathon, which marks the 10th anniversary of the event, will be held on Jan 7, with the starting line at the Xiamen International Conference and Exhibition Center.

To date more than 35,000 runners have signed up, with 80,000 to 100,000 expected to participate, according to the local newspaper Xiamen Daily.

For registration information visit: [www.xnim.org/en](http://www.xnim.org/en)



Beaches are a major tourist attraction in Xiamen.

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