

Qingdao Port plans further moves in climb to top



The China-built *Cosco Oceania*, the first 10,000-container ship to call at Qingdao Port. China has become the third country able to build container ships of that size, following South Korea and Denmark.

By XUE XIAOYING

Already the world's largest dock for iron ore, Qingdao Port has ambitious plans to become the shipping hub of northeast Asia as it transforms itself into a hi-tech, third-generation facility.

Throughput at Qingdao Port in the first quarter of this year was more than 75 million tons, a 15 percent increase compared with the same period last year. It can now handle 36,000 tons per hour.

"The port is now growing at its fastest rate ever, with annual throughput expected to surpass 300 million tons and more than 10 million standard containers," said Chang Dechuan, chairman and president of Qingdao Port (Group) Co Ltd.

The port's throughput was 265 million tons and 9.46 million twenty-foot container units (TEUs) in 2007, doubling and tripling 2002.

Its trade relations with 450 ports in more than 150 countries and regions enables the port to handle 300,000 tons

of iron ore yearly. It is also Asia's largest dock for crude oil and China's third largest for containers.

Eighty-five percent of its volume in 2007 came through handling coal, crude oil, iron ore, containers and grain. The port's accumulated throughput included 180 million tons of crude oil and 192 million tons of iron ore in the past years.

According to the 11th Five-Year Plan (2006-10) for Qingdao port, it will further develop at Jiaozhou Bay, Qianwan Port, Aoshan Bay and Dongjiakou. It is striving to become a global state-of-the-art port by 2010, when throughput is projected to hit 320 million tons, including 12 million TEUs of cargo.

Handling capacity for crude oil is expected to rise to 55 million tons by 2010, making it one of the world's largest terminals for crude oil, as well as liquid chemicals.

Its projected iron ore throughput of 68 million tons by 2010 will maintain its top global ranking. Plans also call for the port to accelerate con-

struction of coal transshipment facilities to reach a capacity of 26 million tons.

The development plans call for the port to become one of the most modern in the world, using high technology, information technology and comprehensive logistics services.

An investment of 1.4 billion yuan funded construction of five quays in 2007, increasing annual capacity by 19.9 million tons.

Annual import-export cargo from provinces along the Yellow River basin is increasing 20 percent in Shandong ports, over 70 percent of which goes through Qingdao, according to the statistics from Qingdao Customs.

Twenty of the world's top shipping companies have regular lines serving Qingdao. More than 100 well-known domestic companies, including China Petrochemical Corp and Jigang Group Co Ltd, have established closer cooperation with the port, while seven of the top-500 global companies have established operations there.

In 2003, a \$887 million joint venture called Qingdao Qianwan Container Terminal Co Ltd was formed between the port and three partners – the world's biggest and second-largest shipping companies Maersk Group and P&O Nedlloyd Ltd, and China's largest shipping company China Ocean Shipping (Group) Co (COSCO).

Rapid expansion of the port has driven the development of other entities, including customs, quarantine inspection and logistics. There are now 1,800 logistics companies in Qingdao, among which more than 1,000, including COSCO, China Shipping Group and Itochu Corp, are in its development zone.

Formal ground breaking for the fourth phase of the Qianwan container terminal was held on September 8, 2007. The 2,640-m quay is designed for eight berths and scheduled for completion by 2010, when it will have an annual throughput capacity of 210 million tons and 10.6 million TEUs.

Volunteers to share enthusiasm and skill

By DU SHU

Seventy-seven-year-old volunteer Yu Zhendong exercises every morning to stay in shape to well serve the visitors from home and abroad during the coming Qingdao Olympic sailing competition.

"I am very proud to be a volunteer and eager to play a part in the Olympic events," he says.

Qingdao citizens are indeed enthusiastic about the Olympics. More than 4,000

people have applied to be city volunteers, said the Communist Youth League Qingdao Committee (CYLQC).

As well, nearly 20,000 people have applied to the Qingdao Olympic Sailing Committee (QOSC) to be volunteers and 1,500 have been formally recruited.

Wang Haitao, assistant chairman of the QOSC, says that "volunteers in Qingdao will provide the most considerate and thoughtful services for athletes during the competition".

The recruits will receive a range of training, including some foreign language skills and etiquette to enhance their service abilities. Instruction for each person requires at least 24 hours of coursework.

The committee has also recruited 200 volunteers with backgrounds in security, medical treatment, massage and lifesaving at sea.

During this year's Olympics and Paralympics, 150 help stations will be opened in public areas and scenic sites of the

city. More than 1,000 volunteers will provide assistance in translation, information, emergency response and transportation.

Xia Zhengqi, deputy secretary of the CYLQC notes that foreign volunteers will also serve the competition.

"We have to date recruited over 100 overseas volunteers from 11 countries, including the United States, Britain, Germany and India. Some can also speak fluent Chinese."

Canopies will be erected at 12 sites, including May Fourth Square, Qingdao Pier and Zhongshan Park, for 100 volunteers who will display their skills in paper cuts, charcoal drawing and calligraphy. Events to share sailing knowledge and promote tourism will also be held.

To create festive Olympic environment, a young cheering squad will provide team spirit during the Qingdao leg of the torch relay and during Olympic sailing events.

A call center manned by volunteers fluent in foreign languages will provide information and translation services for foreign visitors.

"We have now recruited nearly 60 volunteers capable in English, Korean, Japanese and German. Most of them are college students. We still need volunteers who can speak Italian and Arabic," Xia said.



Volunteers in the 2007 Qingdao International Sailing Regatta.

Ju Chuanjiang



A 76-year-old woman draws a crowd on Sports Street as she demonstrates the martial art *tai ji*. Qingdao's seaside street is also a site for body building, as well as table tennis, shuttlecock games, rope skipping and other outdoor activities.

Zhao Ruixue

Qingdao mountaineers set out to climb Laoshan mountain on April 19.

Ju Chuanjiang



Strong shipping demand forges links

By ZHAO RUIXUE

Fully aware that capacity is falling short of demand – shipping container volume is far beyond its designed capacity – Qingdao Port is pressing forward with strategies to consolidate resources with neighboring ports and international shipping counterparts.

Part of the effort is a joint venture co-funded by Qingdao Port and Weihai Port that handled an aggregate 438,000 20-foot equivalent units (TEUs) of containers in the past two years, an annual increase of 49 percent.

To meet the additional demand, Weihai Port's develop-

ment area was expanded by 30 km to a radius of 150 kilometers. Collaboration has raised annual container throughput on feeder routes to 96,000 containers, a two-fold growth from when there was no cooperation.

Another joint venture between Qingdao Port and Rizhao Port totaled 430,000 TEUs within a half year after it began service in May 2007, an increase of 62 percent compared with the same period of 2006.

One-third of costs can be saved if containers from the cities of Heze and Jining are transported using routes opened by the Qingdao-Rizhao venture. Low costs have drawn brisk business from the west and

south of Shandong province.

Shipping between ports in Qingdao and Rizhao has increased in frequency from one vessel every week to one every day, resulting in a 10-fold increase in container traffic every month.

"Cooperation among the three regional ports can achieve more than when they worked separately," Chang Dechuan, president of the Qingdao Port said.

Joint operations integrate resources and optimize the advantages of each port – Qingdao has advantages in routes linked to over 450 ports in more than 130 countries and regions, while Rizhao and Weihai are geographically well positioned

and have available capacity.

Another venture, Qingdao New Qianwan Container Terminal Co Ltd, formed by Qingdao Qianwan Container Terminal Co Ltd and Pan Asia International Shipping Ltd (Hong Kong), is developing a 3,408-m container quay on the southern shore of Qianwan Bay, the longest of its kind in the world.

With quays totaling 6,800 m, Qingdao Port is expected to handle 14 million containers and take a leading position in northern China.

The cooperative efforts have accelerated the pace of building the port into an international shipping center for northeast Asia.



Potential home buyers consider their options at the 6th Qingdao House Trade and Show.

Ju Chuanjiang

Rising tide for port industries

By ZHANG YING

Industrial output from companies in the vicinity of Qingdao Port soared more than four-fold last year to become the driving force of the city's economic development.

According to official statistics from the local customs office, the products from Qingdao Free Trade Zone (FTZ) totaled 1.35 million tons in 2007, an increase of 473 percent, valued at \$2.806 billion, 332 percent more than 2006.

Total industrial output in the Qingdao Economic Development Zone in the first quarter of this year was valued at 35.38 billion yuan, an increase of 30.07 percent.

The Qingdao municipal government has been making full use of the city's advantage as an important port in east China to encourage development of port-vicinity industries, said officials from the Qingdao Municipal Bureau of Foreign Trade and Economic Cooperation.

The city now has several industrial parks, including the economic development zone, the FTZ, an export processing zone and harbor economic development zone.

The Qingdao Bonded Logistics Park has attracted 120 noted enterprises from home and abroad, including Maersk, Sinotrans and Posco, since it began operation in January 2006.

International container lines that anchored for the first time

early this year signaled integration of the FTZ and port operations, officials said.

The park plans to further develop the FTZ to attract global logistics companies and enterprises, said Wang Huaiyue, director of the FTZ management committee.

"We will build our FTZ to be first class in the next three years."

The FTZ has already formed its own industrial clusters to include modern logistics, hi-tech industries, electronics manufacturing and food processing.

Hi-tech projects account for 60 percent of investment at the FTZ. The GDP of the park has increased at an annual rate of 26 percent since 2000.

The Harbor Economic Development Zone specializes in the processing industry for exports. There are currently 250 operations in the zone.

The park plans to have a total output valued at 40 billion yuan in the next five years through further development of industries in household electronic appliances, non-ferrous metals, auto parts, environmental protection equipment and new materials.

The processing zone has become another key area for foreign investment. By the end of March this year, it was home to 42 projects that required \$515 million in investment by 26 enterprises.

China Petrochemical Corp – also known as Sinopec – invested 10 billion yuan in a 10 million-ton refinery near

Qingdao Port that will begin operation in May.

The city now has 29 enterprises engaged in shipbuilding and repair, while the Haixi Bay Ship Building and Repair Base is under construction. It will become one of the city's pillar facilities when finished.

Other enterprises and research institutes related to shipbuilding and ship repair, such as makers of machinery and marine diesel engines, are scheduled to settle in the park in the near future.

Producing containers themselves is also an important part of the port-vicinity industry. China International Marine Containers (Group) Co Ltd, the biggest container manufacturer in the world, has a key production base in Qingdao.

The Qingdao CIMC Container Manufacture Co Ltd has developed into the biggest dry cargo container manufacturer in east China. Its annual total production accounts for 65 percent of the Shandong's total with yearly revenues surpassing \$200 million.

Auto and machinery enterprises, like SAIC-GM and Beijing Auto Fukuda, have also built facilities in parks near the Qingdao Port.

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