

A panoramic view of Zhengzhou



► Capital of Henan province using geographic, economic advantages

Zhengzhou strives to become financial hub

By WEN LI

Authorities in Zhengzhou, capital of central China's Henan province, are laying the groundwork to build the city into a regional financial hub, said Wang Wenchao, Party chief of the city committee.

Following a master plan designed and adopted by city authorities, a new 300 sq km zone is now under construction. Some 80 billion yuan has been invested in the project to date.

The area under construction is designed to be a core area for regional financial services.

"We vow to spare no effort to

advance the construction of the financial center," Wang said.

The efforts include improving the current financial system, developing capital markets and advancing reforms at financial institutions.

The move is in line with central government efforts to establish banks across central provinces and develop local financial institutions including insurance firms.

Attracting financial operations from home and abroad and nourishing rural financial organizations are also key to initiatives to overhaul and renovate the city's financial system, according to Wang.

Strategic investors are now being courted to participate in the reform of the local financial system while more large financial firms are encouraged to open banking, investing, securities or insurance operations in Zhengzhou, Wang said.

He added that authorities should encourage capital markets to trade in stocks, futures and securities and help more local companies to go public.

"Financial innovation is crucial to the healthy growth of capital markets. Authorities should also extend great support to commodity exchanges in their reforms and innovations to increase their weight in the global

pricing system for bulk cargos like grain, cotton, oil and sugar," Wang noted.

Henan is a key agricultural province, while Zhengzhou, a booming commercial hub, has long been a trade center for bulk agricultural cargo.

Opportunities

Even "in the face of the remaining impacts from the global recession, we have confidence in achieving our goal to develop the new area", Wang said.

His faith is backed by the national strategy of promoting the rise of the central regions, strong capital inflows and the continuing worldwide trend of

shifting industries to emerging economies, according to Wang.

He added the new area, which will link Zhengzhou and its neighboring city Kaifeng, will play an instrumental role in the region's future.

"We wish to build the area up as a national model for healthy growth and balanced development of both urban and rural economies.

"Over five to 10 years of development, the area will evolve into a regional center of logistics, finance and modern manufacturing.

"As an expected engine to drive economic growth in the

entire province and a pilot area for comprehensive reforms, the area's construction is of great significance."

Wang stressed that the city's robust economic growth provides a boost to its urban expansion.

Despite economic turmoil in 2008, Zhengzhou generated 300.4 billion yuan in gross domestic product, a year-on-year increase of 15 percent.

A widespread transportation network and advantageous geographical position – well positioned to link the western and eastern regions – as well as a strong commercial traditions "create an ideal business-friendly envi-

ronment, which is a key element behind the boom", Wang said.

With a history stretching back 3,600 years, the city was the capital of five dynasties, endowing it with an affluent cultural heritage.

"We are stepping up to develop Zhengzhou as an appealing eco-friendly city both for residence and business. The modern and international city will also showcase its charm of traditional Chinese culture and local customs."

As Zhengzhou's construction made progresses, delegations from 500 other cities have paid visits to learn from its construction experience.

Blueprint set for growth

By ZHOU ZETIAN

Over the next five to 10 years, the new area under construction in Zhengzhou will become an emerging force for regional growth, according to the Henan provincial government.

With a planned area of some 1,840 sq km, the new area includes Zhengdong New District, Zhengzhou Economic and Technological Development Zone, an industrial cluster, an international logistics park, an aviation port zone and Zhongmu county, part of the city and borders neighboring city Kaifeng, another ancient city in the province.

The provincial government has listed six goals for the area's construction:

□ A modern industrial cluster has cutting-edge technologies, high-end human resources and

investment capital, a modern services sector, advanced manufacturing, hi-tech industry and modern agriculture. The cluster is expected to become the largest of its kind in the western and central China and take the lead in building the province's modern industrial system.

□ New community with multifaceted construction of both urban and rural economies and has an enlightened industrial structure to ensure healthy and sustainable growth.

□ Pioneering zone for reforms in urban expansion, land management, financing, sharing public resources and reducing the gap between urban and rural areas.

□ Opening-up model area, with an emphasis on attracting strategic investors, that enhances cooperation between large homegrown companies and their overseas peers.

□ Environmentally friendly area with improved infrastructure facilities and public services and well preserved ecological system.

□ Regional services center that capitalizes on advantages in transportation and geography, which includes logistics, information, finance, exhibitions and conferences, education and commerce as key sectors.

In addition, expanding the current transportation network is also a key part of the project that will include greater transport capacity in aviation, roads, railways and container transit.

Building the new area requires close cooperation between the cities Zhengzhou and Kaifeng. Through the project, the cities are expected to further their ties in culture, education, telecommunication, health care, research and sports.



Party Secretary of Zhengzhou Wang Wenchao (second from left) and Vice-mayor Hu Quan (first from left) meet with Dominique de Villepin (second from right), the ex-French prime minister, the day before the second Global Outsourcing Conference began in Zhengzhou last December.

Ancient capital woos modern funding sources

By LI WEN

Zhengzhou, a national political and economic center as the ancient capital of five dynasties, retains its fame as a regional hub in central China.

The city has won a series of nationwide honors in health care service, environment, tourism, technological progress and investment in recent years.

With a total area of more than 7,446 sq km and a population of 7.43 million, the capital city of Henan province had 300 billion yuan in a gross domestic product in 2008, a huge surge from 90.4 billion yuan in 1949.

The city now boasts two national development zones and one State-level export-oriented processing zone.

The achievements mark the city's emerging influence and enhanced competitiveness, according to the local government.

To reinforce its position as a regional center, Zhengzhou's authorities have invested heavily in urban construction while preserving historical sites.

Since 2003, more than 66 hectares of forests have been planted, expanding the city's forest coverage to 25 percent of the total area.

Nearly 1.2 billion yuan has been invested to date in building and overhauling the city's waterway network as well as

improving the water environment.

The green campaign has significantly improved the local ecological system.

In addition to renovating existing urban areas, the city government is in top gear to advance construction of a new area – Zhengdong New District. With nearly 70 billion yuan invested in fixed assets, 50 sq km of the area has been developed.

Construction on the new area began in 2003 and it is now home to more than 3,000 companies and 300,000 residents.

As well, more investment has funded new infrastructure facilities in small satellite towns around the city over the past few years.

With advantages in geography, transportation, industrial foundation, strong consumption demand and low labor costs, the city is in a better position to attract industries shifting from developed regions, according to the city government.

"Energy-efficient and eco-friendly investment projects are our major target," the authorities said, in particular citing hi-tech and modern service industries as examples.

"We will continue to pump out supportive policies and better administrative services to create a more business-friendly environment, attract more projects and encourage growth of industries."

Investment, ideas fueling development

By XIAO ZHOU

After about one-third of overseas capital invested in Henan province has flowed to the provincial capital Zhengzhou over the past three decades, the city continues to be a top overseas investment destination in the region.

By the end of 2008, international investors from more than 30 countries and regions had pledged \$10.3 billion in investment for nearly 3,130 projects in the city. More than half of the funding is now in place.

In 2008 alone, overseas investment jumped to \$1.4 billion, a record high in the city's history, equivalent to the total foreign capital it secured from 2000 to 2005.

While overseas investors have increased investment as well as mergers and acquisitions, a growing number of leading local brands have begun to go global.

Homegrown companies have been listed on overseas capital markets in Hong Kong, Singapore and the United States to raise funds, build their image and expand their influence abroad.

Commerce-friendly climate

Behind the investment boom



State-of-the art production facilities in action at the city's leading coach maker, the Zhengzhou Yutong Group Corp.

lies a business-friendly environment, according to local government officials.

As a regional transportation hub, the city has one of the nation's busiest railway stations, an international airport with cargo lines to the Middle East, North Africa and Europe, and one of the nation's key telecommunication networks.

China's third-largest center for mail and telecommunication delivery – following Beijing and Shanghai – Zhengzhou provides convenient logistics services.

Its widespread transport network facilitates commodity exchanges, which in turn boosts commerce and other related service sectors.

To date, the city has 359 markets for various kinds of commodities.

Among them, the Zhengzhou Commodity Exchange is one of the top-three commodity exchange houses in China. It ranked 13th globally in trade volume in 2008, earning it the reputation as the world's most rapidly growing exchange.

The city is also famed as a trade center for garments, autos, agricultural products and construction materials.

Along with flourishing development of markets, financial institutions have also found a foothold in the dynamic city.

More than 20 financial institutions including HSBC

and China Minsheng Banking Corp now have Zhengzhou branches.

Resource-rich city

The city has 34 kinds of proven mineral reserves including coal, fire clay and oilstone.

Its proven coal reserve of 5 billion tons ranks top in the province, while reserves of fire clay and bauxite both total 100 million tons, half and 30 percent of the province's respective totals.

Rich in natural gas and water resources, the city is also a key power supply base.

Backed by the abundant resources, the city seen as a crucial production center

for nonferrous metals, food, coaches, coal, construction materials, fireproof materials and textiles.

The alumina output at China Aluminum's Henan operation tops Asia, while the city's Yutong coach maker is the national leader in sales of luxury coaches and urban buses. The city also ranks first in annual output of quick frozen food.

In addition to traditional sectors, a number of hi-tech industries including electronic information, new materials, opto-mechatronics and biomedicine are on the rise.

The city has more than 200 research institutions, 173,000 experts and technicians and 40 universities and colleges, all providing strong intellectual support to the development of hi-tech industries.

The city's patent applications totaled 5,845 in 2008, with technological contracts worth 3.36 billion yuan signed in the same year.

City authorities said projects funded by large companies will be a major goal in future investment due to their enormous pull for a local economy.

To date, 16 Fortune 500 firms have established facilities in the city since the first arrived in 1993.



Local children have fun exploring the leisure facilities of one of the newly developed areas in east Zhengzhou.