Pillar in US salt sector inks joint venture in China

Morton collaborating with State firm to expand product offerings

By **WEI TIAN** in Shanghai
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DEALS

Morton Salt, the largest salt producer in the United States, announced on Wednesday it is expanding its product offerings and capabilities in China through a reinforced collaboration with China National Salt.

The collaboration includes trademark and technology licensing agreements. It was signed by top executives from both Morton and China National Salt (Shanghai) Co.

As part of the deal, the joint venture will import, market and sell a broad array of packaged Morton culinary salts, water softening salts and Epsom salts across China.

In addition to these finished goods, the JV is building a new packaging facility in Shanghai to increase its production and distribution of select salt products in the country. The new operation is expected to be completed in March 2015.

China is currently the largest salt-consuming country due to its expanding chemical industry and the dietary needs of its nearly 1.4 billion people. Chinese consumption accounts for one-quarter of the global total.

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>
> CHRISTIAN HERRMANN
> MORTON SALT CEO

The country is projected to be the largest salt importer in the world, according to British-based Roskill Information.

Morton products account for more than 50 percent of the salt market in the US. Its products have been imported to China on a small scale over the past decade. The expanded scope will provide Chinese consumers with a larger product selection.

"Our expansion in China through this joint venture is an exciting step toward achieving our vision, which is to establish Morton Salt as the premium salt brand in China," said Morton CEO Christian Herrmann.

Morton's products account for nearly 60 percent of the imported salt market in China, and its sales are growing by 30 percent every year, according to a document provided by the company.

"Sales of Morton Salt in China have risen steadily in recent years, signaling a strong demand for our products," said Herrmann.

As a State-owned enterprise approved for selling salt products under the government's salt monopoly policy, China National Salt (Shanghai) is responsible for the management of Shanghai's table salt market.

"This is a milestone for the global salt industry ... we're delighted to work with Morton to bring one of the leading consumer brands in US to even more people in China," said Wang Xueshi, general manager of China National Salt (Shanghai).

The expanded cooperation came when the Shanghai government called for faster pace of SOE reform in the city. The move also marks a solid step in the reform of salt monopolies.

In the China (Shanghai) Pilot Free Trade Zone, foreign investors are already allowed to sell salt at the wholesale level. The official China salt association has said it is studying an overall reform plan for the industry.

Southwest Securities said the reform will open the door to a 100 billion yuan ($16.2 billion) table salt market in the country.


DING TING/ XINHUA

The warehouse of Mopoint Auto Parts Trading (Shanghai) Co Ltd in China (Shanghai) Pilot Free Trade Zone. Warehouses posted an average rental price of 1.53 yuan per square meter per day by the third quarter of 2014.

FTZ rents return to normal levels

By **WU YIYAO** in Shanghai
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REALTY

Rental prices for land and properties within China (Shanghai) Pilot Free Trade Zone have returned to a rational level following drastic changes in the past year, but demand for industrial use land remains high in the area, according to a report released on Wednesday by commercial property services provider CBRE.

Average rentals of 2.1 yuan (34 cents) per square meter per day within the FTZ before the zone was launched in September 2013 surged to some 6.3 yuan per square meter per day in December 2013, showing high demand for self-use, speculation and long-term investment, according to CBRE.

By the third quarter of 2014, average rentals had declined to 4.2 yuan per square meter per day.

Leases of properties for development and research averaged 3.5 yuan per square meter per day with a vacancy rate of 10 percent, and 4.2 yuan for office buildings, with a vacancy rate of 13 percent, CBRE data showed.

The overall price of housing projects surrounding the FTZ recorded a 10 percent increase in the past year, higher than the Shanghai average, the report said.

Some non-market behavior may have affected office building leases within the FTZ, including the fact that some office space may have been reserved for future investment projects, said Sam Xie, senior director for CBRE Research Shanghai.

At the same time, some owners are looking at opportunities to sell rather than lease their properties, as the average selling price has increased from some 10,000 yuan per square meter to 30,000 yuan in the past year, Xie said.

Tne value of land and properties in the zone has grown, CBRE data showed.

"Planners and decision-makers have set various functions for land and properties within the FTZ, which will benefit the parcels and properties," said Xie.

In September, FTZ officials released two circulars concerning land use and plans for industrial development within the zone, making an overall blueprint for a combined space of 28.3 million square meters of land and buildings.

Most of the Yangshan port area and neighborhood of Pudong International Airport have been positioned as land for logistics uses, while Waigaoqiao has been earmarked as a hub for international trade and financial services.

Properties in different regions have recorded varying market responses in recent months.

For factories, average rental was 1.48 yuan per square meter per day, and there were almost no vacancies within the Waigaoqiao area. Warehouses posted an average rental price of 1.53 yuan per square meter per day by the third quarter of 2014.

chengdureport

Periphery development for universal urbanization

By **FU CHAO**
CHINA DAILY

Chengdu has stepped up its efforts to develop public transport and bring a "new type of urbanization" to the city.

The new type of urbanization has been on the nation's agenda for the past few years and refers to urbanization that brings a universal infrastructure and social welfare system to urban, suburban and rural areas.

Chengdu has seven satellite towns around its central area, known as the second circle area to local people.

The city invested heavily in infrastructure to expand the metro lines and expressways to cover these seven regions.

According to the city's Urban and Rural Construction Commission, 12 metro projects will start this year. When completed, the city's metro is expected to cover more than 200 km, not including the east-expansion of Metro Line 2, which went into trail operation in early September.

The first-phase project of Metro Line 4 is expected to be completed by the end of 2015 and the ongoing second-phase construction will link the city's central area with Wenjiang, a rapidly developing suburban district.

An executive of Chengdu Metro Co said that the total spending on metro line projects is expected to reach 18.2 billion yuan ($2.97 billion). By June, investment had reached 7.58 billion yuan, up 46.86 percent compared to the same period in 2013.

Currently, seven subway projects are being built, which, when complete, will reach 125 kilometers and involve 91 stations. Construction on another 89.7-kilometer of metro lines and 67 stations will begin in 2014, which will see the total length surpass 200 kilometers by the end of this year.

With a "double-cross-shaped" subway network due to take shape in 2016, people will enjoy more convenient transportation in Chengdu. At the same time, local authorities plan to install more parking spaces for bicycles near subway exits to create better access for cyclists to metro lines.

Investment in infrastructure for the first half of 2014 reached 29.8 billion yuan, according to the Urban and Rural Construction Commission. The funds will be used to improve healthcare, education, culture and other public service sectors to attract more people and industries into the seven satellite towns.


PROVIDED TO CHINA DAILY

Workers install the metro rails in Chengdu. The capital is expanding its metro line network linking satellite towns with its central area.


Busy metro line services in Chengdu, Sichuan province.


A subway station located in one of Chengdu's satellite towns.

In recent years, Chengdu's urbanization has led to a dense population in the central area and a lack of public resources, according to an official from the city's Planning and Management Bureau.

The bureau is working on developing a new "city-and-town system". Under the plans, satellite towns would share the central area's burden in terms of population and traffic.

An extensive transport network covering the whole city and its periphery would add space to the development of the city, according to architects. Under the plans, functions of the city, such as a culture, business, education and healthcare, are expected to be delivered in periphery areas.

As well as the expansion of the metro lines, Chengdu is also working on developing three "10-minute service circles" in the seven satellite towns.

When the project is completed, in any community residents will be able to reach a bus stop or metro line station, park and community service facilities within 10 minutes, according to the Planning and Management Bureau.

"For Sichuan, advancing the new type of urbanization is a major development direction," Jiang Huadong, a researcher at the provincial academy of social sciences, told local media.

"The metro line network expansion will better the division of urban functional areas, further expand urban growth space and have a far-reaching effect on the development of small and mid-sized cities and towns centering around metropolises," Jiang said.

The development of the metro rails as well as nearby properties will bring about marked changes in consumption habits and lifestyle and at the same time promote the subway culture and related industries, he said.

Dai Bin, director of a research center for regional economy and city management at Southwest Jiaotong University, said the expansion of the transport network would create a prerequisite for relocation of industries and population as well as such functions of urban Chengdu as commerce, education, culture and sports.

"It will greatly advance the integrated development of the city's central area and suburbs," Dai sad.

The local government encouraged private capital to take part in infrastructure construction through private-public partnerships or the build-operate-transfer model, said officials at the Chengdu Municipal Development and Reform Commission.