

Guangzhou promotes Internet innovation zone

Area in Haizhu district planned to become city's own 'Silicon Valley'



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As the State urges the implementation of its Internet-plus initiative, the southern China city of Guangzhou is also promoting Internet-related innovation.

Among its strategies is a move to develop a zone to house Internet-related companies — the Pazhou Internet Innovation Zone, termed Guangzhou's "Silicon Valley" — in the city's Pazhou area.

The Pazhou area, an island covering 10.4 square kilometers, is probably the best-known place in Guangzhou all over the world, especially for those who have business relations with China.

A key reason is that it boasts a global top exhibition complex, where the Chinese Import and Export Commodities Fair, more commonly known as the Canton Fair, is held twice a year, as well as hundreds of other trade shows throughout the year.

The Pazhou Internet Innovation zone is right next to the Pazhou Complex of the Canton Fair on the west.

With a planned area of 370,000 sq m, the zone is expected to attract the headquarters of Internet-plus companies, with businesses ranging from Internet research and development, online payment and operations, to big data applications. The zone is designed to become China's leading Internet innovation zone with its influence reaching throughout the Asia-Pacific region.

The city's blueprint sets the zone as home to globally leading e-commerce and Internet firms with high-caliber professionals, new technologies and new business models related to the Internet in five to 10 years.

Several Internet and e-commerce heavyweights in China have bought land for their headquarters or branch head offices in the zone, according to local media reports.

Big names

These companies include NYSE-listed Alibaba Group and VIPshop Holdings Ltd, NASDAQ-listed YY

Inc, London-listed Global Market Group, Hong Kong-listed Tencent Inc and Fosun International, as well as GOME Electrical Appliances and Beijing-based MI.com, all of whom are top Internet-plus companies in China and globally.

Among them, Tencent will move its WeChat headquarters to the zone. WeChat, a mobile messaging application developed in Guangzhou, is a very popular instant messaging app with more than 900 million registered subscribers in and outside China; Fosun, a top 500 company in China, will develop Internet financing business in the Pazhou zone.

Alibaba is China's and the world's leading e-commerce giant; VIPshop, the world's leading online discount retailer; GOME, a leading household appliance chainstore brand in China that is fast developing its e-commerce; and Global Market, a cross-border e-commerce leader in China.

The zone will have more diversified Internet-plus industries when MI.com, a fast-growing company well-known for its scientific and technological innovations that relies heavily on e-commerce for sales, UC Browser, one of the world's leading third-party browsers, and YY, a leading online social entertainment platform in China, are relocated there.

The industrial leaders will pool capitals of 30 billion yuan (\$4.72 billion) for their projects in the next three to five years.

The zone is also expected to rake in annual industrial output of more than 100 billion yuan with intensive Internet innovations when in full operation.

"The large number of outstanding Internet firms and brands has paved the way for Guangzhou's Internet-plus development; the city will endeavor to push forward the integration of the Internet with traditional industries," said Ren Xuefeng, Party chief of Guangzhou.

He hopes the Pazhou zone will create a good environment for Internet innovation and to effec-

tively gather renowned Internet innovation firms.

The right venue

Analysts said Guangzhou's ambition to develop the Pazhou zone is not only feasible but also necessary, and Pazhou is the right venue for the city's implementation of its Internet-plus strategy.

One of China's commercial hubs for more than 10 centuries, Guangzhou has a well-developed commodity economy and traditional industries, which will adequately underline the development of its Internet economy, they said.

"Guangzhou's leadership in commerce and trade and the driving force of the Canton Fair will step up the development of the zone," said Hu Gang, an urban planning professor at the Guangzhou-based Jinan University, adding that the local government has found the right path for the development of Pazhou.

Customs statistics indicate that Guangzhou notched 3.32 billion yuan worth of foreign trade via cross-border e-commerce in the first seven months of this year, occupying a lion's share of 70 percent of the nation's total.

The sum more than doubles the total figure in 2014 and makes Guangzhou the first among all other pilot cities in cross-border e-commerce in China.

Guangzhou had 613 cross-border e-commerce firms by the end of August, according to official statistics.

The city also ranks second in the indices of China's e-commerce application and development in 2014, said a report released by Alibaba Group's research institute.

Its e-commerce transactions were worth 1.3 trillion yuan in 2014.

New momentum

Ren Xingzhou, head of the market economy research institute under the State Council's Development Research Center, said Guangzhou will have unprecedented opportunities with the development of new Internet technologies, free trade zones and cross-border e-commerce.



The Pazhou area in Haizhu is rising as a modern hub for traditional commerce and e-commerce as it is home to the Pazhou Complex of the Canton Fair and the planned Pazhou Internet Innovation Zone. PHOTOS PROVIDED TO CHINA DAILY



Logos of renowned companies to have operations in the Pazhou Internet Innovation Zone.

"The traditional commercial hub of Guangzhou will gain substantial momentum," he said. "It will become a world-class commercial hub when good plans for e-commerce are in place."

According to He Xiaopeng, co-founder of UC, Guangzhou has a favorable environment and clear direction for e-commerce development, which together with the local government's policy support

will exert far-reaching significance on the development of e-commerce firms.

"Guangzhou needs to gather industrial-related Internet leaders so that an industrial chain can be in the pipeline soon," said Li Xueling, CEO of YY Inc. "It is the right time for the initiative."

"Whenever people talk about Internet-plus in China, they will refer to the Pazhou zone, as people

tend to associate Zhongguancun with IT and the Canton Fair with exhibitions," Li said.

Lin Jiang, vice-president and professor of the institute for free trade zone research at Sun Yat-sen University in Guangzhou, said, "To gather Internet firms is the initial step; what is more important is to take good advantage of them to boost other industries so that the maximum synergy will be formed."

Pazhou has long history of foreign trade

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Pazhou used to be the starting point of the maritime Silk Road in ancient China and its ancient port of Huangpu was the only port that the Qing Dynasty (1644-1911) government opened for foreign trade from 1757 to 1842. The port held a vital position in China's foreign trade history.

Statistics indicate that 5,107 vessels anchored at Pazhou from 1758 to 1838 and 86 vessels at most from six countries were moored at the port at the same time during the peak season.

Today's Pazhou enjoys an excellent environment for business operations.

The local government has established special teams to provide key projects with efficient, one-stop services for free for handling administrative procedures.

An island area surrounded by the Pearl River, Pazhou has a well-developed infrastructure including a ready and convenient traffic network to the airport, bullet train station, Guangzhou Port and elsewhere in the city.

The traffic infrastructure is likely

to be further improved as the local government is considering launching a terminal complex and a wharf for passenger liners to Hong Kong.

Once in service, Pazhou would become the only traffic pivot integrating water, land and air in downtown Guangzhou.

In close proximity to Pazhou are some institutions of higher learning such as Sun Yat-sen University, Guangdong University of Finance and Economics and Guangzhou Academy of Fine Arts, as well as scenic spots and attractions of historical interest including the spectacular Canton Tower and the immense Haizhu Wetland Park.

The Canton Tower, the third-highest tower in the world, receives more than 2 million tourists each year.

The Haizhu Wetland Park, the largest downtown wetland park among China's super metropolises, has a planned area of 26 square kilometers, larger than the Central Park in New York and Hyde Park in London.

Tomorrow's Pazhou will see the birth and fast growth of a globally renowned Internet innovation zone. Pazhou will then join hands with Zhujiang New Town and Guangzhou International Financial Town on the

northern side of the Pearl River to become the city's greater central business district and a major economic engine as well as a hot spot for corporate headquarters.

The local government is dedicated to keeping the environment for business operations on a par with international standards by standardizing its administration, improving transparency and efficiency, hammering out favorable policies and offering better services.



For more information about Pazhou, please scan the QR code for WeChat, contact Mr Zhao at 8620-34003989, Ms Su at 8620-34003990, or send email to haizhutouzi@163.com



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