

Central China's top investment fair opens

Henan hosts companies seeking opportunities

By Shi Baoyin
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The most important investment expo for central China opens today in Zhengzhou, helping businesses from around the world tap into opportunities in the region, especially in the host province and city.

The annual Central China Expo is held in turns in the six central Chinese provinces — Shanxi, Anhui, Jiangxi, Henan, Hubei and Hunan. This is Henan's second time to host, the first being the second

session in 2007.

Now in its eighth installment, the three-day expo's primary themes are facilitating constant economic transformation, achieving coordinated development and promoting the rise of the region, according to the organizing committee.

The expo is expected to be mutually beneficial for central China provinces according to the State's "Rise of Central China" strategy, organizers said.

A series of forums and trade fairs will be held for companies from China and abroad,

helping them exchange information and make deals.

Organizers said about 33,000 business representatives have been invited to take part in the expo, including 5,400 from foreign countries. It is projected that they will bring large amounts of investment into Henan and other central Chinese provinces.

A total of 431 companies on China's top 500 and the Fortune 500 have confirmed their attendance at the expo, according to the latest statistics from the organizing committee.

The local government of the host city plans to use the event as a chance to boost its economy.

They said at least 91 large investment projects in the city

will be signed during the expo based on information collected from participating companies in advance by May 12.

These projects cover a wide range of fields, including aviation, trade, logistics, electronic information and biomedicine.

According to the Zhengzhou delegation to the expo, the largest of all the projects is an industrial park for broadband wireless communications that will involve an investment of 30 billion yuan in its first phase.

There is also a garment-manufacturing park that needs a 9-billion-yuan investment.

And some Hong Kong companies already announced their intent to invest 4.6 billion yuan in a lithium ion battery

R&D and production facility in Zhengzhou, with the agreements to be finalized during the expo.

Businesses in Henan province have signed agreements on 2,455 projects during the past seven expos, of which 510 are operational to date, according to statistics from the provincial commerce department.

The main session of the expo is being held in the Zhengzhou International Convention and Exhibition Center, which has an exhibition area of 65,000 square meters.

There are three parallel sessions in cities of Luoyang, Luohe and Sanmenxia from May 18 to 20.

A highlight of today's schedule is a mayors' forum in Luoyang city, where some

mayors from the central provinces will meet with senior executives from globally renowned companies, such as Microsoft, Pepsi Co, Wal-Mart, Dell and General Motors, to talk about new paths to economic growth in the future.

They will highlight ways to improve the current industrial structure and how to promote modern agricultural development, according to the event's organizers.

Tourism development and cooperation is another focus of the expo.

He Lin, deputy director of the Henan Tourism Administration, said there will be a special fair to promote major tourist attractions and investment opportunities in central China and other regions.

65k

square meters of exhibition area at Zhengzhou International Convention and Exhibition Center

431

companies among China's top 500 and the Fortune 500 to attend

91

agreements for large projects in Zhengzhou will be signed during the expo

He said about 600 tourism-related investment projects will be introduced during the fair.

After 4,000 years, Zhengzhou still at center of it all

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When it served as the capital of the Xia Dynasty (2100 BC-1600 BC) — China's first empire — Zhengzhou was the political and cultural center of the nation.

Though its role has changed over the last four millennia, the capital of Henan province, now a transportation hub, remains just as vital to the country as ever.

Zhengzhou plays a greater part in connecting railways across the nation than any other Chinese city.

The country's two leading railroads converge in the city, making the Zhengzhou transfer station the largest in Asia. The two lines are the north-south line linking Beijing and Guangzhou and the east-west line connecting Lianyungang in coastal Jiangsu and Lanzhou in inland Gansu province.

Two newly built high-speed railways also connect to the city — one linking Beijing and Guangzhou and another from Zhengzhou to Xi'an. These lines enable passengers to reach China's major cities at a speed of about 300 kilometers per hour.

It is also one of the highway hubs in the country. It sits on the crossroads of two of China's busiest expressways — one from Beijing to Hong Kong and the other from Lianyungang to the border city of Khorgas in Xinjiang. In addition, it is intersected by a number of highways linking many other parts of the country.

The Zhengzhou Xinzheng International Airport has expanded rapidly in recent years.

In 2012, passenger throughput in the airport increased 15 percent from a year earlier to 11.7 million. Cargo throughput grew 47 percent to 151,200 tons, which was the fastest growth among major domestic airports.

In addition to its superiority in transport, which brings more business from the outside, the city also has a huge market because of its strategic

location in Henan, the most populous province in China, with more than 100 million people.

To meet the growing demands of investors, a number of development zones, including the Xinzheng Free Trade Zone and Zhengdong New Area, have been built in Zhengzhou.

The city has formed a modern industrial system covering such sectors as automobile, advanced equipment manufacturing, electronic information, food, and textiles and garments.

Many renowned companies have established branches or headquarters in the city, such as Foxconn, Gree Electric Appliances, Dongfeng Nissan, Yutong Group, and Sanquan Foods.

There are 11 companies each with annual sales revenue of more than 10 billion yuan based in the city, including one with revenue in excess of 100 billion yuan. Four companies have been listed among the top 500 in China.

In addition, 84 of the Fortune Global 500 companies have operations in the city.

Zhengzhou is playing a bigger role in central China.

Its GDP reached 554.7 billion yuan in 2012, up 12 percent from the previous year. Fixed-asset investment increased by 22.1 percent to 356.1 billion yuan last year.

With rapid economic growth, income of local residents is also on the rise. Per capita income of rural residents increased by 13.4 percent to 12,531 yuan last year and that of urban residents grew by 12.2 percent to 24,246 yuan. Rising incomes have in driven up demand, with spending on consumer goods reaching 228.9 billion yuan in 2012.

In addition to booming manufacturing industries, tourism is also an engine for local economic growth.

One of the eight ancient capitals of China, Zhengzhou has a rich historical and cultural legacy.

The city is proud to have more than 10,000 sites of historical interest, of which 38 marked for national protection.



The planned Zhengzhou Airport Experimental Zone will cover an area of 415 square kilometers that crosses the boundaries of three counties in Zhengzhou.

Nation's first airport economic zone taking off

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As part of the ongoing efforts to integrate ground and air transportation in Zhengzhou, the local government is planning a development zone near the city's airport.

The Zhengzhou Airport Economic Experimental Zone will be a base for industries related to air transportation and logistics. It is expected to develop into a new engine for economic growth in central China by 2025, according to the city government.

The plan for the experimental zone was officially approved by the State Council on March 7, making it the first airport economic zone at the national level.

Zhengzhou has long been a land transportation hub in central China, with well-developed railway and highway networks that provide convenient access to the entire country.

When the central government introduced the Rise of Central China plan in 2006, Zhengzhou was named as the location of a future comprehensive, land-air trans-modal transportation hub.

In 2010, Foxconn — the renowned original equipment manufacturer for Apple and other IT giants — launched a huge production facility in Zhengzhou, immediately generating huge demand for air and air-land trans-modal transportation.

Also in the same year, the Zhengzhou Xinzheng Comprehensive Free Trade Zone was established, paving the way for the construction of the airport zone.

In 2012, cargo throughput in the Zhengzhou airport

increased 47 percent compared the previous year to reach 151,200 tons, the fastest growth among all major domestic airports.

At present, the airport zone covers an area of 415 square kilometers that crosses the boundaries of three counties under the jurisdiction of Zhengzhou. It includes the airport, a free trade zone and neighboring industrial parks.

Construction started on the project this year and will be complete in 2025.

The city government of Zhengzhou has great expectations for this new economic zone because of its significant geographical advantages.

Enterprises in the zone have easy access to markets and resources, either through land or air transportation.

In addition, the Zhengzhou airport has rich land resources for further expansion, making it possible to accommodate more flights in the future, according to the city government.

As a result, enterprises in the surrounding zones and parks can be freed from bottlenecks in transportation, especially when engaged in foreign trade.

The local government also expects the new zone will further help globalize the local economy because air transportation is the most effective way to ship high-tech products, like the iPad and iPhones manufactured by Foxconn for Apple.

With the impending arrival of more high-tech companies, the local government hopes the zone can help local businesses climb up the higher value chain, contributing to industrial restructuring in Zhengzhou and throughout the region.

The project will be developed in two phases.

The infrastructure facilities and public service system will be in place by 2017. An industrial system of advanced manufacturing and modern services will



Zhengzhou Airport Economic Experimental Zone consists of the airport, the free trade zone and other industrial parks.

take shape by then.

The entire project will be completed in 2025.

By that time, the annual cargo throughput of the airport is projected to reach 3 million tons, revenues from

the zone's advanced manufacturing industries will surpass \$1 trillion and foreign trade value will reach \$20 billion, according to estimates of the city government.



Cargo throughput in Zhengzhou airport surpassed 151,000 tons last year. The figure is expected to reach 3 million tons by 2025.



The Xinzheng Free Trade Zone, which began operation in 2010, is an important part of the experimental airport zone.