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...snack foods...



...and shops

Chengdu 成都

NEWS: ON THE GROUND

Earthquake anniversary

One year after the earthquake that killed 88,000 and left millions homeless in northern Sichuan on May 12 2008, reconstruction and restoration work is under way in the devastated area. Schools and houses are being rebuilt, and services restored in some places. However many thousands of people are still living in temporary accommodation, and rehousing all of them will be a long process. Some areas remain closed to visitors.

International loans announced

International organisations that have announced loans for post-earthquake reconstruction work include Asian Development Bank, European Investment Bank, AFD and IFAD. A US\$200m loan from the French Development Agency (AFD) will support post-earthquake restoration and reconstruction projects in Sichuan province. According to the State Overall Plan for the Post-Wenchuan Earthquake Restoration and Reconstruction, the loan will be mainly used for

reconstructing municipal infrastructures in six worst-hit counties and districts and rebuilding rural domestic biogas units. The project will help to restore production and normal living conditions, as well as in improving infrastructure of the benefited areas.

World Bank assistance

A World Bank loan amounting to US\$710m has been allocated to post-earthquake reconstruction work, of which US\$510m will go to Sichuan province and US\$200m to Gansu province. The loan will be mainly used for infrastructure reconstruction including roads, bridges, water supply, waste water and solid waste treatment, health-care and education facilities.

Multilingual translation centre

Chengdu has taken a crucial step on the road to becoming a city with no language barriers, with the opening of China's first government-led multi-lingual information translation centre.

DHL arrives in Chengdu

After Accenture and Amazon, Chengdu has

welcomed its third investment project from Fortune Magazine's Global 500 companies this year. The global logistics giant DHL will establish a wholly-owned company in Chengdu High-tech Zone (see opposite) that will provide comprehensive services including financial services and human resources management to DHL's co-invested companies in China.

Entertainment goes international

The world leisure and entertainment brand Hong Kong Lan Kwai Fong is to build a world-class catering and bar zone in Chengdu, featuring high-quality brand names from Chengdu, China and the world.

Chengdu to open international port

Engineering work is under way to enable Chengdu to become China's fourth international communications port (after Beijing, Shanghai and Guangzhou), and the first in western China. Chengdu is expected to open to international traffic at the end of this year, a spokesman from the Chengdu Office of Information said.

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CBBC IN CHINA

Locomotive of Chengdu

THE REVIEW INTERVIEW



Thomas Tang

On the first anniversary of the devastating Sichuan Wenchuan earthquake, **Sophie Bao**, office manager of CBBC Chengdu, interviewed Thomas Tang, director of the Development Consulting Bureau of Chengdu High-Tech Zone (CDHT) to find out how the zone is tackling the effects of the earthquake and the world financial crisis. CDHT is a key indicator of economic activity in Chengdu city, as it accommodates the majority of high technology companies and leading foreign investors in Sichuan province.

How long have you been working with Chengdu High-Tech Zone and what are your feelings about the zone?

Having worked here for six years, I think the international city of central and western China is Chengdu, while the international part of Chengdu is CDHT. Communication between CDHT and our international clients is straightforward and efficient. Over 20 years of development, we have overturned the traditional service model. CDHT is always exploring best practice, endeavouring to provide services which conform to international standards as much as possible. Many government officials and entrepreneurs at CDHT have studied or worked overseas, so they are familiar with international practices.

How did the earthquake affect Chengdu High-Tech Zone?

Chengdu was not the epicentre of the earthquake, so physically the city was not seriously affected. There was a strong psychological impact nevertheless, but Chengdu people are strong, and quickly regained their calm. Business and production in Chengdu resumed more quickly than expected; many enterprises didn't stop manufacturing at all.

Another effect of the earthquake has been the better international awareness of Chengdu; we would not have wished the city's profile to be raised in such a way though.

Is the current financial crisis affecting the development of Chengdu High-Tech Zone?

Yes, there has been some impact, but a

delayed impact, not as obvious as in the coastal cities. Enterprises at CDHT are not reliant on overseas markets. Most of them are innovative and not export-oriented thus they have strong risk-resistance. This result can be attributed to the long-standing practice of CDHT, which values and nurtures innovative SMEs, providing different kinds of support at different stages.

On the other hand, the global financial crisis has brought some opportunities to Chengdu, such as Intel's relocation from Shanghai to Chengdu, and the location here of the US electrical manufacturer Molex and the international courier DHL.

What measures has Chengdu High-Tech Zone taken to tackle downward pressure on its resident companies?

Our crisis management measures have proven to be effective. Right after the earthquake, we worked with professional consulting companies to plan measures to help the investors in CDHT. We sent letters of support and visited the companies at CDHT to assure them of our continuing concern. Not long after the earthquake, we visited other cities, meeting companies and giving briefings, aiming to change their mistaken impression that Chengdu was in ruin. We also invited business and government representatives to visit Chengdu.

Since the financial crisis, we have launched new policies, especially for enterprises which have been hurt by the crisis. The policies include preferential taxation, the injection of funds into innovative projects and companies, matching local

product supply to local projects and so on. We have also helped integrate various resources so as to promote a certain industry, such as retailing, by which means retailers like Auchan and Ikea have benefited.

What have you achieved through these measures?

Though we have been affected by the earthquake and the financial crisis, CDHT is still developing in a positive direction. At the end of 2008, the fiscal revenue of CDHT reached Yn10.48bn (£1.05bn) showing an increase of 26.7 per cent over 2007.

The Ministry of Science and Technology, now ranks CDHT as number four among China's high-tech zones.

What are the immediate and long-term plans for Chengdu High-Tech?

CDHT is one of six high-tech zones designated by the Ministry of Science and Technology as trial world-class zones. So the long-term aim of CDHT is to develop into a world-class high-tech zone.

In the short term, if Chengdu City is a train, we will be the locomotive.

Why has Chengdu High-Tech Zone been chosen to appoint a representative in Europe at this time of economic recession?

We would like not only to promote CDHT and the city but also to convey our confidence in the economic development of CDHT, Chengdu and China, particularly in these globally difficult times.

We understand that Chengdu High-Tech is one of the leading high-tech zones in China. Located as it is in the southwestern inland region, how has CDHT achieved this?

Some key points have been mentioned above, but I would like to emphasise the support to CDHT given by the Sichuan provincial and Chengdu municipal governments for the last 20 years. With their strong support, the important role of CDHT in Chengdu city and Sichuan province has never been changed, which has ensured the stable and fast development of CDHT.

The Review goes to several thousand UK companies interested in the China market. What would you like us to convey to the readers?

China is playing an important role in the world in the 21st Century. To strengthen the exchange between China and the UK will be beneficial for both countries. More trust, more communication and more cooperation will benefit the development of the world. There is an international and professional team here in CDHT. We are keen to provide services for China-UK cooperation.

Thomas Tang's recently published book, 'Research on the Financing Policies for High-Tech SMEs in China' is selling well in China.