



# Sichuan Economic & Trade Bulletin

MAR 2009

## CONTENTS

<b>Macro Policies</b>	The GDP Growth Rate of Sichuan Province is set at 9% for Year 2009
<b>Foreign Trade</b>	Ten Initiatives of Sichuan Province Promote Quick Growth of Foreign Trade
<b>Industry</b>	The Industries of Sichuan Province Send Positive Signals on Stable Growth
<b>Major Projects</b>	The 500 Major Projects of Sichuan Province Will Vigorously Promote the “Two Accelerations”
	The Investments Close to 100 Billion RMB Push Construction of Transportation Hub
	The Construction of Chengdu-Lanzhou Railway Launches --Two Hours from Chengdu to Jiu Zhaigou
<b>Real Estate</b>	Sichuan Province is Going to Invest 20 Billion RMB in Real Estate this Year.
<b>Projects to Be Launched</b>	Sichuan Province is Going to Launch 748 Civic Amenities-- Projects to Improve the Investment environment
	Invest 10 Billion RMB to Exploit the Largest Potash Salt Mine in Sichuan Province
	The Global Delivery Center of Accenture will Settle in Chengdu
	Intel Shanghai is Going to Relocate in Chengdu by Steps within This Year.
	Four New Roads Connect with Downtown Chengdu
	Favoring Chengdu---One enterprise of Total Value up to 100 Million RMB Comes into Being Every 6 Days.
<b>Convention &amp; Exhibition</b>	4 Conventions or Exhibitions Every 5 Days Push Consumption of 20 Billion RMB in Chengdu
<b>CCPIT Sichuan News</b>	Vice Governor Huang Xiaoxiang Visited 5 Southeast Asian countries to Invite state leaderships to Attend the 10th West China International &.Economy Trade Fair 2009.
	CCPIT held in Chengdu “the Internal Coordinating Meeting for Promotion of Investment and Trade in Central Asia



## Macro Policies

### **The GDP Growth Rate of Sichuan Province is Set at 9% for Year 2009**

The economic work meeting of CPC Sichuan Province put forth the general requirements for the economic work of Sichuan Province in 2009: Firmly grab the vital opportunity of post-quake reconstruction and of expanding the domestic demand, push the post-quake reconstruction in full swing, implement in an overall way the development planning of “One Hub, Three Centers and Four Bases” in the post-quake reconstruction, and transform the development mode.

In line with the above requirements, the GDP growth rate for Year 2009 is set at 9%.

In line with the growth rate of 9%, the other economic and social development indicators are as follows: the growth rate for the first industry is 3%, the secondary industry 11.7%, scalable industries 13%, tertiary industry 8%, investments in fixed assets 30%, consumer retail 14%, the export value 10%; energy consumption decreases by 5.5% for an output of 10 thousand RMB.

## Foreign Trade

### **Ten Initiatives of Sichuan Province Promote Quick Growth of Foreign Trade**

Sichuan Provincial Department of Commerce will adopt 10 initiatives to uplift the scale and quality of the export-oriented economy of Sichuan Province in an overall way.

#### **The ten initiatives include:**

- Enlarge resources of fiscal revenues
- Encourage stable and fast growth of export
- Adjust and optimize the foreign trade structure
- Strengthen construction of carrier for export-oriented industry
- Attract and induce more export-oriented enterprises
- Explore the international market
- Increase import
- Intensify financing
- Vigorously train internationally-oriented talents
- Provide quality and highly-efficient services

## Industry Information

### **The Industries of Sichuan Province Send Positive Signals on Stable Growth**

January witnessed a growth rate of 13.6% over the previous period in the scalable industries of Sichuan Province, up 2.3% than that of last December. It was the largest growth rate since last September when the global financial crisis penetrated Sichuan Province.

## Major Projects

### **The 500 Major Projects of Sichuan Province Will Vigorously Promote the “Two Accelerations” in 2009**

Released by Sichuan Provincial Development and Reform Commission, in Year 2009, Sichuan will take the 500 major projects as a powerhouse; vigorously push the “two accelerations”. The 500 projects fall into three categories of vital infrastructural construction, pillar industries, and principal issues with regard to people’s livelihood and social welfare. The total investment hit 2.1591 trillion RMB Yuan, with 280.5 billion RMB Yuan planned for this year, 73.7% increasing over the actual investment realized last year.

Out of the 500 projects, 231 are continued ones involving a total investment of 995.9 billion RMB Yuan and an investment of 196.6 billion RMB Yuan for this year; 169 are new ones with a total investment of 688.4 billion RMB Yuan and an investment of 83.9 billion RMB Yuan for this year; 100 are reserved projects with a total investment of 474.8 billion RMB Yuan.

The major projects for this year highlight post-quake reconstruction, focus on improving people’s livelihood, take into consideration of the long-term prospect, and pay attention to investing the real estate industry. In addition to the 106.6 billion RMB yuan for constructing houses in quake-hit rural and urban areas, there will be another 52 continued or new projects on people’s livelihood and social welfare. There are 235 continued or new major projects on real estate development, with an investment of 143.6 billion RMB yuan for this year, making up for 51.2% of the total in this year.

## The Investments Close to 100 Billion RMB Push Construction of Transport Hub

To construct the comprehensive transport hub in western China, it has been basically decided that there will be an investment of 38 billion RMB Yuan for railways and 6.5 billion RMB Yuan for aviations. There will be an increase of 50% in investment over the 33 billion RMB Yuan in transport last year, beating the growth rate of investment in fixed assets. Rough calculations show that the total investment in transport is close to 100 billion RMB Yuan.

Year 2008 witnessed an investment of 7.2 billion RMB for railway construction in Sichuan Province, twice that of Year 2007. The goal for Year 2009 is 38 billion RMB.

Sichuan Province is planning to launch “7 + 2” railway projects, with a total investment of 194 billion RMB and an investment of 14 billion RMB completed this year. These projects will construct a perfect framework for the transport hub of Sichuan Province, underpinning the 4-hour transport circle from Chengdu to the neighboring capital cities, namely, Guizhou, Lanzhou, Kunming, Xi'an and Wuhan, and the 8-hour transport circle from Chengdu to Beijing, Tianjin, Hebei, the Pearl River Delta and the Yangzi River Delta. Such massive investment will create an enormous push to the economy of Sichuan Province.

To reach the goal of having in place 3500 km (try to reach 3800 km) expressways in Sichuan Province by 2012, in the first half of 2009, we will try to launch construction of 6 expressways including Na-Qian in full swing, and speed up the extensions of a list of expressways, make the 26 km-long Duwen Expressway open to traffic, 121 km of Guangba Expressway suitable for traffic, and 2309 km of expressways available for traffic in Sichuan Province.

Speed up internal river transport construction in an overall way. Phase II of the multi-purpose wharf at Luzhou Port will be completed within this year, enabling the turnover capacity of containers reach to 500 thousand standard containers. Meanwhile, revitalize the grade-III water channel on the Yangtze River from Luzhou to Yibin, so as to make the section from Yibin to Chongqing up to the grade-III standard on the Yangtze River.

This year, Sichuan Province will invest 6.5 billion RMB in construction of civil airports, mainly for constructing the second runway and the new terminal of Chengdu Shuangliu International Airport. The second runway will be completed in 2009, and the new terminal in 2011. With the completion of the second runway, Chengdu will become the 4th city which boasts a second runway after Beijing, Shanghai, and Guangzhou. With the availability of the second runway and the new terminal, the annual sorties of Chengdu Shuangliu Airport will hit 305 thousand, and the passenger volume above 38 million persons/times.

## The Construction of Chengdu-Lanzhou Railway Launched. Two Hours from Chengdu to Jiu Zhaigou

In the morning of February 21, the launching ceremony of Chengdu-Lanzhou Railway and the Groundbreaking Ceremony of Songpan Railway Station was held on the site for the Songpan Railway Station, Qingyun Township, Songpan County, Aba Prefecture. Chengdu-Lanzhou Railway goes through the most complicated topography condition region, with the fastest beginning progress in the history of railway construction. It is a huge push to the construction of a comprehensive transport hub in the west of Sichuan Province.

Chengdu-Lanzhou Railway is a grade-I, dual-lined one, with a total investment of 61.9 billion RMB, speed 200 km per hour, and construction period of 6 years. With its completion, it takes 2 hours from Chengdu to Jiuzhaigou, and 4 hours from Chengdu to Lanzhou.

Put it to the whole picture of China, we can see that Chengdu-Lanzhou Railway links with Lanzhou-Qinghai and Baotou-Lanzhou Railways in the north, with Chengdu-Guizhou and Guizhou-Guangzhou Railways in the south, thus set up the fast path linking northwest, southwest and south China. From the perspective of Pan-Asia, we can see that Chengdu-Lanzhou Railway connects with Euro-Asian Continental Shelf and Pan-Asia Railway Grid, and thus offers a new land transport path for southwestern China and even a wider area to conduct foreign trade and logistics with Europe and North America.

## Real Estate

### Sichuan Province is Going to Invest 20 Billion RMB in Real Estate this Year.

In Year 2009, Sichuan Province will strive to invest 200 billion RMB in real estate industry. As learned, this figure is at least 20 billion RMB more than that of last year. Out of the figure, investment to real estate development exceeds 140 billion RMB.

# Projects to Be Launched

## **Sichuan Province is Going to Launch 748 Civic Amenities Projects to Improve its Hardware for Investment**

In 2009, Sichuan Province will complete 748 projects with regard to reconstruction of its civic amenities, will try to make an investment of 50 billion RMB. This will further accelerate construction of post-quake new homes and of the western economic highland, and improve the hardware for development of Sichuan Province. This investment area has attracted attention of the international capital. We will use loans from the World Bank to construct the civic facilities and infrastructure. There will be a sum of loans amounting to 600 million USA from the French government.

## **The Global Delivery Center of Accenture Will Settle in Chengdu**

Thanks to the sound investment climate, rich human resources and highly efficient administrative services, Accenture, a Fortune 500, will set up its Global Delivery Center in Chengdu. This decision plays a significant role in the business development of Accenture in China and even in the world. The Center will become an important component of the Global Delivery System of Accenture, and will mainly engages in business flow outsourcing, application system outsourcing, fundamental technical framework outsourcing and system integration service.

## **Intel Shanghai is going to relocate in Chengdu by Steps within This Year.**

Recently, Intel announced that it would adjust its production and operation plans in China market: to optimize its manufacturing resources in China, it plans to integrate its Assembly and Testing Plant, based in Pudong, Shanghai, into the Chengdu Plant within the coming 12 months, so as to further enlarge its production scale in Chengdu. Since it was officially signed that Intel would settle in Chengdu in 2003, the enlarged plant will take more important assembly and testing, including the core technical product CPU of Intel.

## **Favoring Chengdu---One Enterprise of Total Value up to 100 Million RMB yuan Comes into Being Every 6 Days.**

Last year, the number of Chinese-funded enterprises hit 230,835, up 12.7% over the previous period. The number of individual businesses hit 599,311, up 21.5% over the previous period. The Chinese-funded enterprises and the individual businesses are mainly in the tertiary industry. In terms of business type, wholesalers and retailers make up the majority. The number of enterprises and that of

individual businesses in Jinniu District both rank at the top in Chengdu.

Along with the increase of the number, the quality is rising. Last year witnessed the registration in Chengdu of 63 big enterprises with registered capital up to 100 million RMB, up 58% over Year 2007.

## Convention & Exhibition

### **Chengdu Will Host 280 Large Conventions and Exhibitions and Festivities in 2009**

Chengdu will receive its peak of convention and exhibition industry in 2009. It will host about 280 major conventions, exhibitions and festivities, consumption worth 20 billion RMB yuan plus is predicted.

Last year witnessed 260 conventions and exhibitions in Chengdu, with the best effect, direct revenues exceeding 1.35 billion RMB, value added 870 million RMB, exhibitors up to 1.1 million persons/times, and attendees 6 million

persons/times. In accordance with the international general calculation method, the indirect output of the exhibitions and conventions triggered consumption worth 18 billion RMB. Another 18 conventions and exhibitions will settle down in Chengdu.

In November, 2008, CCPIT listed Beijing, Shanghai, Guangzhou, Dalian, Chengdu as China's Top Five Central Cities in conventions and exhibitions in China.

## CCPIT Sichuan News

### **Vice Governor Mr. Huang Xiaoxiang Visited 5 Southeast Asian Countries to Invite state leaderships to Attend the 10th West China International Economy and Trade Fair in 2009**

The Tenth Western China Trade Fair is going to take place in Chengdu in mid and late October, 2009. In order to enlarge the influence of the Expo in China and around the world, particularly in ASEAN countries, to strengthen our exchanges and cooperation with Southeast Asian countries, Mr. Huang Xiaoxiang, Vice-Governor of Sichuan Province led a delegation comprising of Mr. Li Gang, Chairman of CCPIT Sichuan, Mr. Tang Hong, Deputy Director of Sichuan Provincial Foreign Affairs Office, and Mr. Liu Xin, Deputy Director of Sichuan Provincial Department of Commerce, visiting Vietnam, Cambodia, the Philippines, Indonesia, Singapore between December 24, 2008 and January 3, 2009. They made presentations,

inviting VIP political figures and guests, promote the large-scaled investment projects of Sichuan enterprises in the above-mentioned countries, investigating the markets of the Southeast Asia, and as well as taking the honor to express our heartfelt thanks to the visited countries for their support to Sichuan Province after the May 12 earthquake.

To enhance the influence of the Exposition in Southeast Asian countries and to introduce Sichuan to the local businesses, CCPIT Sichuan also made three presentations respectively in Hanoi of Vietnam, Phnom Penh of Cambodia and Jakarta of Indonesia.

## CCPIT Held in Chengdu “the Internal Coordinating Meeting for Promotion of Investment and Trade in Central Asia”

To encourage the Chinese businesses to invest Central Asia and the Chinese merchandise to export to Central Asian market, CCPIT Economic Information Division held in Chengdu “the Internal Coordinating Meeting for Promotion of Investment and Trade in Central Asia”. The attendees jointly explored the Systematic Cooperation Mechanism in Central Asian Market and draft the Master Work Plan for the next phase.

Chairman of CCPIT Sichuan, Mr. Li Gang introduced at the meeting that CPC Sichuan Committee and Sichuan Provincial Government highly value exploring the Central Asia market, and have drafted the principle of “Triple-Directional Explorations and Four-Tier Progression” for opening and cooperation. With developing the Central Asian market including Russia as a key point for exploring the new emerging markets, it was basically determined that the key investment and cooperation industries in Central Asian countries included mineral processing, petroleum and natural gas exploration, railway construction, power facilities, pharmacy, agricultural machinery, computer and related electronic goods, household appliances, construction and decorating materials, planting and breeding, and so on.

The exchanges of CCPIT Sichuan Committee are progressing in a way of multi-level, broad-ranged and omni-directional development. Last year, with the support of CCPIT Xinjiang Committee, I led a delegation to visit Kyrgyzstan, and successfully invited the extraordinary and plenipotentiary, Mr. Amilebek for the Euro-Asia Affairs of the President to attend the Ninth West China Fair. He paid a courtesy call to Vice Premier Mr. Li Keqiang when he was in Sichuan, investigated Sichuan Province and signed the Letter of Intent for the Establishment of Furniture Assembly and Distribution Center with CCPIT Sichuan Committee. The Chamber of Industry and Commerce of Kyrgyzstan also organized companies to visit Sichuan for discussions on procurement of locomotives.