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# business

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ONE US\$ DEQUALS

▲ RMB 6.2137

▼ HKD 7.7567

▲ JPY 95.89

▼ EUR 0.7707

▲ GBP 0.6687

▼ AUD 0.9692

▼ INR 54.315

▲ CAD 1.0246

▼ KRW 1098.42

▼ THB 29.60

▼ BRL 1.9605

## Arctic shipping lanes open up

Routes between Asia and Europe to reduce fuel costs and CO<sub>2</sub> emissions

By ZHOU SIYU in Oslo  
zhousiyu@chinadaily.com.cn

The shrinking Arctic ice sheet is opening up new shipping routes for global trade, and China will be one of the main beneficiaries, according to the head of the country's leading polar research institute.

There are three main shipping routes across the Arctic region — the North East Passage, the North West Passage and the Central Route.

As the ice melts, the North East Passage opens from the end of July for four months or more, while the Central Route opens from the end of August for one month or more, explained Yang Huigen, director-general of the Polar Research Institute of China.

Yang witnessed this for himself last summer, aboard the

Chinese icebreaker *Xue Long*, while leading its fifth official Arctic expedition.

Speaking at the Economist's Arctic Summit in Oslo on Wednesday, he said the increased accessibility of the Arctic routes will have a considerable effect on sea trade between Europe and Asia, which is considered the world's busiest trade route.

He said that the *Xue Long* trip to explore the route had "greatly encouraged" Chinese shipping companies.

"One commercial voyage by a Chinese shipping company may take place this summer," he told Reuters.

He added the latest research shows the new routes could cut shipping times between Asian and European ports by about one-third, which in turn could reduce fuel and other costs as well as CO<sub>2</sub> emissions.

Given China remains the

world's largest exporter, many of its major ports will benefit from the new routes, especially those in the northeast of the country, he told China Daily.

Currently 90 percent of China's trade is carried by sea. The Chinese government projects its trade to grow to \$7.6 trillion by 2020, and Yang said that if 10 percent of China's trade was shipped through the Arctic routes by then, that could be worth \$683 billion.

"The potential value (of goods traveling the Arctic routes) is simply too large to ignore," he added.

The new routes, meanwhile, are also likely to help promote commercial ties, especially between China and Russia.

Anton Vasiliev, ambassador-at-large for Arctic cooperation at the Russian Ministry of Foreign Affairs, said that of all the sectors which might benefit, "the (Russian) shipping industry will benefit the most," as it expands its use of Arctic waters, especially to China.

As well as trade, Yang said the opening up of the Arctic



Chinese icebreaker *Xue Long* on an expedition in the Arctic Ocean. New Arctic shipping routes could greatly cut the cost of transporting goods between Chinese ports and European ports.

QU JING / XINHUA

waters is likely to initiate a shift in Chinese polar research.

So far, Chinese scientists have focused on the climate change, but Yang said the scope of their research will now widen to the economic, political as well as environmental implications of the changes being seen in the region.

"The creation of these new shipping conditions mean the scientific community will have to take a more comprehensive approach to Arctic research," he said.

Ice coverage of the Arctic Ocean grows and shrinks throughout the year, reaching a maximum in March and a

minimum in September.

In recent years, the minimum ice coverage has been receding at a rate of 10 percent every decade, according to a recent report by Det Norske Veritas AS, one of the world's leading shipping industry classification societies and a risk management provider.

The melting ice cover is also allowing more room for other human activity which in turn, is generating increased concern over the environmental and ecological effects on waters, said the report, adding that if the trend continues, the Arctic Ocean could be almost ice-free within decades.

chengduspecial

## Foreign trade continues to drive economy of Chengdu

By LIYU and PENG CHAO  
in Chengdu

At a time when the global economy is struggling to regain its footing, Chengdu is emerging as a flourishing major trade hub in the west-central region of China.

In the four years that followed the 2008 international financial crisis, the foreign trade volume of the capital of southwestern China's Sichuan province tripled from \$15.34 billion in 2008 to \$47.54 billion in 2012, according to the Municipal Bureau of Commerce.

An annual report by the bureau shows that the inland city's foreign trade volume increased by more than 25 percent year-on-year in 2012 while its exports increased by 32 percent.

The city's exports increased to \$30.36 billion in 2012, about 79 percent of the province's total. Its imports grew nearly 15 percent to \$17.18 billion last year, accounting for 83 percent of the province's total.

Mechanical and electrical equipment and appliances together with high-tech products made up the bulk of last year's exports.

Equipment and appliances accounted for more than 72 percent of the city's total export value, and high-tech products, 53.9 percent.

Furniture, clothing, footwear, pharmaceuticals and agricultural products also contributed greatly to Chengdu's exports.

Behind the surging export value is foreign-invested companies, whose exports rose nearly 56 percent to \$16.36 billion in 2012, accounting for 53.87 percent of the city's total exports. Foxconn's Chengdu



The Chengdu High-tech Comprehensive Bonded Zone is an engine for foreign trade growth in the city.

PHOTOS PROVIDED TO CHINA DAILY



Pictured here is a production line for integrated circuit packaging and testing at a foreign-funded company in the city.

plant alone exported \$12 billion worth of products last year.

### Bonded zone

A bonded zone is another dynamic force driving growth.

The Chengdu High-tech

Comprehensive Bonded Zone, the second of its kind in western China, was approved by the State Council in 2010. It is home to 40 high-tech enterprises, including integrated circuit giant Intel, tablet manufacturer Foxconn and laptop maker Dell as well as producers

of aerospace parts and biopharmaceuticals.



Intel's Chengdu facility is among 40 high-tech companies in the bonded zone.

of aerospace parts and biopharmaceuticals.

The zone has become an engine for foreign trade growth in Chengdu and the province.

The zone's foreign trade stood at \$26.22 billion in 2012, accounting for 55 percent of the city's total and more than 44

percent of that of the province, according to the data provided by the Chengdu Municipal Bureau of Commerce.

"Without the bonded zone, Chengdu wouldn't have been able to attract so many multinationals," said an official of the bureau.

Its distance from the border and the sea is handicap for Chengdu in terms of developing foreign trade, he said, noting that the bonded zone helps to overcome this obstacle by providing easier access to the world.

In addition to the bonded zone, a number of export bases for alternative energy, engineering machinery, footwear, electronics and IT products, and fruit and agricultural products are also playing a role in boosting foreign trade.

### Transport facilities

As a city that is far inland, Chengdu's foreign trade has historically been hampered by a lack of transportation, but the situation has changed in recent years.

Railways, highways and airports now link the city to other parts of the country and the world. Now, Chengdu is the fourth major air hub in China after Beijing, Guangzhou and Shanghai, with 143 domestic routes and 56 international routes as of the end of 2012.

Longquanyi district's famed honey peach can now be found in the supermarket aisles of Singapore thanks to new direct flights from Chengdu allowing them to arrive fresh.

Compared with coastal cities, Chengdu has more advantages in developing air transportation because it is closer to the Middle East and Europe. Microchips, iPads and laptops, which are the major exports of Chengdu, can be transported by air faster and at lower costs.

Chengdu's leaders hope to regain the city's past glory as a business and trade center in ancient China. It was one of the two largest commercial cities in the Tang Dynasty (618-907AD). The renowned Chi-

nese poet Du Fu depicted its prosperity in poetry.

The national Great Western Development Strategy and the relocation of industries from coastal cities has given Chengdu a chance to win back its position as one of the most important trade hubs in China.

The target for foreign trade this year is \$50 billion, according to statements made by the municipal government in January. The foreign trade volume is expected to reach \$110 billion in 2015, putting Chengdu on equal footing with the highly developed cities on the coast.

### Production center

The city, long known to the world for its pandas and cuisine, is now gaining fame for producing a large number of high-tech products that are selling on the world market.

Before 2010, Chengdu's laptop exports were practically nonexistent, but in 2012, the city exported 34 million laptops with a total value of \$12.85 billion. Most of them are exported to the United States and the European Union.

One out of every two laptop microchips made in the world is now produced here. Two-thirds of the world's iPads come from Foxconn's Chengdu plant, local officials said.

With the arrival of such electronics giants as Lenovo, Dell, Compal and Wistron, Chengdu is poised to become one of the world's most important manufacturing bases for electronics in the coming few years. By 2015, it is projected to generate an annual output of 100 million computers and 200 million tablets, experts said.

You may contact the writers at liyu@chinadaily.com.cn and pengchao@chinadaily.com.cn