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With 139 automobile enterprises, Chengdu is expected to produce 1.5 million vehicles by 2015.

Auto industry revs up Chengdu

Production rises 30%, fuels range of other sectors

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By producing more than 410,000 vehicles last year, Chengdu's auto industry grew 30 percent, more than four times the national average for passenger vehicles.

The capital city of Sichuan province is now the nation's third-largest automobile market and the biggest in the western region.

About two million vehicles are now on the road in the city.

Revenue from Chengdu's auto industry hit 71.6 billion yuan (\$11.6 billion) last year, an increase of 51.6 percent over 2011, said Zheng Xueyu, director of the auto industry office

for the Chengdu Economy and Information Committee.

"The target for the city's auto industry in 2013 is to produce 600,000 units with carmakers generating revenues of 105 billion yuan," Zheng said in a recent interview with China Daily.

It would be a dramatic increase from 2011 when 150,000 vehicles and revenues of 55 billion yuan were produced.

"The added value from the industry was 29.6 billion yuan last year, an increase of 42 percent at a time when the national auto market had slower growth," Zheng said.

The industry's prosperity is fueling a boom in Chengdu's overall manufacturing sector, helping stimulate the iron and steel, machinery, electronics, glass, petrochemicals and related service industries. "Every 1 percent the auto

industry grow boosts upstream and downstream industries by 17 percent," Zheng said.

Chengdu has always been a major market in western China, but it almost entirely lacked an auto industry.

Yu Jian, director of the auto industry department at the Chengdu Economic Development Zone, said that the city produced only 800 agricultural vehicles a year in 2003.

The CEDZ, some 13.6 kilometers east of the city is now the core of Chengdu's auto industry.

Chen Xiaoming, deputy officer of the auto industry department at the CEDZ, said growth in Chengdu meets the central government's "go west" strategy, bringing more investment and job opportunities to the city.

"Chengdu has competitive edges in its talent and business environment, which the local government put in lot of effort to improve further," he told China Daily.

In 2004, the provincial and municipal governments set the tone for developing Chengdu's auto industry.

When the local government set up a promotion commission for the automotive industry in 2008, the only significant production was 40,000 units of the Volkswagen Jetta.

In 2011, Volvo Group announced it would build its first China plant in Chengdu.

In 2012, parts supplier Robert Bosch GmbH laid the foundation for its second chassis plant in the country.

Early last year, FAW-Volkswagen's 540,000-unit Chengdu facility was completed, helping bring auto production capacity in the city to 1 million annually, two years before the original target date.

Chengdu is now an important production base for FAW-Volkswagen, FAW Toyota, Volvo and Geely. It has 275 related enterprises, 19 of them making finished autos, Zheng said.

Economy matures, financial firms flourish

By LI FUSHENG
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Chengdu is becoming a leading banking and insurance center in western China as increasing numbers of financial institutions arrive and begin operation there.

The capital city of Sichuan province is now home to at least 60 banks, 69 insurance agencies and 57 securities firms, according to the local Chengdu Daily.

The city is also a favored destination in central and western China for foreign-funded banks, insurance companies and listed companies, said an official of the city's government financial work office.

Thirteen international banks and 14 international insurance companies have branches in Chengdu including Citigroup, HSBC, Standard Chartered Bank, JPMorgan Chase and the Bank of Tokyo-Mitsubishi UFJ.

Many others are awaiting approval from the China Banking Regulatory Commission.

Most international financial organizations followed their clients to Chengdu.

The city is now home to at least 234 Fortune 500 companies.

The global networks used by international banks help them to provide commercial loans to multinational corporations through their local

branches. If a London-based Fortune 500 company wants to establish a subsidiary in Chengdu, the parent company can gain approvals at HSBC's UK office, and get a line of credit at its Chengdu branch, said Xie Ling, acting branch manager of HSBC Bank (China) Co Ltd, in an earlier interview with China Daily.

Now well established in the city, many multinational banks are looking to develop more local services in addition to catering to their global clients.

Citibank's Chengdu branch has established a commercial division targeting small and medium-sized local enterprises.

In addition to banks, the city has attracted increasing numbers of private equity firms that help SMEs.

"There are now between 200 and 300 private equity firms in Chengdu," said Zhou Hongliang, a consultant at Infinity Group's Chengdu office.

The Israel-headquartered firm has established a \$32.32 million fund to help local companies because "their financing costs are quite high, almost 20 percent."

In addition to IT startups, it is planning to offer more help to agricultural companies and fund more projects in second-tier cities in the province such as Mianyang and Zigong, said Zhou.



As a center of modern services in the region, the city is home to the Chengdu Financial Headquarters Business District.

Chengdu's rapid economic growth over the past few years has brought more financial service firms to the city.

All four major global accounting companies — KPMG, Ernst & Young, PricewaterhouseCoopers and Deloitte — have offices in the city.

Now that Chengdu registered a GDP of 813.89 billion yuan, an 13 percent increase year-on-year. With its large

number of financial institutions, Chengdu leads all other cities in western China in transactions.

Data from the city's financial office show that the balance of deposits in its financial institutions reached 1.7 trillion yuan in 2011 with a loan book worth 1.37 trillion yuan.

Revenues in the city's financial sector that year hit 52.4 billion yuan, accounting

for 8 percent of the Chengdu's GDP. The city has had a strong bond with finance since ancient times.

The world's first paper currency — the jiao zi — was introduced in Chengdu in 1023 during the Song Dynasty (960-1279).

What has helped the city gain a foothold as a financial center in western China today is largely due to its stable financial environment

and an abundant supply of professionals, said local officials.

The city government's financial office said most employees in Chengdu's foreign banks are locals.

Graduates from universities such as Southwestern University of Finance and Economics provide a good foundation for the industry and the related financial outsourcing services in the city, he added.

EYE ON CHENGDU

briefly

New Australian consulate to open

Australia will soon open a consulate in Chengdu, its fourth in China, Xinhua News Agency reported on April 16, quoting Australian Ambassador to China Frances Adamson. The capital of Sichuan province will be the only non-coastal city in China to have an Australian consulate. The others are in Hong Kong, Shanghai, and Guangzhou. "The consulate-general in Chengdu will provide a direct link to a diverse province," Australian Prime Minister Julia Gillard said.

Investment touted as private firms gather

A two-day symposium between large privately owned firms from Sichuan and other parts of China opened in Chengdu on April 15. It attracted more than 100 executives from the private sector including noted figures such as BYD President Wang Chuanfu and Zhang Jindong, president of Suning Group. Sichuan summarized 1,999 investment and cooperation projects at the symposium valued at 4.28 trillion yuan.



Tourist numbers surge for Qingming

Chengdu received more than 4.82 million visitors during the three-day Qingming Festival holiday at the beginning of April, up 17.5 percent over the same period last year. The city's total tourist income rose by 23.1 percent to 1.98 billion yuan during the holiday.



City has 500 mobile Internet companies

Chengdu now has 500 enterprises and 20,000 employees in the mobile Internet industry, according to a human resource report released by the Mobile Internet Society on April 10. Half of the enterprises were established during the past three years, said the report, the first of its kind in China. It was based on questionnaires sent to 500 employees at 40 enterprises in Chengdu's mobile Internet industry.



Annual fest to honor historic Dujiangyan

The 2013 China Dujiangyan Qingming Water Releasing Festival, together with the first Source of Tianfu Water Culture Tourism Festival, kicked off in Chengdu's Dujiangyan on April 4. The festival is centered around a ceremony dating back 1,000 years that celebrates the completion of the Dujiangyan irrigation system and commemorates its designer Li Bing.

