

Sichuan Economy and Trade Trends

Monthly, January 2015

Published by CCPIT Sichuan Council

Contents

Macro Economy	<ul style="list-style-type: none">-The Provincial Capital Market Financing Setting a New High Record Last Year-Chengdu Economic Aggregate Exceeding Trillion-Level and Reaching a Higher Stage-The Proportion of Provincial Non-public Economy in GDP Exceeding 60% for the First Time-Domestic Capital Introduced Last Year Reached RMB879.8 Billion Provincially
Foreign Trade	<ul style="list-style-type: none">-Unilever Sichuan Base Put into Production-Sichuan Goods Valued USD240 Million of Order Amount in ASEAN Last Year-283 <i>Fortune</i> Global 500 Enterprise Settled in Sichuan-Sichuan Agriculture Seeking for Treasures Overseas with Volume of Transaction Increased by 10 Times Each Year-Sichuan's Foreign Trade Volume Exceeded USD 70 Billion in 2014-Chengdu-Nanjing-Fukuoka Osaka Airline Takes Off
Key Projects	<ul style="list-style-type: none">-Yibin Pilots 47 PPP Projects Worth Nearly RMB 50 Billion
Industries	<ul style="list-style-type: none">-Loan for Major Projects Increased by Nearly 100 Billion Last Year-Gross Output Value in Construction Industry Increased by 11.9% Last Year-Sichuan's Grain Yield Continues to Rank the 7th in China

	<p>-10×10⁴m³/d Shale Gas Liquefaction Plant Put into Operation in Junlian</p> <p>-Cooperation between Chengdu University of Technology and National Quality Inspection Center for Vanadium-titanium Industrial Development in Panzhihua</p> <p>-Vanadium-titanium Magnetite Industry Standards to be Formulated</p>
Convention & Exhibition Economy	-2015 Sichuan Online Fair Kicks Off
CCPIT Sichuan Council	<p>-Chairman Li Gang Meets with Kandeepan, the New Consul of the Consulate of the Democratic Socialist Republic of Sri Lanka in Chengdu</p> <p>-The 1st Membership Congress of Sichuan Chamber of International Commerce of Hardware & Electro-machine Opens</p> <p>-Secretary of INC Secretariat of the Central Committee and President of Haryana INC Visits Sichuan</p> <p>-Deputy Chairman Li Li Meets with Zhong Runzhang, Director of Chengdu Office of Malaysian Trade Promotion Center</p> <p>-Deputy Inspector Wang Youping Meets with Yaffa Ben-Ari, Deputy Director of Israel Ministry of Foreign Affairs</p> <p>-Sichuan Chamber of International Commerce Organizes Enterprises to Participate in Vibrant Gujarat Summit 2015 in India</p>

Macro Economy

The Provincial Capital Market Financing Setting a New High Record Last Year

Last year, the accumulative total of financing volume from capital market of Sichuan Province reached RMB39.402 billion, reaching a new peak.

In particular, two companies including TROY Information Technology completed their IPO last year raising an amount of RMB 567 million. Apart from that, what was even more eye-opening was that Dongfang Electric and 19 other publically-traded companies raised altogether RMB 38.157 billion when they refinanced. Companies listed on the “New Three Plates” raised an amount of RMB 98 million and small and medium sized enterprises privately raised company bonds totaling RMB 580 million. Up until the end of 2014, 92 companies in Sichuan Province

have been listed as A shares, ranking the 7th nationwide and the 1st in central and western China. According to a member of the Sichuan Securities Regulatory Administration, at present, there are sufficient resources in reserve for listing and financing, IPO applications from two other companies have been audited and verified and are pending, 30 enterprises are now under auditing and verification and 48 enterprises are under mentoring status.

In addition to the continuous development of the exchange market, the construction of the “New Three Plates” and “Four Plates” markets have made significant breakthroughs. As of the end of 2014, 31 companies in Sichuan province have been listed on the “New Three Plates,” ranking the 1st in western China. As of now, 17 enterprises are being audited and 163 enterprises are listed as key reserve. Thanks to the successful inception of the Chengdu (Sichuan – Tibet) Stock Exchange Center, 190 companies have been listed up until the end of 2014.

It is noteworthy that along with the stock market heating up in the second half of last year, the aggregate market value of listed companies in our province has hit approximately RMB 844.984 billion, with a yearly growth of 55.6%. As of the end of last year, the number of securities investor accounts in the province reached 8 million, the accumulative total of securities transaction volume throughout the year achieved RMB 6.3 trillion, in which the average transaction volume of a single account exceeded RMB 780,000. (Sichuan Daily reported on January 30th, Li Longjun)

Chengdu Economic Aggregate Exceeding Trillion-Level, Reaching a Higher Stage

In 2014, although under the pressure of economic downturn, the economic aggregate of Chengdu made a historical breakthrough.

Preliminary figures suggest that the gross regional domestic product of Chengdu reached approximately RMB 1 trillion in 2014, increasing by 8.9% from last year and exceeding last year’s average national and provincial levels by 1.5% and 0.4% respectively. The local public fiscal revenue of the city reached about RMB 102 billion, 14.1% higher than the previous year. The amount of general public budget invested into residential areas reached RMB 89.5 billion and 174 practical livelihood projects have been completed already.

According to statistics, the value added of standard industry throughout 2014 increased by 12.2% over the previous year as calculated at comparable price, topping all 15 sub-provincial cities nationwide in rate of growth. As for the service industry, the core functions like commercial

logistics, financial service and headquarters economy as well as other core features of the service industry are being strengthened progressively with e-commerce transaction volume exceeding RMB 500 billion. Besides the financial industry in Chengdu is developing rapidly with value added rising by 15.9% and growing 7.3% faster than the average level of the service industry. By taking advantage of the approval on and establishment of airport bonded logistics center (type B) and Qingbaijiang Chengdu railway temporary port opened to outside underway now, the level of foreign trade facilitation is evidently improving. The total export-import volume of Chengdu High-tech Comprehensive Bonded Zone now ranks the third nationwide and the first in western China.

In 2014, the completed fixed-asset investment throughout the year in Chengdu hit RMB 662.04 billion, increasing by 1.8% over the previous year. The aggregate investment in the now finished Chengdu Tianfu New Area reached RMB138.3 billion. In 2014, 420 key projects including Intel Junma wafer integration testing center were contracted and brought into Chengdu, from which the number of *Fortune* Global 500 enterprises reached 262 in Chengdu alone.

As for consuming power, online buying power and automobile consumers are continuing to increase. According to statistics, the total retail sales of consumer goods in Chengdu in 2014 reached approximately RMB 420 billion, increasing by 12% over the previous year, among which the automobile related turnover achieved about RMB 100 billion, increasing by 15.6%. In addition to the continuous rise in income of urban and rural residents, the growth rate of rural resident's income is consistently higher than the growth rate of urban resident's income. The urban per capita disposable income was RMB 32,665, which increased by 9.0% over the previous year, rural per capita net income achieved RMB 14,478, increasing by 11.5%. (Sichuan Daily reported on January 29th, Chen Bihong)

The Proportion of Provincial Non-public Economy in GDP Exceeding 60% for the First Time

After breakthrough of the threshold of RMB1.5 trillion of the non-public economic value added of Sichuan in 2013, such value was increased to a new digit in 2014, making the amount exceeded RMB1.7 trillion for the first time (RMB1.719543 trillion), which was RMB142.616 billion more than the previous year. The non-public economy of the province now is developing in a stable and progressive pattern in a multi-pole structure.

The non-public economic value added of Sichuan takes a steady increase

in ratio of GDP. In 2014, the non-public economic value added of the province increased by 9.5% than last year and is 1% faster than the growth rate of GDP. In particular, the growth rate of primary industry increased by 3.7% and the second and tertiary industry increased by 9.9% and 10.3% in respective. The proportion of non-public economic value added in GDP broke through the threshold of 60% for the first time, making it to 60.3%, which was 0.5% higher than the percentage of last year.

The industry has already become the “backbone” of non-public economy of Sichuan Province. In 2014, the non-public economy industrial added value of the province reached RMB939.279 billion, taking up 54.6% of the non-public economic value added. As the non-public economies throughout the country now were competing for development, specifically speaking, the growth rates of the value added of 14 regions out from the 21 cities (prefectures) reached or exceeded 10% in 2014, the top three cities with the fastest growth rates were Ya’an (12.1%), Luzhou (11.6%) and Guangan (11.3%). Moreover, thanks to the non-public economy, 20 regions were benefited thereout with rate of contribution to local GDP exceeding 50%, among which 19 regions shared the rate of contribution of over 60%, the top three cities enjoying such rate were Nanchong (72.1%), Meishan (69.4%) and Neijiang (69.3%) in respective. (Sichuan Daily reported on January 25th, Li Xinyi)

Domestic Capital Introduced Last Year Reached RMB879.8 Billion Provincially

Last year, capital valued RMB879.8 billion sourced from other provinces in China was fully funded and brought in Sichuan, presenting a volume stabilized and quality guaranteed external investment development pattern.

Volume stabilized referred to the funds scale. There were 9143 undergoing projects invested by other provinces (including carry-over projects in previous years) in Sichuan, and year-on-year growth of actual paid-in funds sourced from other provinces in China hit 1.16%.

Quality guaranteed referred to structural adjustment and optimization. In terms of scale, the number of undergoing key projects was increasing on year-on-year basis with remarkable achievement in famous enterprises promotion and introduction. The average investment scale of undergoing projects in Sichuan last year reached RMB962.317 billion, wherein, the number of projects with investment volume of RMB500 million and above increased by 325 on year-on-year basis with proportion of paid-in funds taking up over 60% of total paid-in funds of the province with

year-on-year growth of 8.16%. In terms of industrial structure, the paid-in investment ratio of the three industries last year was 3.51:50.57:45.92. The paid-in investment for the secondary industry has taken up the ratio of over fifty percent for three consecutive quarters; technically speaking, the paid-in investment of seven competitive industries took up 45.36% of that for the secondary industry. The paid-in investment of the three industries throughout the year hit RMB404.086 billion. The paid-in investment sourced from the six provinces of Shanxi, Anhui, Jiangxi, Henan, Hubei and Hunan increased by 15.65% year-on-year growth, making the investment a new growth point of funds sourcing from other provinces in Sichuan.

In terms of money flow, the domestic capital brought in Chengdu economic zone last year took up 62.98% of total paid-in capital of the province, while the growth rate of paid-in capital in South Sichuan and Northeast Sichuan economic zones were all higher than the growth rate in Chengdu economic zone with proportion of over 14%, forming the multi-pole supported development pattern for external capital attraction. (Sichuan Daily reported on January 23rd, Tang Nianli, Zeng Xiaoqing)

Foreign Trade

Unilever (Sichuan) Production Base Put into Production

On January 30th, Unilever (Sichuan) Production Base, located in Meishan District in Tianfu New Area, was completed and put into operation. Unlike before when Unilever products have to travel 1500km to reach the customers in western China, from now on, consumers in western China will be able to get the Unilever products in the neighborhood.

Unilever (Sichuan) Production Base is the third world-class green production base established by Unilever in China with project investment of nearly RMB300 million and occupied area of about 400mu. The phase I of the project is built mainly for production of all-series of OMO phosphate-free laundry detergent powder products with annual output of nearly 200,000 tons and annual output value of over RMB2 billion. The products from the base are mainly for Chinese western market. In future, the base will play a role in production of full line of products for Unilever China.

Unilever is headquartered in Netherlands which has been the second largest trade partner in EU with China for 11 consecutive years and the third largest country of direct investment to China. Unilever in the near future will pay more attention to the expansion of third and fourth-tier market channels to better fulfill the maker demands in southwestern regions in China.

Unilever, as a *Fortune* Global 500 enterprise and one of the world's largest consumer product companies, has established its R&D center in Shanghai in 2000 and set up its production bases in Hefei and Tianjin soon afterwards; in 2012, the company made the decision to set up the production base of western China in Sichuan. After more than a decade of development, "a pack of laundry powder" finally completed its "migration" from east to west, on the basis of which the strategic layout of Unilever in China is becoming increasingly clear. (Sichuan Daily reported on January 31st, Fan Ying, Liang Xianrui)

Sichuan Goods Valued USD240 Million of Order Amount in ASEAN Last Year

ASEAN, as the second largest foreign trade market of Sichuan Province, is attracting Sichuan enterprises to set it as the first choice for seizing foreign trade market due to its geographical advantages and favorable development momentum. By virtue of "Sichuan enterprises going abroad" activity held last year, 142 Sichuan enterprises got their businesses expanded in ASEAN, achieving an intended turnover of USD240 million and over 30 cooperation intentions.

By adhering to market demand, the market channels get expanded and Sichuan featured commodities are sold with stock of orders: the formaldehyde zero-emission environmental-friendly furniture from Export Furniture Exhibition Malaysia and Quanyou Furniture obtained the order valued USD700,000; over 50 agricultural machinery and mechatronics enterprises went to Indonesia for the China Sichuan (ASEAN) Export Commodities Fair, achieving intended turnover of over USD2 million; 11 enterprises made their debut at Malaysia Food Exhibition and obtained a bunch of sales orders; at the Myanmar International Auto Show, Sichuan enterprises had the cooperation agreements on electric motor cycle, automobile fuel tank (water tank) export and electric welding oxygen station concluded at the site.

The market expansion via industrial linkage has revealed its initial effects. Disclosed by the International Chamber of Commerce in Sichuan Province Machinery Industry, 18 Sichuan machinery enterprises had reached multiple cooperation intentions and sustainable and traceable programs in ASEAN. For instance, the engineering construction machinery of Sichuan Modern Shiji Electromechanical Co., Ltd., Chengdu Huaqi Houpu flow meter import and export and marine LNG project, complete conveying equipment for Indonesian end user from Donglin Mine Transport Machinery, and Indonesian coal mine giant

BUMI capacity expansion project, etc. The chamber is now engaged in assisting the enterprises facilitating the business negotiations.

Enterprises get approached to ASEAN through marketized channel expansion. Last year, the provincial department of commerce took the lead to organize and carry out the “Going to ASEAN” economy and trade activity, in which the leading enterprise – Sichuan Yuwang Ecosystem Agricultural Development Co., Ltd. assembled 20 agricultural products enterprises for business surveys in Malaysian, Vietnamese and Thai markets, obtaining an intended turnover of USD15 million and 5 cooperative projects such as fruits processing and investment franchise store as well as 10 agreements for co-establishment of production and marketing outlets. (Sichuan Daily reported on January 25th, Zeng Xiaoqing, Li Xinyi)

283 *Fortune* Global 500 Enterprise Settled in Sichuan

14 *Fortune* Global 500 enterprises were newly settled in Sichuan last year, as of now, the number of *Fortune* Global 500 enterprises in Sichuan has reached 283 in total, abidingly being in the lead in central and western China.

Among those newly settled 14 enterprises, 4 of domestic *Fortune* Global 500 enterprises got newly promoted in the *Fortune* list, and as for the newly settled 10 foreign *Fortune* Global 500 enterprises, Korea Pohang was the new enterprise settled in Sichuan last year, 3 other enterprises were just promoted to the *Fortune* list last year, 6 enterprises were brought into statistics, 4 enterprises made direct investment to Sichuan for corporate establishment and 6 enterprises settled branch offices and representative offices in Sichuan. In terms of the enterprises' countries of origin, 4 enterprises were from Japan and Korea and 6 others were from European and American countries.

The foreign *Fortune* Global 500 enterprises settled give off great impetus in increasing capital and share. In 2014, 14 *Fortune* Global 500 enterprises such as Royal Dutch Shell, Toyota, Intel and Bosch got their capitals and shares increased with aggregate investment added of USD1.99 billion, increasing by 449.5% than the same period of last year along with additional contracted foreign capital of 520 million with year-on-year growth of 293.1%. Moreover, three *Fortune* Global 500 enterprises of Akzo Nobel, China Resources and Schlumberger launched new projects with additional aggregate investment of USD170 million with year-on-year growth of 1.2%. Up to the end of 2014, 182 *Fortune* Global 500 enterprises settled in Sichuan have made actual investments,

taking up 86.7%. (Sichuan Daily reported on January 16th, Tang Nianli, Zeng Xiaoqing)

Sichuan Agriculture Seeking for Treasures Overseas with Volume of Transaction Increased by 10 Times Each Year

In 2014, the Sichuan agricultural-related “going out” economy & trade activity product and technology were advanced side by side with continuous expansion of the activity scope and deepening of activity contents. The overseas markets of agricultural products have been expanded in an accelerated pace. Last year, the provincial department of agriculture combined the overseas market expansion plan with “Sichuan enterprises going abroad” activity organized by the provincial Party committee and provincial government to work with business and trade promotion departments and organize about 200 enterprises to ASEAN for seed and agricultural machinery related advantaged industries expansion; the enterprises also set foot on Hong Kong and Macau and established agricultural products “four-in-one” three-dimensional marketing platform to get the Sichuan tea brand widely promoted; by seizing the new opportunities in Russian market, agricultural enterprises were organized in groups to gather businesses, obtaining turnover of over RMB1 billion and making new turnover record of agricultural enterprises at overseas fairs; through proactive participation in “The One Road and One Belt” construction, enterprises went to India and Sri Lanka for South Asian markets expansion. In 2013, the contracted turnover of agricultural enterprises in overseas markets reached RMB380 million with actual transaction made valued RMB120 million; in 2014, contracted turnover was skyrocketed to RMB3.369 billion with actual transaction made valued RMB1.2 billion, increasing by ten times.

Whole industrial chain projects characterized by comparatively advantaged technological cooperation were settled in Asia, Africa and Europe. By taking full advantage of existing agricultural international cooperation resources and platforms in Sichuan, agricultural projects got frequently transferred abroad, for instance, by virtue of “South-South cooperation” projects, five enterprises including Sichuan Kehong Group were expediting the China-Uganda Modern Agricultural Demonstration Park from drawing to building with long-term goal of park scale of 1 million mu; thanks to agricultural aiding program in Burma, “China-Burma Grain Demonstration Zone” co-built by three enterprises including SAU High-tech have been launched; by virtue of “Volga River - Yangtze River” cooperative project, Chuvash agricultural cooperation park is being promoted with steady steps. The three parks will fill up the

gap of no Sichuan agricultural cooperation park overseas. The overseas promotion activities to be held in year 2015 will possibly be doubled than the number of activities in the year 2014 and the economy and trade activities will cover the five continents for the first time. As planned, the number of preliminary determined agricultural-related “going out” activities will reach 14, besides the World Food Moscow and Hong Kong International Tea Fair, the activities will be held in Latin America and Oceania for the first time, at the appointed time, enterprises will be organized to participate in Brazil International Food Fair and Australia Royal Agricultural Expo., etc. (Sichuan Daily reported on January 16th, Li Miao)

Sichuan’s Foreign Trade Volume Exceeded USD 70 Billion in 2014

Despite complicated and severe macro-economic situation, the export and import value in Sichuan reached tens of billions of dollars again in 2014 – RMB 431.47 billion, up 7.7% year-on-year, or USD 70.25 billion, up 8.8% year-on-year.

Last year, Sichuan achieved a total export value of RMB 275.4 billion, up 5.8%, and a total import value of RMB 156.07 billion, up 11.2%. Import value, export value and their sum were separately 11.8%, 0.9% and 5.4% higher than corresponding national level. Exported mechanical and electrical products dominated by portable computers and integrated circuits are worth RMB 179.68 billion, up 6.8%, driving 4.4% in the total foreign trade increase and accounting for 65.2% in the total export value.

In the matter of trading types, processing trade and general trade were of almost equal shares, while the logistics of goods within special supervision area saw the fastest increase. In 2014, the volume of processing trade reached RMB 174.91 billion, up 3.9%, accounting for 40.5% of the total value of provincial export and import. Meanwhile, the total export and import volume of general trade was RMB 169.52 billion, slightly up 0.2%. Especially, goods exported and imported in the special supervision areas is worth RMB 70.2 billion, greatly up 72.9%.

Foreign-invested enterprises are the largest contributor with a volume of RMB 211.04 billion, up 8.6%, accounting for 48.9% of total foreign trade value. While private enterprises achieved RMB 146.73 billion in export and import, up 13.4%, the fastest increase rate among foreign trade participants.

Seeing from market trend, the volume of trade between Sichuan and the United States increases fast while that between Sichuan and the European

Union declines. Last year, Sichuan-US trade reached RMB 94.2 billion, up 28.4%, accounting for 21.8% of the total of provincial foreign trade. In addition, Sichuan-ASEAN trade increased by 1.5% while Sichuan-EU trade declined by 2.3%. (Sichuan Daily reported on January 16th, Dong Shimei, Zeng Xiaoqing)

Chengdu-Nanjing-Fukuoka Osaka Airline Takes Off

On January 26th, the China Eastern Airlines launched a new flight from Chengdu to Fukuoka via Nanjing. This flight is scheduled on every Monday, Thursday and Sunday. On 27th this month, another flight from Chengdu to Osaka via Nanjing will be initiated also, available on every Tuesday, Wednesday, Friday and Saturday.

Apart from flights to Tokyo and Nagoya, four destinations are now assessable to passengers flying to Japan from Chengdu. (Sichuan Daily reported on January 8th, Li Mengyuan)

Key Projects

Yibin Pilots 47 PPP Projects Worth Nearly RMB 50 Billion

Yibin administration recently started the experiment of 47 PPP (public-private partnership) projects with a total investment of RMB 49.346 billion. Now, 6 projects have been contracted.

These projects, 47 in total, involve diverse fields such as urban traffic, environmental treatment, water supply, theaters/stadiums, elderly care, medical treatment and education, covering Cuiping District, Yibin County, Xingwen County, Junlian County and other regions. Among 6 contracted projects is a power generation project utilizing household refuse incineration cosigned by Yibin Municipal People's Government and China Power Herrel Environmental Protection Power Generation Co., Ltd., based on Fuxi Industrial Park in Gaoxian County, with a design investment of RMB 530 million. Other 5 contracted projects with a total investment of RMB 2.121 billion are parking region for bulk cargo in Zhicheng operation area in Yibin Port, reconstruction project of culture and sports center in Nanxi District, water supply operation and construction project in Pingshan County, and infrastructure construction project in Bowang Mountain scenic spot in Xingwen County. (Sichuan Daily reported on January 8th, Li Lilong)

Industries

Loan for Major Projects Increased by Nearly 100 Billion Last Year

In 2014, the loan balances in renminbi and foreign currencies of financial institutions in Sichuan was up to RMB 3.48 trillion, rising by RMB 22.689 billion year-on-year, while the balance of deposits was 5.39 trillion, reducing by RMB 72.076 billion year-on-year. Loan release has become more targeted. Last year, the loan for 500 key projects increased by RMB 97.8 billion, while the loan for small and micro businesses and the agriculture-related loan separately increased by 21.8% and 15.1%.

In 2014, the loans in renminbi and foreign currencies of financial institutions in Sichuan increased by RMB 433.088 billion. On comparable basis, the loan balance in renminbi and foreign currencies increased by 14.69%. In addition, the annual increase of deposits in renminbi and foreign currencies was RMB 581.37 billion in 2014, including RMB 561.476 billion deposits reducing by RMB 91.162 billion year-on-year. (Sichuan Daily reported on January 20th, Li Longjun)

Gross Output Value in Construction Industry increased by 11.9% Last Year

In 2014, the total output value in Sichuan's construction industry was RMB 806.7 billion, up 11.9% than 2013. The value added in this field was RMB 222.5 billion, up 9.2%. Along with stable growth, the scale of labor export in construction industry was up to 1.15 million people with service revenue of RMB 18 billion.

This increase under “cold wave” is benefited from the transformation and upgrading of construction industry. In 2014, up to 113 first grade enterprises as general construction contractors were added. Especially, one private enterprise acquired special grade qualification, a precedent in the circle of Sichuan private building enterprises. The quality of construction talents has been promoted constantly, with 27,500 registered constructors and associate constructors newly added and 150,000 migrant workers trained systematically.

Last year, Sichuan intensified the supervision on the construction industry. As many as 198 enterprises and projects with serious problems were punished in different ways such as name-mentioned critical notification, qualification withdrawal or cancellation, administrative business cessation and operational suspension. (Sichuan Daily reported on January

19th, Xiong Xiaowei)

Sichuan's Grain Yield Continues to Rank the 7th in China

In 2014, the grain output in Sichuan reached 33.749 million tons, reducing by 122,000 tons or 0.36% than that of in 2013, still ranking the 7th in China.

According to relevant principals of Sichuan Provincial Agricultural Department, the cultivated area in the late autumn of 2014 was 26.93 million mu, down 0.9%, while the cultivated area in the spring was 70.081 million mu, up 0.3%. The total cultivated area in 2014 was 97.011 million mu, down 0.4%. The grain yield was affected about 10% by cultivated area while 90% by declining yield per mu.

In the matter of output, the yield of late autumn grain was 5.906 million tons, up 2.6%, while the yield of spring grain was 27.843 million tons, down 0.97%. The total grain yield in 2014 was 33.749 million tons, down 0.36%. The annual production stabilized basically as a result of increasing late autumn yield and slightly decreasing spring yield.

Seeing from varieties, cereals output decreased while the yield of beans and tuber crops increased. To be specific, tubers yield increased to 4.945 million tons, up 3.1%, by 148,000 tons including 110,000 tons of potatoes, up 3.9%, and 38,000 tons of sweet potatoes, up 1.9%; wheat yield leveled off; and the output of rice and maize decreased separately by 230,000 tons and 105,000 tons. (Sichuan Daily reported on January 16th, Li Miao)

10×10⁴m³/d Shale Gas Liquefaction Plant Put into Operation in Junlian

On January 8th, China's first shale gas liquefaction plant was officially put into operation in Mu'ai Town, Junlian County. The investment of this 10×10⁴m³/d plant is up to RMB 20 million.

This project is constructed jointly by Sentai Energy Co., Ltd. and Junlian County People's Government with the help of PetroChina Zhejiang Oilfield, and Jereh Group provided design, purchasing and construction services.

Now, the phase II project of 30×10⁴m³/d shale gas liquefaction plant with an investment of RMB 150 million has been designed basically, and its construction will be launched in the near future. It's estimated that this project will be completed at the end of this year, its annual sales revenue will reach RMB 334 million, and will generate as much as RMB 66.89

million tax and create employment opportunities for 30 people.

Junlian is rich in shale gas. As many as 275 wells have been drilled, including 184 deep exploration wells (gas wells). Up to 5 wells have a daily production of 3,000m³. In 2014, the daily shale gas output in Junlian region was about 10×10⁴m³, while the locals' current demand for gas is about 12,000m³. (Sichuan Daily reported on January 9th, Li Lilong)

Cooperation between Chengdu University of Technology and National Quality Inspection Center for Vanadium-titanium Industrial Development in Panzhihua

On December 29th 2014, a signing ceremony for strategic cooperation between Chengdu University of Technology and National Quality Inspection Center for Vanadium-titanium was held in Panzhihua to officially unveil the Postgraduate Work Station. Both sides will intensify their cooperation in technology, talents, information, industry, resources and other fields to jointly promote the comprehensive development and utilization of vanadium-titanium resources in Panzhihua.

According to the contract, they will co-construct new material R&D laboratories and test analysis platforms and conduct research projects on the comprehensive development and utilization. The Chengdu University of technology will install studios for experts and work stations for post-doctors and post-graduates in the National Quality Inspection Center for Vanadium-titanium, aiming at technological development and achievement transformation, providing services like talent training and technical consulting, introducing outstanding graduates, and supplying relevant professional talents. On the other hand, the National Quality Inspection Center for Vanadium-titanium will fully exert own advantages to give innovative projects to postgraduates and facilitate the practice and employment of excellent students. (Sichuan Daily reported on January 6th, Gu Huaning, Jiang Yunhan)

Vanadium-titanium Magnetite Industry Standards to be Formulated

Recently, Vanadium-titanium Magnetite Branch of National Technical Committee for Standardization of Iron Ore and Direct Reduced Iron was launched in Panzhihua. The Committee will formulate complete standard systems for national vanadium-titanium magnetite industry, covering all processes like mineral separation, smelting and processing. This move is to fill industrial standard gaps in this field.

In China, magnetite is mainly distributed in Panxi, Sichuan, and Chengde, Hebei. Without national standards, mining enterprises often adopt own standards, forming industrial chaos and product quality irregularity. The Committee will prioritize the compilation of national standards on beneficiation quality control, and guide enterprises to conform to these standards to lift the overall utilization level of vanadium-titanium magnetite.

Wang Xiaohu, director of Standard Office of China Metallurgical Industry Information Standard Research Institute, heads the first committee of this Branch with 20 members, covering all fields in industry-university-research cooperation. In the future, vanadium-titanium magnetite producers will also participate in standard compilation. Part of their new technologies and products may become industrial or even national standards via this platform. (Sichuan Daily reported on January 3rd, Kou Minfang)

Convention & Exhibition Economy

2015 Sichuan Online Fair Kicks off

As the online platform for “three major activities” expanding market, the 3rd “2015 Sichuan Online Fair · Win-win Online Shopping” was started on January 22nd. This fair will last for 36 days, with more than 10,000 enterprises involved, including logistics enterprises, manufacturing enterprises, professional markets and e-business enterprises. Millions of commodities in thousands of types are available to citizens in Chengdu.

These activities are co-sponsored by Sichuan Provincial Committee of the Communist Party of China’s Rural Work Committee, Sichuan Provincial Department of Commerce and Sichuan Provincial Economic and Information Commission. With online exhibition halls characterized by Sichuan products, “shopping month benefiting people”, and sales promotions themed by different cities and prefectures, network marketing, modern logistics and supply chain optimization are combined together to encourage the innovation of bulk trading and promote new-type e-commerce models such as mobile e-commerce, network distribution, internet finance and supply chain financing.

After three-year development, now this fair has become the largest and most influential public online e-commerce platform with strongest brand effect in western China. In 2014, e-commerce turnover in Sichuan was up to RMB 1.2 trillion, up 40.5% year-on-year, ranking among the top provinces in China. This year, Sichuan will continue to accelerate the

construction of “e-commerce center in the middle and western regions”, and highlight the cultivation and improvement of e-commerce ecological chain. (Sichuan Daily reported on January 23rd, Tang Nianli, Zeng Xiaoqing)

CCPIT Sichuan Council

Chairman Li Gang Meets with Kandeepan, the New Consul of the Consulate of the Democratic Socialist Republic of Sri Lanka in Chengdu

On January 13th, Chairman Li Gang met with Kandeepan, the new consul of the Consulate of the Democratic Socialist Republic of Sri Lanka in Chengdu.

Chairman Li Gang expressed sincere congratulation and welcome to Mr. Kandeepan. He reviewed the friendly cooperation between CCPIT Sichuan Council and the Consulate of Sri Lanka in Chengdu since 2010, and showed hopes that such cooperation will be further intensified by Mr. Kandeepan.

Chairman Li Gang invited Kandeepan to participate in the round table conference of China (Sichuan) – South Asia Economic and Trade Cooperation, annually held by CCPIT Sichuan Council and SAARC CCI. And Li also expressed wishes that the consul can encourage more Sri Lankan enterprises to visit Sichuan to attend CAPAS, China (Sichuan) Imported Commodity Fair, China (Sichuan) International Household Accessories & Craftwork Fair and other expositions. He advised the consul to introduce Sri Lankan outstanding projects to Sichuan and suggested that substantial Sichuan enterprises could expand oversea markets.

The consul showed his gratitude to Chairman Li Gang and CCPIT Sichuan Council for their long-time support on the Consulate and said he would organize Sri Lankan enterprises to go to Sichuan and participate in expositions actively. He also revealed hopes to host a meeting promoting investment in Sri Lanka with the cooperation of the CCPIT and deepen and intensify mutual collaboration.

The 1st Membership Congress of Sichuan Chamber of International Commerce of Hardware & Electro-machine Opens

With the consent of the Department of Civil Affairs of Sichuan Province,

the preparatory group of “Sichuan Chamber of International Commerce of Hardware & Electro-machine”, which is managed by the CCPIT Sichuan Council, convened the 1st membership meeting on January 19th, 2015. Li Li, vice-chairman of CCPIT Sichuan Council and Sichuan Chamber of International Commerce, and Luo Baiyi, deputy director of the NGO Management Bureau of the Department of Civil Affairs of Sichuan Province, both attended the meeting. At the meeting, Li Li presented the *CCPIT Sichuan Council’s Opinions on the Foundation of Sichuan Chamber of International Commerce of Hardware & Electro-machine*, and Luo Baiyi read out *the Approval on the Establishment of Preparatory Group of Sichuan Chamber of International Commerce of Hardware & Electro-machine*.

As many as 69 enterprise representatives attended the meeting. At the meeting, one chairman, four deputy chairmen, one supervisor and one secretary general were elected via democratic voting. Also, *Election Regulations for Sichuan Chamber of International Commerce* and *the Charter of Sichuan Chamber of International Commerce* were passed by attendees and 21 members of the Chamber were selected by voting.

The foundation of this Chamber is to meet the demands of enterprise and industry development and to expand service fields and strengthen service functions with the help of leading companies. This Chamber will better unleash enterprises’ enthusiasm, provide more targeted services, and enhance cohesiveness and vigor.

Secretary of INC Secretariat of the Central Committee and President of Haryana INC Visits Sichuan

To further expand the cooperation and exchange between Sichuan and India, at the invitation of CCPIT Sichuan Council, Mr. Ashok Tanwar, current president of Haryana Pradesh Congress Committee and secretary of INC Secretariat of the Central Committee, paid official visit to Sichuan from January 14th to 18th.

Chairman Li Gang met with Mr. Tanwar during his visit. Chairman Li Gang introduced to Mr. Tanwar the general condition of Sichuan Province, competitive industries, and the condition of “Sichuan-South Asia Economic and Trade Roundtable Conference” and invited Mr. Tanwar and Indian enterprises to participate in the imported commodity fair. Chairman Li Gang also pointed out that CCPIT Sichuan Council organizes business missions every year to visit India with remarkable achievements. He advocated that both side should intensify mutual collaboration, intensify enterprise exchange by sending missions and

attending fairs, and promote bilateral economic and trade cooperation.

Mr. Tanwar expressed his deep impression on Sichuan and expectations for future mutual cooperation in advantageous fields. He mentioned that India is in a period of rapid development, the government plans to enforce “Indian manufacturing corridor” plan in the near five years, and intensive cooperation and huge market potential are expected. He showed welcome invitation for Sichuan enterprises to invest in India and pledged preferential policies. Also, he proposed to launch direct flights from Chengdu to Delhi to facilitate mutual communication.

After the meeting with Li, Mr. Tanwar had an informal discussion with 6 enterprises in agriculture, cement, shoes and medical treatment. Enterprise representatives interacted in own development forecasts in India and local market conditions. Mr. Tanwar revealed his hopes that Sichuan enterprises establish industrial parks in India.

Deputy Chairman Li Li Meets with Zhong Runzhang, Director of Chengdu Office of Malaysian Trade Promotion Center

On January 21st 2015, deputy chairman Li Li met with Zhong Runzhang, director of Chengdu Office of Malaysian Trade Promotion Center.

Deputy Chairman Li Li expressed warm welcome to Mr. Zhong Runzhang and introduced the condition of recent expositions in Sichuan. He showed his sincere willingness to cooperate with each other to contribute to bilateral economic and trade collaboration. He pointed out that both sides are in good and friendly relationship in politics, economy, trade and other aspects, and we should create more opportunities in many fields, especially in halal food. Meanwhile, Li invited the Center to participate in 2015 China (Sichuan) Imported Commodity Fair, the 3rd China (Sichuan) International Household Accessories & Craftwork Fair, and CAPAS to be opened in this May, and advocated to intensify economic and trade contact between Sichuan and Malaysia by means of expositions.

Mr. Zhong Runzhang showed his heartfelt gratitude to Li and CCPIT Sichuan Council for support. Zhong said he will encourage more Malaysian enterprises to participate in Sichuan expositions and fairs. He also mentioned that China has become Malaysia’s number one trade partner for four years running, mutual cooperation potential is quite huge, and both leaders has set a trade volume target of USD 160 billion by 2017. He hopes that cooperative fields between Sichuan and Malaysia will be expanded such as agriculture, food processing, high technology, halal

food, finance and medicine, to enhance bilateral economic and trade relationship.

Deputy Inspector Wang Youping Meets with Yaffa Ben-Ari, Deputy Director of Israel Ministry of Foreign Affairs

In the forenoon on January 26th 2015, Deputy Inspector Wang Youping met with Ms. Yaffa Ben-Ari, the Deputy Director of Israel Ministry of Foreign Affairs, who is in charge of economical affairs.

Wang showed warm welcome to Ms. Yaffa Ben-Ari and stressed that CCPIT Sichuan Council values the relationship with Israel and has kept good partnership with the Israeli Consulate General in Chengdu. He said CCPIT Sichuan Council will lead enterprise missions to visit Israel in 2015 and showed expectations of Israeli assistance.

Ms. Yaffa Ben-Ari revealed her heartfelt gratitude to Wang and CCPIT Sichuan Council for persistent support. She said the western China enjoys huge market potential. In May 2014, Vice-premier Liu Yandong visited Israel and during her visit a series of cooperation agreements were cosigned by both sides. In November 2014, the Israeli Consulate General in Chengdu was established, showing that the Israeli administration attaches great importance to China and to Sichuan especially. Ms. Yaffa Ben-Ari said although Israeli population is equivalent to the half number of Chengdu and Israeli market is quite limited, Israel is still advantageous in IT, environmental protection, chemical engineering, medical treatment and other fields. She expressed expectations that Sichuan enterprises actively participate in Israeli expositions in medical treatment, agriculture, environmental protection and other aspects, and improve own product quality and yield through technical collaboration so as to expand economic and trade cooperation.

Wang stressed that as a traditional big agricultural province, Sichuan will also achieve the rapid development in the field of high-tech. And CCPIT Sichuan Council is willing to facilitate further economic and trade communication among bilateral enterprises.

Sichuan Chamber of International Commerce Organizes Enterprises to Participate in Vibrant Gujarat Summit 2015 in India

At the invitation of the Industrial Development Bureau of Gujarat Government, and ICEC, Sichuan Chamber of International Commerce organized Sichuan Sentaiyuan Agricultural Science & Technology Co.,

Ltd., Chengdu Zhenzhong Electric Co., Ltd., and Sichuan Heding Environmental Protection Engineering Co., Ltd. to participate in Vibrant Gujarat Summit 2015 in India from January 10th to 19th, and communication activities with enterprises in Sri Lanka and Maldives.

The summit was hosted by the government of Gujarat with over 10,000 attendees, including India's Prime Minister Modi, UN General Secretary Ban Ki-moon, Bhutan's Prime Minister Jigmi Y. Thinley, and World Bank President Jim Yong Kim, along with ministerial officers from Australia, Canada, Japan, Holland, Singapore, South Africa and the UK. Meanwhile, trade fairs and exhibitions were held with 1,250 attendees from 29 Indian states and 110 countries and regions. The area of exhibition was more than 100,000m². Prime Minister Modi made a speech themed by "India – world focus".

During this summit, Sichuan enterprises also participated in thematic activities and communicated with Indian counterparts. In India, the Secretary General of CCPIT Sichuan Council paid special visit to the directors of Industry Department in Rajasthan and Karnataka separately and the chairman of ICEC and the chairman of Enterprise Association of Gujarat, to promote South Asia roundtable conference and imported commodity fairs. They express willingness to participate in own activities.

The delegation also attended communication meetings in Colombo and Male with Sri Lankan International Chamber of Commerce and Maldives' National Chamber of Commerce and Industry separately. Up to 15 Sri Lankan enterprises and 3 Maldivian enterprises attended. These activities were involved in solar power station, waste processing station, environmental protection equipment, and import and export of raw food materials. Enterprises think highly of this visit and say it expands their sight and comprehension on local counterparts and they are quite satisfied.

Under the powerful promotion of Modi (former chief minister in Gujarat), the Vibrant Gujarat Summit has become a platform for international trade exchange with the largest scale, the highest level, the widest cooperation scope, the most participants in India. It's becoming a high-end global business platform combining politics and economy. This biennial summit is an important platform for our strategies to develop southerly and provides good opportunities for Sichuan enterprises to go to South Asia markets. Definitely, it's worth continuous attention.