

Sichuan Economy and Trade Trends

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Contents

Macro Economy	<ul style="list-style-type: none"> -Remarkable Success in Chengdu Investment Promotions in the First Half of 2015 with New Fortune Global 500 Projects and Doubled Investment Volume -Trading Volume of RMB 768.6 Billion in Sichuan E-Commerce Industries in the First Half of 2015, Ranking First Nationwide -Production Value Increase of 5.7% for Mechanical Equipment Manufacturing Industry in the First Half of the Year -Added Value Increase of 8% of Sichuan Industries Above Scale in the First Seven Months
Foreign Trade	<ul style="list-style-type: none"> -2,000 Units of “Made in Sichuan” Volvo Cars to be Exported to USA in 2015 -Czech Light Aircraft Manufacturing Project Settled in Zigong -PANGANG XiChang Steel and Vanadium Cold-Rolled Hard-Coiled Product to be Exported to South Korea -First Sichuan Cross-Border E-Commerce Industrial Park Opened -Chengdu Will Open Up Flights to Paris in January 2016
Key Projects	<ul style="list-style-type: none"> -23 Key Industrial Projects Started Together in Mianyang and First Sichuan Coal-Power Integration & Recycle Industrial Park Opened
Industries	<ul style="list-style-type: none"> -Western Base of Venture Valley Opened -Three Sichuan E-Commerce Clusters Listed into the National Demonstration Bases -Big Data Innovation & Entrepreneurship (Chengdu) Base of State Information Center Established in Pixian -Sichuan Chuanshang Commodity Trading Center Opened
Convention & Exhibition Economy	<ul style="list-style-type: none"> -4th Forum for Sino-Russia Yangtze River & Volga River Regional Leaders Held in Chengdu on Aug. 6th
CCPIT Sichuan	<ul style="list-style-type: none"> -Lv Furong, Vice-President of CCPIT Sichuan Council, Attended the Introduction Meeting of Taiwan Exhibition Industries & Business

Council	Opportunity Exchange and Met with Delegations of Taiwanese Exhibition Industry
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Macro Economy

Remarkable Success in Chengdu Investment Promotion in the First Half of 2015 with New Fortune Global 500 Projects and Doubled Investment Volume

Chengdu has signed and brought in 269 major projects (including capital increase) for with a total investment amount of RMB 207.098 billion in the first half of 2015, an increase in year-on-year growth of 22.83% and 48.34% respectively. The real domestic capital and new investment projects of foreign businessmen in Chengdu have grown year-on-year by over 20%. In addition, Chengdu has welcomed 6 Fortune Global 500 enterprises in the first half of 2015.

Chengdu has signed and brought in 24 investment projects from Fortune Global 500 (including capital increases) with a total investment amount of RMB 39.757 billion in the first half of 2015, a year-on-year growth of 108.95%. Chengdu now has a total 268 Fortune Global 500 enterprises in total after the recent addition of 6 more Fortune Global 500 enterprises that have set up shop in Chengdu. These enterprises have emphasized their priority in investing in high-end services and advanced manufacturing industries.

There has been an eye-catching increase in investments in Chengdu industrial projects.Chengdu has signed and brought in 109 major industrial projects with a total investment of RMB 76.335 billion, a year-on-year growth of 199.22%. (Sichuan Daily reported on August 4th, Chen Bihong)

Trading Volume of RMB 768.6 Billion in Sichuan E-Commerce Industries in First Half of 2015, Reaching National First-Level

E-commerce in Sichuan has reached a trading volume of RMB 768.62 billion in the first half of the year, a growth of 31.8% year-on-year. Therefore, Sichuan has landed in the national first-level in this regard, ranking sixth in China and first in the Midwest on a continuous manner.

To be specific, online sales volume has hit RMB 84.560 billion, which is an increase of 39.3% in year-on-year growth and occupies 12.9% of total retail sales of consumer goods in Sichuan. E-commerce trading volume and online retail sales in Sichuan have respectively occupied 8.1% and 5% of the national total.

With the popularity of the three projects All Enterprises Networking, Overall Tactile Network and e-commerce Demonstration, Sichuan has made strides in e-commerce application. Up until now, Sichuan has had a total of 300,000 e-commerce enterprises, of which online stores have surpassed 250,000 in total and 50,000 stores are newly established. Sichuan has strived to promote the Overall Tactile Network in industrial enterprises, and LUZHOU LAOJIAO and ZHIYIJIA of CHANGHONG have established the supply chain of e-commerce information platforms. Therefore, e-commerce has pushed itself into corporate product R&D and technological processes. Sichuan boasts 1500 enterprises in its 20 e-commerce bases, 12 of which have witnessed trading volumes over RMB 1 billion.

Well-known Chinese e-commerce platforms have emerged in Sichuan in industries like wine circulation, TCM materials, digital music and book markets. The 500 “1919” experience stores have become the largest O2O e-commerce platform the in professional wine circulation sector in mainland China, covering 75 cities in 31 provinces with an annual online sales growth rate of over 50%. ZYCTD Network has reached a 60% industry coverage rate with RMB 6.7 billion in the trading volume in the first half of the year with an increase of 18.4% in year-on-year growth. Migu Music has become the most influential running platform in the digital music industry with over 100 million members and a 60% share of the domestic market. Xinhua Winshare Publishing and Media Co., Ltd. has been a symbol of industrial development because of the Supply Chain and Cloud Platform model. (Sichuan Daily reported by Zeng Xiaoqing on August 5th)

Production Value Increase of 5.7% for Mechanical Equipment Manufacturing Industry in First Half of Year

The Sichuan mechanical equipment manufacturing industry (above scale) has reached a total industrial output value of RMB 400.695 billion in the first half of the year, which is an increase of 5.7% in year-on-year growth.

To be specific, the metal product industry has a total of RMB 51.028 billion, an increase of 8.48%. The ordinary machine manufacturing industry has hit RMB 96.371 billion, an increase of 3.58%; with the

special equipment manufacturing industry reaching RMB 64.082 billion, an increase of 1.59%. The automobile manufacturing industry has hit a grand total of RMB 123.229 billion that includes an increase of 6.61%. The electrical & mechanical equipment manufacturing industry has hit RMB 55.674 billion with its increase of 8.54% with other electrical & mechanical equipment manufacturing industries have reached RMB 10.312 billion, an increase of 13.91%. ((Sichuan Daily reported on August 11th, Dong Shimei)

Added Value Increase of 8% of Sichuan Industries Above Scale in the First Seven Months

Sichuan industries above scale have had an increase of 8% in year-on-year growth in industrial added value from January to July, 1.7 percentage points higher than national average growth. ⁰¹

The Sichuan industrial economy has been stable in general during the first seven months of the year. Specifically, 33 of 41 industries have realized incremental growth. For example, wine, beverages and refined tea manufacturing industries have had added value rise by 12.5%. The nonmetallic mineral manufacturing industry has increased by 21.7%, the automobile manufacturing industry by 9.5% and computer, communication and other electronic equipment manufacturing industries have dropped by 2.6%.

In July, Sichuan industries above scale have increased by 7.6% in year-on-year growth in industrial added value, and monthly increases have dropped by 1.1% compared to that in June. Relevant officials from the Sichuan Provincial Economic and Information Commission have explained that the monthly drop in July is related with the slowdown of national industrial production and the real conditions of Sichuan industrial development and is mainly affected by the high base number at the same time last year and the overhaul & output reduction of partial key enterprises.

Sichuan has reached a total investment in fixed assets of RMB 1,50189 trillion in terms of investment in the first seven months of the year, increasing by 11.1% in year-on-year growth. Primary, secondary and tertiary industries have respectively increased the investment with year-on-year growths of 30.4%, 3.0% and 14.1%. Sichuan has reached an investment of RMB 277.05 billion in real estate in the first seven months of the year with year-on-year growth increasing by 11.9%. Commercial housing, under the new real estate policies, has maintained a continuous year-on-year increase in sales for 5 months with the sales area of 39,220,000m² and the increase of 4.8%. Sichuan has totaled RMB 769.44

billion in total retail sales of consumer goods with a year-on-year growth of 11.9%, which is 1.5 percentage points higher than average national growth. (Sichuan Daily reported on August 19th, Dong Shimei and Xiong Xiaowei)

Foreign Trade

2,000 Units of “Made in Sichuan” Volvo Cars to be Exported to USA in 2015

Volvo has planned to export 2,000-3,000 units of “Made in Sichuan” cars to the USA this year and will export about 5,000 units each year. At present, the first “Made in China” S60 Inscription cars have begun their journey from Shanghai and will be on display to consumers in the USA at the end of August.

August has important significance for Volvo. In August five years ago, Volvo was taken over by GEELY and therefore enjoyed the first luxury vehicle brand in China. In August two years ago, the Volvo Car Chengdu Manufacturing Plant was put into operation and became the most advanced Volvo plant around the globe. In August this year, the “Made in China” S60 Inscription cars will become the first luxury cars that China has exported to the USA. (Sichuan Daily reported on July 29th, Chen Yan)

Czech Light Aircraft Manufacturing Project Settled in Zigong

On the afternoon of July 28th, Zigong Tonghang Airport Development Co., Ltd. and Czech JIHLAVAN Aircraft Manufacturing Co., Ltd. signed cooperative agreements in Chengdu, announcing that the Czech light aircraft manufacturing project will settle in Zigong.

The Czech light aircraft manufacturing project settled in Zigong has totaled RMB 1 billion in investment volume. The two-seat light aircraft production lines equipped with the most advanced technology will be introduced to the project, and the assembly manufacturing base will be established in Zigong to set up the R&D center and develop the new (D65) six-seat aircraft. The project will be established and put into operation in 2016. (Sichuan Daily reported on July 29th, Zhao Kai and Wang Yushan)

PANGANG XiChang Steel and Vanadium Cold-Rolled Hard-Coiled

Product to be Exported to South Korea

On August 5th, the 42.83-ton high-performance cold-rolled hard-coiled products from XiChang Steel and Vanadium Corporation of PANGANG Group were in route to Chongqing and then to South Korea over the water, making breakthroughs in the market where there was no export.

Since acid abrasion mill from XiChang Steel and Vanadium Corporation of PANGANG Group was put into operation in April 2014, its quality has been steadily on the rise. At the beginning of July this year, the cold-rolled hard-coiled product of the Company was exported to South Korea for the first time. (Sichuan Daily reported on August 13th, Gao Fei and Xu Denglin)

The First Sichuan Cross-Border E-Commerce Industrial Park Opened

On August 13th, the first Sichuan Cross-Border e-commerce Industrial Park-CCECP opened in Qingbaijiang Modern Logistics Mansion. It is devoted to building a third-generation e-commerce industrial park, integrating “Cross-border e-commerce + Bulk Commodity Trade + International Logistics” with platform functions and industrial chain links.

CCECP, located at the starting station of the Central Asia train of the Chengdu-Europe International Cargo Express Railway, covers the important infrastructure of the Chengdu Container Junction Center, Chengdu Railway Port and Chengdu Railway Bonded Logistics Center (B). The park will help Chinese enterprises in global purchasing and supplies through online and offline channels. At present, the park has integrated service providers in international logistics, freight agency, storage, customs brokering, financial institutions and internet marketing, basically realizing the “barrier-free” threshold in international trade. (Sichuan Daily reported on August 14th, Wu Jing and Chen Bihong)

Chengdu Will Open Up Flights to Paris in January 2016

The first flight from Chengdu to Paris has been set to depart on Jan. 28th, 2016 when Chengdu residents can fly from the Land of Abundance to the City of Light.

Airbus A330-200 wide-bodied airliner has been adopted for the flight by China Southwest Airlines. The flight will be available three times a week, on Mondays, Thursdays and Saturdays. It takes off from Chengdu at 01:30 am local time and arrives in Paris at 06:20 pm local time. It takes

off from Paris at 12:15 pm local time and arrives in Chengdu at 06:00 am local time the next day, with a nearly 11 hour nonstop flight. There will be five flights from Chengdu to Europe when the flight is open to the public. (Sichuan Daily reported on August 21st, Wang Meiling)

Key Projects

23 Key Industrial Projects Started Together in Mianyang

First Sichuan Coal-Power Integration & Recycle Industrial Park Opened

On August 19th, 23 key industrial projects were started together in Mianyang with the total planned investment of RMB 12.73 billion. To be specific, Shenhua Sichuan Jiangyou Coal & Power Integration Recycling Economy Industrial Park is the first coal & power integration recycling industrial park in Sichuan.

The 23 projects are mostly high & new technology industries and strategic emerging industries, covering new energies, new materials, electronic information, automobiles and parts, energy conservation and environmental protection as well as fine chemical engineering. The projects have a planned investment of RMB 3.4 billion in total this year, of which 2 have over a RMB 1 billion investment, 4 over RMB 500 million and 11 over 100 million.

Shenhua Sichuan Jiangyou Coal & Power Integration Recycling Economy Industrial Park will establish a 500,000-ton national coal emergency reserve base and two 1,000-megawatt supercritical coal-fired power generation units, which are the first supercritical coal-fired power generation units in Sichuan. (Sichuan Daily reported on August 20th, Zu Mingyuan)

Industries

Western Base of Venture Valley Opened

On August 6th, the Western Base of Venture Valley opened in Chengdu. The base, integrating five elements-Enterprise, Government, Society,

Capital and University, will set up open platforms for entrepreneurs.

The Western Base of Venture Valley, based on the construction concept of Laying Foundations in Two Years, Making Progress in Five and Bearing Fruit in Ten, will be devoted to building a first-class domestic innovation & business-creation project development center, innovation & business-creation talent convergence center, intellectual property rights exchange center, innovative products incubation center, emerging industry incubation center and business-creation talent training center, so as to become a new mass-creation and developing region in western China. (Sichuan Daily reported on August 7th, Lin Ling and Xiong Runpin)

Three Sichuan E-commerce Clusters Listed into the National Demonstration Bases

Three E-commerce clusters like Chengdu Qingyang Headquarter Base, Luzhou Port-Vicinity Industry Logistics Park and Chengdu Chenghua UESTC Mobile E-commerce Industry Park have been confirmed as the national secondary E-commerce demonstration bases by the MOC. It is the first time that the Sichuan E-commerce clusters were listed into the national E-commerce demonstration bases, which can be firstly at the trial in the reform and innovation in policies, rules and regulations, and commercial model. (Sichuan Daily reported on August 9th by Zeng Xiaoqing)

Big Data Innovation & Business-Creation (Chengdu) Base of State Information Center Settled in Pixian

On August 15th, the Pixian County People's Government has signed agreements with the Guoxin Youedata Co., Ltd., which is the only company to own and effectively make use of the national information data resources, to cooperatively establish the Innovation & Business-Creation (Chengdu) Base of State Information Center.

The Innovation & Business-Creation (Chengdu) Base of State Information Center will connect over 40 Chengdu departments through data, will realize the real-time inquiry & retrieval and will establish the biggest Chengdu Big Data Exchange and Chengdu big data trading platform based on the former two points. The project has planned to introduce over 1,000 independent commercial data resources and will open 80% of the available government & scientific research data, which are suitable to open, to the public. The base will also strive to build a big

data industrial chain. According to planning, there will be no less than 30 big data companies to be introduced into the park or being developed in the park from 2016 to 2018. In addition, the project will introduce social capital and take advantage of the social capital to establish multiple industrial investment funds with the total amount no less than RMB 2 billion, and will focus on big data industrial investment so as to accelerate the development of big data industrial clusters. (Sichuan Daily reported on August 16th, Zhang Minghai)

Sichuan Chuanshang Commodity Trading Center Opened

On August 19th, Sichuan Chuanshang Commodity Trading Center Opened. It is the only Sichuan bulk commodity trading center established with the approval of Sichuan Provincial People's Government, not only filling up the blank that there is no refined oil cash-commodity electronic trading market in Sichuan, but also supplementing the system of Sichuan bulk commodity market.

Sichuan Chuanshang Commodity Trading Center, registered and established in Dujiangyan City, will conduct cash-commodity electronic trading of energy & chemical industry, nonferrous metals (excluding gold), minerals and agricultural products, as well as settlement, delivery and logistics services of relevant commodities. The center will provide platform and services for enterprises to immediately master supply & demand information, conveniently conduct trade, reduce costs and discover the prices and financing & investment, aiming to expand the pricing & speech rights of controlling the western bulk commodities, to release the indigenous price indexes and to build a new brand of Sichuan bulk commodity market. (Sichuan Daily reported on August 20th, Luo Xiangming)

Convention & Exhibition Economy

Sino-Russia “Yangtze River & Volga River” Regional Leaders 4th Forum Held in Chengdu on Aug. 6th

The Federal Region along the Volga River in Russia and the middle & the upper reaches of the Yangtze River in China converge at Sichuan, transcending territory and time zone. The Sino-Russia “Yangtze River & Volga River” Regional Leaders 4th Forum was held in Chengdu from

August 6th to August 8th. The forum was attended by leaders from MOFA, NDRC, NDB and Sichuan, Hubei, Hunan, Jiangxi and Anhui Provinces as well as Chongqing Municipality, and leaders from Authorized Representative Office of Federal Region along Volga River, the Russian Embassy in China and Federal Region, and bilateral enterprise representatives.

The Sino-Russia “Yangtze River & Volga River” Region refers to Sichuan, Hubei, Hunan, Jiangxi and Anhui Provinces as well as Chongqing Municipality, and 14 federal principal parts along the Volga River. In May 2013, the cooperative mechanism, the first Sino-Russia non-adjacent area cooperative mechanism, in two regions has been initiated, so as to promote the economic & trade and people-to-people cooperation in the federal region along the middle & the upper reaches of the Yangtze River and the Volga River. In May, 2014, the economic & trade investment list and people-to-people cooperation roadmap of Sino-Russia Yangtze River and Volga River Region have been formally signed.

The meeting is another event to implement the strategic planning of regional Sino-Russia cooperation. It is held in Sichuan because Sichuan plays a vital role in the “One Belt One Road” initiative and the “Yangtze River Economic Belt”, and bears good foundation and prospect for the bilateral cooperation. Sichuan and Russia have reached the import & export trading volume of \$ 270 million, of which the export trading volume is \$ 268 million and the import trading volume is \$ 3,670,000. Sichuan enterprises have invested into 6 projects in terms of economy, including wholesale and retail, forestry and agriculture industries, with the approved Chinese investment volume of \$ 90 million.

During the meeting, the “Yangtze River and Volga River” Regional economic & trade and people-to-people fruits exhibitions, and the economic and trade tourism promotions have been held, the signing ceremony of enterprise project and government cooperation agreements have been held, and the Sino-Russia “Yangtze River and Volga River” Youth Forum have also been conducted. ((Sichuan Daily reported on August 6th, Yang Fan and Zeng Xiaoqing)

CCPIT Sichuan Council

Lv Furong, Vice-President of CCPIT Sichuan Council, Attended the

Introductory Meeting of the Taiwanese Exhibition Industry & Business Opportunity Exchange and Met with the Delegation of Taiwan Exhibition Industries

On August 5th 2015, the Introductory Meeting of the Taiwanese Exhibition Industry & Business Opportunity Exchange was held in Chengdu. It was sponsored by Taiwan Trade Center and co-organized by CCPIC Sichuan Council, Sichuan Bureau of Expo Affairs and Chengdu International Chamber of Commerce. Lv Furong, the deputy president of CCPIC Sichuan Council, participated in the conference and gave a speech.

In the meeting, Deputy President Lv Furong focused on the introduction of conditions and plans for the exhibition affairs of CCPIC Sichuan Council and the general situation and prospects of cooperation between Sichuan and Taiwan in the convention and exhibition industry. Lai Huayuan, the deputy director of Taiwan Trade Center introduced the development of the convention and exhibition industry in Taiwan. At the meeting, 21 senior practitioners from 13 Taiwanese enterprises had an in-depth exchange of views with Sichuan representatives from 70 enterprises and associations on the development of the exhibition industry in both sides of the Taiwan Straits. The positive talks and negotiations between both sides brought further understanding and cooperation among them and achieved remarkable results.

Later on, Deputy President Lv Furong met with the delegation of Taiwanese exhibition industries led by Lin Maoting, the honorary president of Taiwan Exhibition & Convention Association.

Deputy President Lv Furong welcomed the delegation and gave a brief introduction of the development prospects of economic and convention and exhibition industry in Sichuan Province. She pointed out that Sichuan-Taiwanese cooperation has a good foundation, demands and large space to grow and hoped both sides could share resources, build platforms and seek common development. CCPIC Sichuan Council will further strengthen cooperation, establish and perfect their working mechanisms and improve the development level of the conference and exhibition industry together with Taiwan Trade Center.

President Lin Maoting was very satisfied with his trip to Sichuan. He said the Taiwanese conference and exhibition industry has paid much attention to the Chengdu market because Chengdu has a huge and radiant influence across western China as acts as its hub. He invited more Sichuan enterprises to Taiwan to attend exhibitions. Taiwan Exhibition & Convention Association and Asian Federation of Exhibition and

Convention Associations are looking forward to strengthening their cooperation with Sichuan Exhibition & Convention Association and achieve mutual development.