

Profile- Qinhuangdao, Peoples Republic of China

Overview

Qinhuangdao meaning the island of Emperor Qin was named after the first emperor of Qin Dynasty when he stationed here on his eastern inspection tour in 215BC, and sent Lu Sheng of Yan State to seek immortals off the sea.

This beautiful city is located between 3854' north latitude and 11936' east longitude on the northwestern coast of Bohai Gulf and the northeast part of Hebei province. Its physical features of vast sea area and long coastline made the city even more beautiful. In 1898, the Qing government made Qinhuangdao a commercial port and began building an ocean shipping wharf. Since then the population had been increasing significantly.

Qinyu City was established in Dec. 1948, and then named changed to Qinhuangdao in March 1949. In May 1983, Qinhuangdao became a city under the direct jurisdiction of Hebei province. Three districts, Haigang, Beidaihe and Shanhaiguan and four counties, Funing, Changli, Lulong and Qinlong Manchurian Autonomous County are all under the jurisdiction of Qinhuangdao.

It covers 7,523 km², and is home to an estimated 2.7046 million residents. The urban population consists of 0.676 million people.

Qinhuangdao also located at the conjunction area between North China Economic Zone and North-east China Economic Zone. It is also at the central part of economic zones around Bohai, which is the important seaport for Northern, North- Eastern and North-Western China. The world famous port

of Qinhuangdao is wide in harbour space and deep in water, neither frozen nor silted. The port for energy, sundry goods and containers is the second largest port in China and is the world's largest port for energy export.

Figure 1. Qinhuangdao and neighbouring areas.



Figure 2. Location of Qinhuangdao.



Qinhuangdao Economic & Technological Development Zone (QETDZ)

QETDZ was established in October 1984 with the approval of the State Council of China. It consists of two parts (East and West), covering a total land area of 111.76km² (92km² of the West and 19.76km² of the East). It covers a sea area of 23.81km² and has a coastline of 7.0km.

By the end of 2002, the number of approved projects reached 3062, in which 578 projects are foreign investment, with a total investment of US\$3.37 billion. The total amount of contracts was US\$2.182 billion, and the actual value invested from the contracts was US\$0.922 billion. The rest 2464 projects were domestic investment with a total investment of RMB Yuan 8.167 billion. At present, investors from as many as 28 countries and regions, including the United States, Germany, Japan, Australia, South Korea, Singapore, etc. have invested in QETDZ.

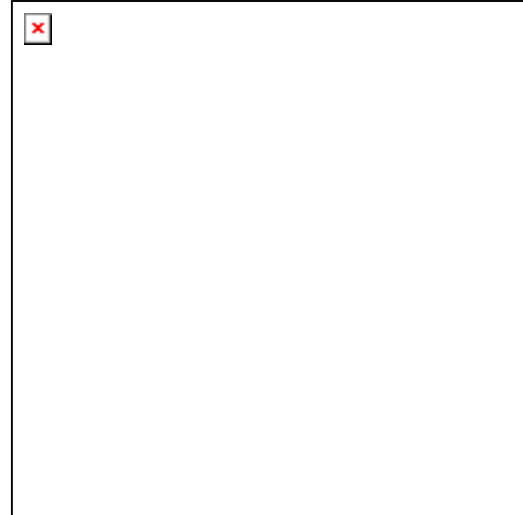
A hi-tech industrial system, with electromechanical integration, biological engineering, new materials, new energy sources and information industry as major categories, has been basically formed. Some famous transnational companies that have invested in QETDZ are:

Bandy Company, Australia
Fujitsu Corp., Japan
LG International Group, South Korea
Chia Tai International Co. Ltd., Thailand
Demag Co. Ltd., Germany
TI Group, Britain
ADM Corp., US

At present, QETDZ shows great potential in economy and has become the most important foreign investment area in Qinhuangdao, covering 70% of

the total amount of foreign investment and foreign exchange earning of Qinhuangdao.

Investment Environment



QETDZ has an excellent investment environment with good basic facilities and strong city functions. An infrastructure with complete facilities of road, power supply, heat supply, telecommunication, water supply, and garbage and waste disposal has been constructed. The green coverage is 39% with average public greenbelt of 11.2M² per person. In June 2001, the State Environmental Protection Bureau approved QETDZ as an ISO14000 National Demonstration Zone. In May 2002, QETDZ was approved as the Environment Protecting Model Zone by the government of Hebei province.

In soft environment, QETDZ has adopted a series of service systems, such as simplified project approval formalities, all-round service for project construction and constant service for post-project production. Apartments for foreign experts and bilingual schools for their children have been built. In 2002 the city government entrusted QETDZ with the city level authority of administrative approval power, which helped to form a highly effective system of centralised decision-making and

close-in management and to build a flexible and favourable environment in QETDZ.

Economy

The Bohai Economic Circle in the 21st century will become one of the most energetic regions in China's economy. Qinhuangdao Port, on which QETDZ relies, is a bridgehead of the new Asia-Europe continental bridge. Its strategic position will help promote the cooperation of central China and West China, and make China merge in the world economy globalisation. Facing such a historic opportunity, all the QETDZ staff will build a much better modernised and internationalised environment by all means and create a promising future with business friends home and abroad.

Geographic Location of QETDZ West

The western part of Qinhuangdao Economic & Technological Development Zone (QETDZ West) lies in the west of Qinhuangdao City. It is located 281 km east of the capital Beijing and 245 km north of Tianjin City. It is a communication fortress comprised of two big economic zones of Northeast China and North China, with an excellent geographic location. Qinhuangdao is a key port city for energy export and a base of building materials industry in China. At the same time, it is a popular tourist spot and a site of the office for the central government during the summer, thus called the Summer Capital. The city receives as many as 6.5 million tourists every year. Beidaihe Beach and Old Dragon Head in Shanhaiguan are nation-wide well-known scenic spots and are among the Top 40 tourist resorts in China.

Qinhuangdao is one of the first 14 coastal cities in China to open to the outside world and one of the 40 cities with superior environment for investment and national garden-like cities. In 1998, Qinhuangdao was awarded one of the first excellent tourist cities in China.

Geographic Location of QETDZ East

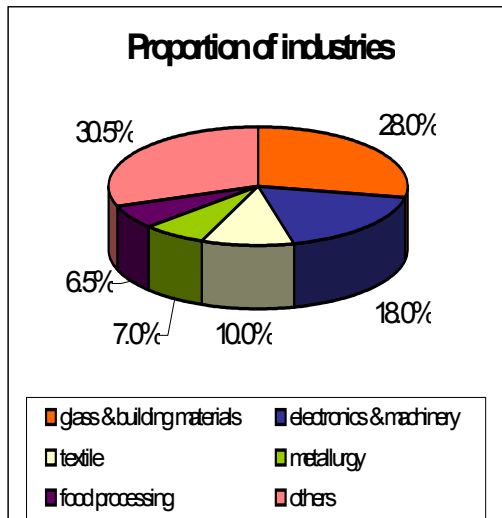
The eastern part of Qinhuangdao Economic & Technological Development Zone (QETDZ East) is located in the southeastern coast of Qinhuangdao City. It borders Liaoning province on the east, the Great Wall from the Old DragonHead to Dongshuiguan on the west, Shanhaiguan Cargo Marshalling Station of Beijing-Harbin railroad on the north, and faces Bohai Sea on the south.

Industry

The main industries in Qinhuangdao are of full varieties, with metallurgy, building materials, textile, chemistry, electronics, machinery, and cereals, oils and food stuffs processing, etc. Qinhuangdao is well known as the "City of Glass Industry", with the production of flat glass, produced by Yaohua Glass Group, accounting for one tenth of the nation's output. Big companies, such as

Jinhai Cereals and Oils Co. Ltd.,
Jinhai Foodstuffs Co. Ltd.,
Capital Steel Plate Co. Ltd.,
Bohai Aluminum Co. Ltd.,
Qinhuangdao Acrylic Fiber Plant,
Dicastal Wheel Manufactory Inc. Ltd.,
Qinhuangdao Asano Cement Co. Ltd.,
Qinhuangdao Chia Tai International
Sino-Arab Fertilizers Co. Ltd.,
Shangaiguan Shipyard, China Railway
Shanhaiguan Bridge Building Group,
Etc.

are also holding a leading position in the country.



Natural resources and products

Climate

Qinhuangdao enjoys a mild continental monsoon climate, consisting of distinctive seasons and mild winters and summers. The average temperature year round is 10.1°C, the hottest weather occurs in July with the average temperature of 25°C. The coldest month is January with an average temperature of -6.5°C. The annual average rainfall is 698mm and relative humidity of 62%.

Natural Resources

Qinhuangdao is endowed with rich natural resources. The metal and non-metallic reserves cover more than 40 different minerals, such as magnesium, gold, lead, copper, iron, coal, marble etc. The magnesium deposit, which has a reserve of approximately 400 million tons, has prosperous prospects for further exploration.

Qinhuangdao is also rich in products. The grapes and dry red wine from Changli County, the chestnuts from Qinglong County and sweet potato products from Lulong County enjoy good reputation. Altogether there is a 126.4km long coastline within its

boundary, teeming with prawn, sea cucumber, crabs and scallops, etc.

Infrastructure & Services

Transportation

Port

The port of Qinhuangdao is a modern and comprehensive function port. It is an important foreign trade port in northern China and the biggest energy-exporting port in the world today. It is wide in harbour space and deep in water neither frozen nor silted. The cargo handling capacity in 1999 reached 82.62 million tons, ranking 5th throughout the country.

There are 29 berths available in the port including 12 berths for sundry goods with over 1,756,000 square meters warehouse and store yard. Major goods and operative objects are coal, petroleum, container cargo, bulk grain, timber, cement, mineral products and fertilisers.

At present, the Port of Qinhuangdao has business contacts with over 100 countries and regions in the world. It has opened regular cargo ship lines to Hongkong and Japan. Four 5,000-ton berths for sundry goods have been put in use in the local Xinkaihe port. Shanhaiguan port, with the designed annual capacity of 10 million tons broke the ground for construction in 1995.

Airport

Qinhuangdao Airport, situated in the eastern part of the urban district, is 13 kilometres away from the city proper. Airlines from Qinhuangdao to Beijing, Shanghai, Guangzhou, Shenyang, Harbin, Qingdao, Dalian, Hijiashuang, Xian and Hohhot are opened.

An international line is under preparation, and the construction of a new international airport has been

included in the city development program.

Rail

The railway joins the national railway network to the three major conjunctions: Beijing-Shenyang, Beijing-Qinhuangdao and Datong-Qinhuangdao running through the city. It takes approximately two hours from Beijing to Qinhuangdao by express train. It will take only one hour from Beijing to Qinguangdao by Beijing-Shenyang express train after 2003.

More than 40 pairs of passenger trains pass through Qinhuangdao everyday including 10 pairs starting from here and there are nine additives in summer period. Shanhaiguan railway station is one of the largest stations of cargo transportation.

Besides, there are 79.5-kilometer local railway leading to the mining area in the northern part and to the hinterland of Qinglong County.

Roads

Two national highways, 102 and 205 cross the city, with flat road surface and complete road signs. The road's total length is 483.7 kilometres in urban area and 2623 kilometres open to traffic. Highways form a preliminary transport network between the urban districts and the counties.

The Beijing-Qinhuangdao state free way began to be built in 1995, and was completed in 1999.

Utility Infrastructure

Telecommunication

The telecommunication has been developing rapidly. There are 280,000 program-controlled telephones which allow the direct dial by the entitled

customers to all the large and medium-sized cities in China and to about 230 countries and regions in the world. The telephone service from city to county is program-controlled, optical-lined and the telephones are automatic-controlled in the suburban areas.

The installation capacity of telephone in QETDZ is 60 thousand lines. The advanced digital exchange system and high quality data transmitting system make it possible for customers to make NDD and IDD, send fax and computer data.

At present, the number of telephone and mobile phone users in Qinhuangdao ranks first in Hebei Province.

Power supply

The power supply in Qinhuangdao is from the North China Electricity Network. There are four 220KV substations, ten 110KV substations and fourteen 220KV line connections with the network. Qinhuangdao Power Plant with the total installed-power-capacity of 1 million KW has been completed.

Water supply

There are 7 water plants with daily supply of 400,000 tons. The project of Guiding Qinglong River to Serve Qinhuangdao with the total investment of 0.24 billion yuan supplies the city with 63 milion cubic metres of water annually, therefore the water supply of the city is guaranteed.

Gas supply

The first stage of the city gas project with a daily capacity of 460,000 m³ has been completed and put into operation.

Accommodations

There are a number of 3 stars rated hotels situated near to the downtown and public transports and they are

closed to the Airport. The price ranges from A\$78 to A\$312 per night.

People & Place

Population

As mentioned earlier, Qinhuangdao City has three urban districts and four counties under its jurisdiction, covering a total area of 7812km² with a population of 2.7046 million. The urban area is 363km² with a population of 720.1 thousand.

Education

Qinhuangdao city homes 8 higher educational institutions, including Yanshan University, Northeastern University, and 16 vocational colleges, and 15 vocational schools. It has 120,000 professionals in specific fields. Every year about 3,000 students graduate from colleges and universities and another 3,000 students graduate from technical and professional schools, which can ensure human resource needs of enterprises.

Overall Target and Major Encouraged Industries

Overall Target

By the end of the "10th 5-year Plan", QETDZ will become an ecological modernised and open economic zone with a flourishing community, based on modern industry and harbour industry, guided by hi-tech industry, and harmoniously assisted by the tertiary industry.

Further Information

More information can be obtained from the following websites:

<http://www.qhd.gov.cn>

<http://www.qetdz.com.cn>