



Zhanjiang, on the west coast of Guangdong, is home to a number of major heavy-industry projects and is aiming to become a subcenter in the province. LANG SHUCHEN / FOR CHINA DAILY

Petrochemical plant helps to make Zhanjiang a key player

Facility that cost 44 billion yuan to lay an outline of heavy industry in coastal and port areas

By YUAN SHENGGAO

A giant petrochemical project has added a new engine for Zhanjiang, a port city in the western part of Guangdong province, to realize its goal of developing itself into a key subcenter of the province.

The Zhongke (Guangdong) Refinery and Petrochemical project, which began operating on June 16, will be able to refine more than 10 million metric tons of crude oil and produce more than 800,000 tons of high-end ethylene products annually, according to Ma Xingrui, governor of Guangdong province.

He deemed it a major petrochemical project that will help China optimize the layout and development of its heavy petrochemical industry in coastal and port areas. He also said it is a significant project for Guangdong province and will promote the high-quality development of its manufacturing industry in the years to come.

The project involves a total investment of more than 44 billion yuan (\$6.29 billion) and is expected to realize an annual industrial output value of more than 60 billion yuan. It is also expected to generate profits and taxes at a value of more than 26 billion yuan a year.

Wu Xiwei, executive director and Party secretary of Zhongke Refinery and Petrochemical, said construction on the project will not harm the local environment.

"We adhered to the concept of environmentally friendly development in building the project, as a good environment means better quality of life for the local people," Wu said.

Investment in environmental protection and related facilities for the project has reached 3.69 billion yuan. It aims to make the project a



The Zhongke (Guangdong) Refinery and Petrochemical project becomes operational on June 16. ZHANG FENGFENG / FOR CHINA DAILY

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role model for energy conservation, emission reduction and clean production in Zhanjiang, according to Wu.

Zheng Renhao, Party secretary of Zhanjiang, said both the Guangdong provincial government and Zhanjiang city government attach great importance to the project.

"The provincial authorities are urging Zhanjiang to grow into a sub-

center of Guangdong province and to speed up the development of a major growth pole of a modern coastal economic belt of the province," Zheng said. He noted the project will help city development gain speed.

The Zhongke project, together with the BASF smart Verbund petrochemical project, will play an important role in the city's development of heavy petrochemical, port-based and foreign-oriented industries. It will also help the city become one of the major petrochemical production bases around the world in the coming years.

The \$10 billion BASF project that began the construction of its first plants in November 2019 is China's first large petrochemical project solely owned by foreign investors.

The first plants of the project will produce engineering plastics and thermoplastic polyurethane to serve the increasing needs of various industries in southern China and throughout Asia.

The project in Zhanjiang is BASF's largest overseas investment project.

A large investment project by Baosteel in Zhanjiang, which

became operational in 2015, is also a major driver of the city's development of a port-based economy.

The three mammoth projects, all located on the city's Donghai Island, involve total capital inputs of over 200 billion yuan and are conveniently positioned to use the local advantages of a circular economy.

Zhanjiang, which borders the Guangxi Zhuang autonomous region in the west and faces Hainan province in the south, is now one of the major cities on the Chinese mainland for advancing cooperation and trade ties between China and Southeast Asian nations. The city, with a population of 8.5 million, is becoming increasingly important and economically dynamic in west Guangdong.

Zhanjiang has now become a new transport hub in Guangdong province, following Guangzhou and Shenzhen in the Pearl River Delta region. This is because it is linked to other cities in the country and the rest of the world by advanced expressway and high-speed railway networks, a deepwater port and an international airport.



A team of workers keep watch over the control panels of the Zhongke Refinery and Petrochemical project. ZHANG FENGFENG / FOR CHINA DAILY

Investments worth 200 billion yuan expected

By YUAN SHENGGAO

As a city in the west of Guangdong province with a long coastline and deepwater port, Zhanjiang is using its advantages to develop port-based industries ranging from petrochemicals to steel.

The city is pinning hope on the giant petrochemical project that started operating last week to lure more investment to supplement the local industrial chain.

The Zhongke (Guangdong) Refinery and Petrochemical project will be able to refine more than 10 million metric tons of crude oil and produce 800,000 tons of ethylene products annually by the end of 2025.

The project is expected to help the city secure more than 200 billion yuan (\$28.3 billion) worth of investments in the fields of plastics, chemicals used in electronics and fine chemicals.

It will also offer an opportunity for businesses of new materials, light industry and automobiles, in addition to a huge number of job vacancies, according to Wu Xiwei, executive director and Party secretary of Zhongke Refinery and Petrochemical.

Another petrochemical giant BASF began to build its largest overseas investment project in Zhanjiang in November 2019, with investment set to surpass \$10 billion.

Zhanjiang aims to refine more than 25 million tons of crude oil, produce more than 2 million tons of high-end ethylene products and 20 million tons of fine steel products annually in five to 10 years, laying a foundation for its goal to become a subcenter in Guangdong and a major part of a modern coastal economic belt in the province, according to the city's blueprint.

The Baosteel project in Zhanjiang, operational since 2015, has turned Zhanjiang into a major advanced steel production base in China.

"Zhanjiang will strengthen the development of its pillar industries while trying to extend industrial chains and attract industrial clusters in the following years," said Jiang Jianjun, mayor of Zhanjiang.

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Jiang has promised to introduce more preferential policies to help attract foreign investment in the coming years.

Zhanjiang is planning to attract at least 40 billion yuan of investment from China and the rest of the world to accelerate development of port-based industries in 2020. It will also build an industrial park capable of yielding 100 billion yuan in industrial output annually and three others generating 10 billion yuan each.

Wang Xiaosui, director of the Zhanjiang bureau of industry and information technology, pledged there will be a better business environment for investors.

"We will offer more incentive policies for investment promotion and accelerate the construction of complete industrial and supply chains to accurately attract investment and secure more high-quality projects to Zhanjiang," Wang said.

The official added that Zhanjiang's ambition is to develop itself into a world-class port-related industrial base in the years ahead.

Officials from the Zhanjiang bureau of commerce said operation of the Zhongke (Guangdong) Refinery and Petrochemical project will help to promote Zhanjiang's foreign trade, increasing its exports and optimizing its export structure.

Steel, petrochemical and paper products will become the city's main exports, supplemented by aquatic products, furniture and household appliances, they added.

Large-scale infrastructure spending helps big projects stick to schedule

By YUAN SHENGGAO

In the past few years, the city of Zhanjiang has invested 3.46 billion yuan (\$494.29 million) in building a number of infrastructure projects on Donghai Island.

Covering nearly 500 square kilometers, Donghai is the fifth-largest island in China. It is home to gigantic projects such as Zhongke (Guangdong) Refinery and Petrochemical, Baosteel Zhanjiang and BASF's smart Verbund petrochemical facility.

Donghai Island is set to become a major manufacturing base for steel, petrochemicals and paper in Guangdong — and even in China.

In addition to the construction or expansion of docks, highways, railways, bridges and a port administration center on the island, a water plant with a daily supply of 150,000 cubic meters and a 220-kilovolt substation have been built.

There is also a 220-kV power accessing project to serve the Zhongke Refinery and Petrochemical project.

The infrastructure investments have contributed much to the scheduled operation of the Zhongke project and BASF petrochemical project under construction, as well as the Baosteel project already operational.

The city will continue its investment in infrastructure on the island, including the 47-km Donghai Island-Leizhou Expressway, the first expressway on the island, and other modern traffic facilities.

For the Zhongke project alone, senior officials of the Zhanjiang Economic and Technological Development Zone, which is responsible for Donghai Island's development, held dozens of meetings with the senior executives of Zhongke. These helped the company solve major problems that might have sidetracked the project's development.

The initiatives are typical of the city's attempts to help investors as authorities have attached great importance to improving the business environment in recent years.

Among its latest moves, the city government of Zhanjiang introduced a series of policies in November to further streamline administrative procedures, optimize the land supply system, hammer out incentives to help small and micro businesses overcome financing difficulties, alleviate economic burdens and encourage innovation among private enterprises.

A total of 48,500 new businesses were established in 2019, making the city's total number to 293,700, a year-on-year increase of 9.31 percent, official statistics show.

The city's measures to help local businesses resume production after the COVID-19 outbreak have also received positive responses from the local business community.



A railway that links Donghai Island with the rest of the city is one of the major modern transport facilities in the important industrial base of Zhanjiang. LANG SHUCHEN / FOR CHINA DAILY

"With continual improvement of the transport network, business environment and optimization of the industrial structure, the economy will become more dynamic in

Zhanjiang," said Chen Hongwen, an associate professor and director of the economic teaching and research office at Zhanjiang Party School.

By deepening reform, opening-up

more to the world and constantly improving the business environment, Zhanjiang will develop into Guangdong's subcenter in the near future, Chen noted.