

Invest TEDA

Vol.91, Monthly Issue, Aug.2009

Entrepreneur: Administrative Commission of Tianjin Economic-Technological Development Area (TEDA)

Assisted by: Deloitte Touche Tohmatsu CPA Ltd, Tianjin Branch (Business Adviser of TEDA Administrative Commission)

Edited by: Investment Promotion Bureau of TEDA

TJAB UNVEILS PLAQUE



As the R&D heart of China's International Biotechnology and Medicine Innovation Park, the 70,000-square-meter Phase-I of Tianjin International Joint Academy of Biotechnology and Medicine (TJAB) was delivered on June 25th. The grand plaque-unveiling ceremony was

witnessed by senior state and local officials such as Ms. Liu Yandong, Member of the Politburo of the CPC Central Committee and State Councilor, Mr. Zhang Gaoli, Secretary of Tianjin Municipal CPC Committee, and Mr. Huang Xingguo, Vice Secretary of Tianjin Municipal CPC Committee and Mayor of Tianjin.

Located at the juncture of Huanghai Road and the Thirteenth Avenue, TJAB is planned to cover 300 mu (or 200,000 square meters) of land with floor area totaling 130,000 square meters. Among its 11 platforms, 4 core platforms are designed for new drug discovery, biomedicine GMP pilot trial, information processing, and analysis & testing respectively, and the other 7 are supporting platforms. Its research facility can accommodate 100 project leaders simultaneously. To qualify as a project leader at TJAB, academic capacity, project, research team, and self-raised fund (could be 50% domestic and 50% overseas so as to strike a balance between international, local and industry efforts)will be indispensable. To support these biomedicine pioneers, the TBNA will provide venture capital for the commercialization of their projects, as well as discount loans, and subsidies for the procurement of production

equipments. Here project leaders can enjoy one-stop service and the optimal environment for biotechnology research and innovation.

The TJAB broke earth in March, 2008. Today its affiliated Sino-Italian TCM Joint Laboratory has been recognized as one of the country's first state-level international joint research centers. It is also home to several public technology platforms, start-up companies, and new bio-medicine projects.

Exploring innovative management and operation model is another assignment for the TJAB. Backed up by government investment, five systems (for international-standard original drug innovation, pre-clinical drug evaluation, clinical drug evaluation, pilot trial, and supporting services respectively) and 11 technology platforms will be set up to attract talents, projects and capital from home and abroad. At the same time, professional management teams will be set up to operate these platforms in corporate manner. Presumably by 2012, the TJAB will have over 100 senior research teams, over 100 R&D projects, over 50 R&D-oriented enterprises, and over 100 patent applications for invention. Its carrier, the International Innovation Park is expected to become China's largest and most renowned base for biomedicine innovation and commercialization and serve as a driving force for the industry in the Circum-Bohai Region and the country as a whole to yield an output value of 10 billion yuan.

On June 26th, 2006, the Ministry of Science and Technology (MOST) and Tianjin signed an agreement for the joint construction of the International Biotechnology and Medicine Innovation Park, which will comprise three functional zones for R&D, start-up incubation, and drug production & trade respectively. TJAB, which is located within the R&D section of the Park, is designated to be a base for the technological and industrial innovation for biotechnology and medicine, a center for the gathering and training of senior talents, and a bridge for international cooperation. The agreement was followed by an opinion paper between Tianjin and related state authorities and a series of policy measures. The recent opening of TJAB will definitely facilitate the construction of the entire Innovation Park and beef up the local biotechnology and medicine industry. (Tr. by Zhang Shanshan)

CHINA'S FIRST FERROALLOY EXCHANGE ESTABLISHED IN TEDA

Tianjin Ferroalloy Exchange Co., Ltd (TFE), the first of its kind in China, was recently officially registered and established in TEDA. With a total investment of 250 million yuan and registered capital of 100 million yuan, the company was funded and established by over 11 ferroalloy and logistics enterprises such as Inner Mongolia Erdos Metallurgy (Group) Co., Ltd., Tianjin Binhai TEDA Logistics Group Co., Ltd., Tianjin Port Development Holdings Limited, etc.

After its establishment, the company will provide a platform for the transactions of ferroalloy products. Focused on electronic spot transactions of ferroalloy, market information counseling, supply chain financing and logistics services, it will organize and guide domestic and foreign ferroalloy traders in the purchase and sale of ferroalloy on the e-platform. In the long term the company will also provide online search for real time information.

The arrival of Tianjin Ferroalloy Exchange Co., Ltd. has filled the blank in this field and will further improve TEDA's regional investment and service environment and propel its regional economic growth. (Tr. by Chen Yu)

TIANJIN AEROSTANDARD NEW TECHNOLOGY JOINS TEDA

Tianjin Aerostandard New Technology Co., Ltd. registered in TEDA recently with a registered capital of 50 million yuan as a joint venture between Beijing Intensity Environment Institute and China Academy of Launch Vehicle Technology.

The Company plans to purchase 90 mu (or 59,940 square meters) of land at the Next-gen Carrier Rocket Commercialization Base of TEDA West. The site will be developed into a civil-military industrial base under the No.702 Institute under the China Aerospace Science & Technology Corporation (CASC) for the research and development of data collection & analysis system, auxiliary equipments for environment experiment, liquid filling equipment, the inspection and testing of local environment reliability, and the integration and common development of civil and military technologies.

As a key project of Tianjin, the next-gen carrier rocket commercialization base comprises of 1,700 mu (or 1,132,200 square meters) for military projects and 850 mu (or 566,100 square meters) for civil projects. It is planned to accommodate six military-civil projects, including the Tianjin Aerostandard.

Beijing Intensity Environment Institute, also known as No.702 Institute, is a major research agency for structural intensity and environment reliability of the Chinese aerospace industry. It has been the research and testing center for structure intensity and environment engineering of carrier rockets and spacecrafts since 1956. (Tr. by Zhang Shanshan)

22 LARGE PROJECTS ARRIVE IN THE NANGANG INDUSTRIAL ZONE WITH A 200 BILLION YUAN INVESTMENT

Since the start of this year the municipal-level service team for the Nangang Industrial Park has made lots of efforts in planning, investment absorption, infrastructure construction, etc. and attained remarkable progress. According to statistics, by this June domestic and foreign investors have indicated clear intents of construction and investment in the Park in 22 projects, with their total investment up to 200 billion yuan. Among them, a group of key construction projects have commenced their construction one after another.

The service team has actively coordinated various departments of Tianjin in line with the development plan of the Park to help the earliest settlement and construction of a series of key heavy-chemical industrial projects. According to the decisions of the team for that purpose, Tianjin Development and Reform Commission heads the execution of such projects as the Bluestar New Chemical Materials Industrial Park, Sinopec's crude oil storage warehouse, logistics center and polycarbonate project co-funded with SABIC, etc.; the TEDA Administrative Commission is responsible for the development of a refinery project of a Chinese-Russian JV, the Tianjin industrial base of ZTE Agribusiness Company Limited, etc.; Nangang Industrial Park Development Co., Ltd. assists Tianjin Development and Reform Commission with the Nangang base project of Tianjin Bohai Chemical Industry (Group) Company Limited, etc. Special efforts are being made in site selection, land area, commencement of construction, supportive conditions, etc. for each project to ensure that a group of projects may start construction within the year.

So far with the help of the service team, the national strategic crude oil and refined oil storage warehouse project has chosen the land west of Haibin Avenue of the Park; Sinopec's chemical industrial logistics center, polycarbonate project co-funded with SABIC, etc. will lie east of the east harbor basin and close to the northern coastline. The polycarbonate and bisphenol A project co-funded by Sinopec and SABIC is the precondition for the National Development and Reform Commission to approve the joint investment between Sinopec's large ethylene project in Tianjin and SABIC and enjoys the Park's full support. In order to start the production of the polycarbonate and bisphenol A project earlier, the service team, through its active coordination, has been trying to ensure land, infrastructure, and other conditions of the project and the start of the construction of the logistics center in the latter half year (Tr. by Chen Yu)

TEDA ABSORBED 2.887 BILLION DOLLAR CONTRACTED FOREIGN INVESTMENT IN THE FIRST HALF YEAR

11 new foreign-funded enterprises were registered and 20 enterprises added investment in TEDA in June, with their total investment, contracted foreign investment and actually funded foreign investment up to 568 million dollars, 508

million dollars and 350 million dollars respectively. 53 domestic enterprises were newly registered, with their registered capital reaching 1.032 billion yuan.

In the first half year 54 foreign-funded enterprises were newly approved, and 99 enterprises increased their investment in TEDA, with their investment totaling 3.276 billion dollars, contracted foreign investment 2.887 billion dollars (up by 13.64% over the same period of last year), and actually funded investment 1.505 billion dollars (up by 19.44% over the same period of last year). Among the enterprises funded by Fortune Global 500 corporations, one was recently approved and three increased investment. In the first half year altogether 275 domestic enterprises were registered, with their total registered capital up to 5.563 billion yuan.

So far 4,672 foreign-funded enterprises have been accumulatively approved in TEDA, contributing 50.699 billion dollar investment, 37.995 billion dollar contracted foreign investment, and 21.033 billion dollar actually funded foreign investment. In TEDA 141 enterprises have been funded by 63 Fortune Global 500 corporations from ten countries and regions, and 8,518 domestic enterprises have been registered, with their registered capital up to 115.809 billion yuan. (Tr. by Chen Yu)

BIOMEDICAL OUTPUT SURGED BY 30% TO 5.2 BILLION IN H1

According to related TEDA authorities, the industrial output of local biomedicine industry surged 30% y-o-y to 5.2 billion yuan in the first half of 2009.

Biomedicine is a sunrise industry of the 21st century marked by most enviable profit margin. Tianjin, as one of China's biomedicine base cities, has witnessed record growth in its hi-tech industries over the past years. In particular, biomedicine, as one of TEDA's main economic drivers, demonstrates strong vitality and bright prospects. So far, TEDA is home to four state-level biomedicine R&D centers, five enterprise-owned technology centers, and 12 enterprise-owned engineering centers. In addition, it is also responsible for the planning and construction of China's International Biotechnology and Medicine Innovation Park and Tianjin International Joint Academy of Biotechnology and Medicine (TJAB). The later has been completed and will become available this June. Among the 22 start-up projects it has accommodated so far, one has finished phase-III clinical test, another one is in the middle of phase-I clinical test, and most of the rest are developing successfully.

Friendly investment climate guarantees the strong growth and competitiveness of local biomedical players. Novo Nordisk is building its world's largest insulin formulation and filling plant here. Novozymes plans to build its TEDA plant into the No.1 enzymes production center in the Asia-Pacific Region. Both of them are pacesetters in China within their respective industries. Currently TEDA is working intensively on the one-square-kilometer Beijing-Tianjin-Hebei Biomedicine

commercialization Demonstration Park. Professional biomedical factory buildings will be put into use by the end of this month. (Tr. By Zhang Shanshan)

CRESYN OF SOUTH KOREA ADDS NINE MILLION DOLLAR INVESTMENT IN THE MICROELECTRONICS INDUSTRIAL PARK

In order to increase its market shares in China and the world, Cresyn Electronics (Tianjin) Co., Ltd. in the TEDA Microelectronics Industrial Park registered a nine million dollar investment increase at the end of June 2009, upon the approval of the TEDA Administrative Commission. At present the investment made by Cresyn has amounted to 25.28 million dollars, and its registered capital 17 million dollars.

Cresyn Electronics (Tianjin) Co., Ltd. was solely founded by Cresyn Inc. of South Korea, the largest and most powerful earphone provider in the world, and settled down in the Microelectronics Industrial Park in Oct. 2003. The company mainly produces earphones and batteries for the world's famous cell phone manufacturers like Samsung, Matsushita, Sony, Aiwa, Motorola, etc. In recent years Cresyn has seen robust growth in Tianjin, with its output value reaching 1.2 billion yuan in 2008. Since the start of this year, in spite of the negative influence of the financial crisis and the downturn in international and Chinese markets of electronic products, Cresyn has maintained stable development. In line with the overall development strategy of Cresyn Inc., the company in Tianjin will develop itself bigger and stronger so as to become the global factory of Cresyn. (Tr. by Chen Yu)

INDICATORS IN TEDA MIP BOUNCE BACK

In the first half of 2009, major enterprises in the TEDA Micro-Electronics Industrial Park (MIP) such as affiliates of Samsung Group saw noticeable recovery. After maintaining double-digit monthly growth rate in major economic indicators from January to May, MIP registered positive growth both on monthly and yearly basis in output value in June for the first time since the breakout of the financial crisis.

From January to June, total industrial output value of MIP reached 29.763 billion yuan, with total export hitting 2.456 billion dollars. In the foreseeable future, the upcoming production season and relaxed export refund policy will definitely add more fuel to the economic growth of MIP, who also registered handsome performance in investment promotion. In the first six month, six enterprises and R&D centers such as Samsung LED, Samsung Techwin Opto-Electronic, the International Quality & Technology Institute of Samsung Electronics China, Tianjin BHY Photoelectric Technology, Castronics Precision Metal, and Zhonghuan Precision Pressing Electronics have settled down or launched production and another enterprise increased investment. It has absorbed over 120 million dollars, four times the investment promotion quota.

Since the beginning of this year, the General Corporation of MIP has reached out helping hands to clients in need. By July 22nd, it has helped solve over 150 difficulties for over 40 local enterprises. (Tr. by Zhang Shanshan)

Sponsor: Investment Promotion Bureau, Administrative Commission of Tianjin Economic-Technological Development Area (TEDA)

Translators: Department of Translation and Interpretation, Administrative Commission of Tianjin Economic-Technological Development Area (TEDA)

Translation Reviser: Liu Xiaojing, Department of Translation and Interpretation, Administrative Commission of Tianjin Economic-Technological Development Area (TEDA)

For more information, please contact:

Investment Promotion Bureau, Administrative Commission of Tianjin Economic-Technological Development Area (TEDA)