

# SOE MATTERS

## PROJECT WATCH

### CCCC sees overseas contract value surge

By ZHONG NAN  
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China Communications Construction Co Ltd, one of the country's largest infrastructure project providers by market share, saw its newly-signed contract value surge by 16 percent year-on-year in the overseas market during the first quarter of this year, said a senior executive.

With the effects of the COVID-19 pandemic declining in some countries, economies have begun to resume work, and global demand for various infrastructure projects will continue to grow in the second half of this year, said Sun Ziyu, vice-president of Beijing-headquartered CCCC.

There are more than 4,000 projects currently under construction by CCCC. Among them, nearly 1,000 projects are located in overseas markets with 1 trillion yuan (\$140.61 billion) in contract value, Sun said. The majority of them have resumed operational and production.

Based on the current work rate, the group will achieve its annual production and operation goals in 2020, he added.

Sun said the main work on building a wharf for Asia Pulp & Paper Group — the Indonesian paper product manufacturer — was completed in South Sumatra, Indonesia, on May 10.

The project mainly comprises of the construction of a pier platform, two mooring piers, an approach bridge and support facilities. Once the project is completed, it will allow one 50,000-metric-ton freighter, one 30,000-ton freighter and four 7,600-ton freighters to dock simultaneously.

The project has faced many challenges since its launch, with production materials having to be transported to the construction site by sea, and the work area damaged by a monsoon, according to CCCC.

Under such circumstances, Sun said the project team had to study the local sea conditions, draw up a reasonable operation timetable, rationally allocate resources, and formulate a detailed epidemic prevention and control plan.

Elsewhere, a consortium formed by CCCC, Portuguese builder Mota-Engil SGPS SA and three Mexican companies won the bid for the Maya Railway Section I

Project in Mexico in late April.

With a total length of 226 kilometers, the project comprises design, purchasing, construction and maintenance of earthwork, infrastructure building and rail facilities. The contract value of the project is about \$740 million, with a 28-month design and construction period. The joint venture will also provide five years of maintenance for its Mexican client after the railroad opens.

Sun said the Maya railway project is a national strategic project promoted by the Mexican government in recent years. By winning this bid, CCCC has made a breakthrough in gaining government projects in Mexico, and further expanded its brand influence in the region.

Affected by the pandemic, CCCC's sales revenue declined 6.65 percent year-on-year to 95.44 billion yuan in the first quarter of this year. Supported by more than 140,000 employees, the centrally administered State-owned enterprise has entered markets in 150 countries and regions and runs over 60 subsidiaries, such as China Harbor Engineering Co and China Road and Bridge Corp.

After years of development abroad, China's central SOEs have gradually expanded their overseas projects from resource development and infrastructure construction to industrial cooperation and investment, especially in economies participating in the Belt and Road Initiative, said Zhang Yongjun, a researcher at the Beijing-based China Center for International Economic Exchanges.

For the next step, central SOEs should better study and flexibly use international rules, and improve their transnational management capacity, as well as raise their safety awareness and risk prevention capabilities, he added.

With COVID-19 prevention and control measures being carried out steadily and positively across China, most centrally administered State-owned enterprises reported better profitability since March, according to the State-owned Assets Supervision and Administration Commission.

In March, the operating revenue of central SOEs reached 2.2 trillion yuan, returning to the same level as January.



A worker from CCCC Shanghai Dredging, a subsidiary of China Communications Construction Co, cleans marine equipment at the new container port at Tibar Bay in East Timor.

PROVIDED TO CHINA DAILY



CREC employees work on a seam welder at the construction site of the Jakarta-Bandung high-speed railway project in Bandung, Jawa Barat of Indonesia. PROVIDED TO CHINA DAILY

## Construction on track for Indonesian high-speed rail

### Big-ticket infrastructure project linking Jakarta to Bandung likely by next year

By ZHONG NAN

China Railway Group Ltd, known as CREC, the Beijing-headquartered State-owned construction contractor, plans to complete \$537 million worth of construction works for the Jakarta-Bandung high-speed railway project in Indonesia this year, despite the COVID-19 outbreak, said its senior executives.

The 143-kilometer-long railroad is being constructed by PT Kereta Cepat Indonesia-China, a consortium involving Indonesia's State-owned companies, and China's centrally-administrated State-owned enterprises including China Railway Signal and Communication Co, China Railway Rolling Stock Corp and Power Construction Corporation of China.

CREC completed over \$128 million of work for the project during the first four months of this year.

With construction expected to complete by the end of 2021, the Jakarta-Bandung high-speed railroad, with a designed speed of up to 350 km/h, is the first such railway in Indonesia, as well as China's first overseas high-speed rail project.

Under the contract signed in 2017, China will export its technical standards, surveys and designs, engineering construction, equipment manufacturing, materials supply, operation management and staff training for the project. The total contract value sealed by CREC is \$1.37 billion.

After the project is completed, the travel time from Jakarta to Bandung

will be shortened from over three hours to about 40 minutes.

The cooperative rail project under the tangible growth of the Belt and Road Initiative adopts the technically advanced CR400 trains, and takes local climate and customs into consideration in its design, said Ren Hongpeng, CREC's vice-president.

Though many parts of the world are making efforts to mitigate the effect caused by the novel coronavirus, Ren said no one from its workforce numbering more than 4,000 under this big-ticket project, including more than 3,000 Indonesian employees, has suspected or diagnosed case of COVID-19 so far this year.

They have made a number of breakthroughs in building tunnels, railway bridges and stations between January and April, he noted.

The project's management team set a goal of "zero infection" for all employees after the first confirmed case of COVID-19 was found in Indonesia in early March. The company raised disinfection level and frequency, and tightened disease prevention in working areas such as offices and construction sites. All personnel entering the work area must wear masks and pass through body temperature checkpoints.

"We have taken strict measures and made emergency response plans to prevent cases infected from outside the project," said Zhang Wei, CREC's chief representative for the Indonesian market.

Under its new moves, business

“We have taken strict measures and made emergency response plans to prevent cases infected from outside the project.”

Zhang Wei, CREC's chief representative for the Indonesian market

trips to be taken within both Indonesia or to other countries have to be discussed and decided by the management team. Employees returning from high-risk areas must be strictly observed.

The future operation of this landmark project will not only enhance the partnership between China and Indonesia in line with the BRI development, but it is also the first high-speed railway in Southeast Asia, said Zhang, adding it will arouse more countries' interest. Many countries are keen to put their economic growth on a firmer footing through efficient transport systems and regional connectivity, he said.

To cut financial losses caused by the outbreak in other countries, many central SOEs have shifted work from their newly-signed overseas infrastructure and manufacturing projects back to plants in China to ensure activity can properly continue, said Zheng Donghua, deputy director of the research center at the State-owned Assets Supervision and Administration Commission of the State Council.

Central SOEs, especially manufacturers and infrastructure project contractors including CREC, China National Building Material Group Co and Metallurgical Corporation of China, have encouraged local employees and third parties in overseas markets to better allocate resources and continue projects in an orderly way.

Cooperation projects related to the BRI are generally running smoothly with no major delays amid the contagion, Zheng added.

Apart from expanding its global presence, CREC announced earlier this month that its subsidiaries such as China Railway Electrification Bureau (Group) Co and China Tiesiju Civil Engineering Group sealed 29 deals for airports, highways and forestry protection facility projects, as well as the transformation of shanty town areas with a total contract value of 37.16 billion yuan (\$5.23 billion) in the domestic market over the past four and half months.

Supported by over 290,000 employees, CREC's business covers almost all fields of infrastructure, such as railways, highways, municipal facilities, housing and buildings, urban rail transit, water conservation, hydropower stations, airports and harbors. It has built a business network in more than 90 countries and regions around the world.

In addition to construction projects, the group is also able to produce and export machinery including rail track, shield and tunnel boring machines, bridge erecting equipment, cranes and catenary installation equipment for building electrified railways to the global markets.

## CARING HANDS

### Power company workers in tune with spirit of solidarity over COVID-19

By LIANG KAIYAN  
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"Chinese, German stand united, there is no way to get divided. Help each other through the night ..." so goes the song in a video performed by Sebastian Schmidt, who said he hoped to show support to the Chinese people in the fight against COVID-19.

Schmidt, chief finance officer of WindMW GmbH — a German offshore wind farm operator acquired by China Three Gorges Co — wrote the song titled *We Will Win* in February after he heard about the severe situation in China due to the novel coronavirus outbreak.

"Art is a bridge builder and brings people closer together, especially in a situation of social distancing," Schmidt said.

Keen on music, Schmidt is adept at playing musical instruments including the guitar, piano and accordion, and tried to compose and write songs since an early age.

However, it had been seven years since he wrote his last song and Schmidt said he was worried about writing again.

"But when I thought about the kind of support that is needed, I thought music as an international language is a way we can come through this hard time together," he said.

Thanks to a good grounding in music, the business executive found creating the song went better than he expected.

"I wrote the text for the song in one hour and the music was composed in about 90 minutes," Schmidt said.

“Art is a bridge builder and brings people closer together, especially in a situation of social distancing.”

Sebastian Schmidt, CFO of WindMW GmbH

But it took more time to arrange the song in a studio due to the need to organize every line and bring the music to the computer and mix it, he added.

Schmidt spent about three weeks completing the work with the support of his family and colleagues.

"My cousin, who lives 200 kilometers away, was a great help," he said. He added that his mother helped him to record on a smartphone.

His German colleagues gave him time to record the final version on a working day and Chinese colleagues mixed the video and added the subtitles, he said, in which "they gave me good feedback."

"During the process of creating the song, I identified myself with it more and more, so the version you see really comes from the heart," he said.

In 2016, CTG, the world's biggest hydropower builder, inked a deal with the United States-based investment firm Blackstone Group LP to buy its majority stake in WindMW. It was part of an effort to expand CTG's business into the

offshore wind market.

CTG is a family, Schmidt said. "Our partnership does not end on the work level."

"It was very inspiring and gave me strength," Li Keyu, an employee of CTG, said after listening to the song by Schmidt.

Li was assigned to work in the German company this year but was blocked due to the COVID-19 outbreak, according to CTG.

Encouraged by her German colleague's work, Li created her first English song named *I'll Be There* in March.

"During that period, lyrics and melody kept coming to my mind as I imagined the European battle against the pandemic," Li said.

The process between employees of creating songs about the fight against the pandemic to show sup-

port and encourage each other demonstrates CTG's philosophy of promoting cross-cultural communication, said Wang Yu, chairman of CTG International.

CTG has been dedicated to promoting exchanges and integration of different cultures in its long-term overseas business management over the past few years, Wang said.

Since the outbreak of the pandemic, CTG said it has helped to mobilize resources and send medical materials to countries including Germany, Portugal, Peru, Pakistan and Brazil.

Established in 1993, CTG is a State-owned company with roots in hydroelectric power.

So far, CTG's contracting business overseas has spanned over 40 countries and regions in Asia, Africa and the Americas.