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State firms set to see growth in exports

Automakers, engineering enterprises and shipbuilders major beneficiaries

By **ZHONG NAN**
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After months of losses caused by factors such as COVID-19 and declining global demand, State-owned manufacturers have managed decent export business volume since the second quarter, said business executives.

SAIC Motor Corp, the largest vehicle producer and exporter in China, exported 2,500 MG and Maxus-branded vehicles to Australia, New Zealand and Fiji last week as demand in Oceania grows for Chinese vehicles.

The vehicles, loaded onto two vessels, are scheduled to arrive at their destinations later this month. They are SAIC Motor's biggest order ever by markets in Oceania.

Zhao Aimin, deputy general manager of SAIC's overseas sales department, said Oceania — in particular Australia and New Zealand — is one of its seven major overseas markets. The company's MG marque is now the best-selling Chinese-branded sedan in these two countries.

Despite the pandemic, the brand has expanded its global market share to 2 percent thanks to its sufficient supplies when competitors struggled to import vehicles.

The Maxus brand is also popular in Australia and New Zealand. The brand's accumulated sales of pickups, SUVs, MPVs and vans in the two nations since it entered the two markets several years ago have exceeded 30,000 units, Zhao said.

The Shanghai-based State-owned carmaker exported 154,000 vehicles in the first seven months of the year, accounting for 34 percent of Chinese carmakers' total exports. Its vehicles can be found in more than 60 countries and regions around the world.

In addition to fuel-powered vehicles, Zhao said the group's new energy vehicles are gaining popularity in Europe since their debut in 2019. Sales of MG's EZS in Europe exceeded 10,000 in the second half of 2019. The company is planning to export its NEVs to Switzerland and Spain this year.

It currently has more than 25,000 employees in overseas markets.

Sumec Group, a subsidiary of China National Machinery Industry Corp — the country's largest machinery maker by production capacity — exported a number of generators to Japan in late July, marking Sumec's first foray into this developed market.

The Nanjing-based group's Asian division plans to explore the Japanese market and has established connections with Iris Ohyama — a Japanese manufacturer of plastic consumer products — at the end of 2018.

Jin Yongchuan, Sumec's president, said frequent natural disasters such as earthquakes and typhoons in Japan have resulted in a large market for emergency power generation equipment. This allowed the two sides to work together to develop variable-frequency generators, with production beginning in China in 2018.

The production part approval process (PPAP) of generators, originally scheduled for March, was delayed until May due to the pandemic. After further epidemiological condition improvements followed by PPAP and the authorization of production, the first batch of generators for Japanese customers was finally produced in July, Jin said, adding that follow-up orders have continued flowing into the company.

CSSC Chengxi Shipyard Co Ltd, a Jiangsu province-based shipyard and a subsidiary of China State Shipbuilding Corp Ltd, delivered the first refrigerated container vessel to Dole, one of the world's largest producers of fresh fruits and vegetables, last week.

The ship has a total length of 195 meters, a width of 32.2 meters, a depth of 17 meters, a design draft of 10.5 meters and a service speed of 19.5 knots.

The shipowner built this vessel to transport fruit, mainly bananas, under refrigeration.

At the same time, it is equipped with a temperature monitoring system to adjust power supply and the internal temperature of the vessel's container portion to facilitate system maintenance, according to a CSSC Chengxi statement.

To ensure trading partners have sufficient power amid their battle against the pandemic, central SOEs from energy sectors including China Huadian Corp and China Energy Investment Corp have also sent staff and shipped materials for contagion prevention to power stations under the build-operate-transfer model in Saudi Arabia, Pakistan and South Africa since March, said Zhou Lisha, a researcher at the research institute of the State-owned Assets Supervision and Administration Commission of the State Council.

Apart from facilitating energy and transportation projects overseas, SOEs from the manufacturing sector have relied on China's advantage of having the world's most complete industrial system with the most diversified sectors to boost the nation's foreign trade and deliver products on time to global clients, she said.

The government will optimize central SOEs' resources to develop both global and domestic markets, ensure the supply of basic goods and commodities, maintain the safety of industrial and supply chains and strive to achieve quality and efficient economic growth in the second half, said Peng Huagang, secretary-general of SASAC.

SAIC employees inspect cars on an assembly line in Shanghai in February. DING DING / XINHUA

An aerial view of the under-construction 385-meter-tall Iconic Tower skyscraper in Cairo, Egypt, in August. PROVIDED TO CHINA DAILY

Construction projects in Egypt showcase CSCEC's impressive overseas track record

By **ZHUANG QIANGE** and **ZHONG NAN**

Construction projects undertaken by the China State Construction Engineering Corp (CSCEC) at Cairo's New Administrative Capital will be the latest landmarks in Egypt, said the company on Thursday.

The construction giant officially launched its online Open Day event on Thursday to enable online viewers from across the world to have a closer look at the projects under construction by the construction giant. The company has completed or participated in many world-renowned buildings, such as infrastructure work on Disneyland in Hong Kong and one of the world's tallest buildings, the Shanghai World Financial Center.

According to the company, the Open Day will unveil the projects at the northeastern African country's New Administrative Capital in Cairo for global visitors, and leverage diversified technologies to offer clear views of the projects, which include 20 single buildings, covering 1.9 million square meters.

The 385-meter-tall skyscraper Iconic Tower, which has been under the spotlight on social media platforms as it is expected to be a new landmark of Egypt as well as the tallest building in Africa, will also be displayed during the event.

Covering about half a square kilometer, the construction of the CBD, including 12 business complexes, five residential buildings and two hotels, began in May 2018 and is expected to be completed by March 2022, according to CSCEC.

The project has a budget of about $3 billion, 85 percent of which is financed by Chinese banks, with the remaining amount covered by Egypt's Ministry of Housing, Utilities and Urban Communities. It is part of Egypt's blueprint for a new administrative capital between Cairo and Suez, with an area of 714 square km, to help ease chronic congestion experienced by more than 20 million residents of Cairo.

"The project in Cairo's New Administrative Capital is so impressive," said a message from an online audience on Kuaishou, a short video and livestreaming platform. "We heard a lot about the company's names recently. Days before there was a video showing five swivel bridges completed synchronous rotation and docking at a railway construction site in Beibei district of Chongqing also by CSCEC. That one is also good."

Apart from the support of the technologies, designs and investments, CSCEC's working with local construction companies and sources for raw material and large equipment supplies to jointly build the new CBD also means the project is helping to provide thousands of job opportunities for the local economy and promote its development.

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> **Gao Lingyun,** research fellow at the Institute of World Economics and Politics of the Beijing-based Chinese Academy of Social Sciences

In addition to the Open Day, many other online events are in pipeline, leveraging livestreaming, social media platforms and other internet solutions, to offer its help in poverty-stricken areas in nation, such as helping local farmers to sell products during livestreaming, as a move to contribute to nation's goal of eliminating absolute poverty by the end of this year, the company said.

According to the company, 29 cities in 14 countries will be included in the three-month long Open Day event, showcasing CSCEC's efforts in stepping up sustainable development both domestically and globally.

As the COVID-19 pandemic continues to impact travel agencies, airlines and shipping companies around the globe, apart from CSCEC, many of its peers have also begun to announce progress on their overseas construction sites via online open events.

Beijing-based China Communications Construction Co Ltd launched an online event to provide the public a chance to virtually tour Port City Colombo in Sri Lanka.

An online event was also held by Longyuan South Africa Renewables of China Longyuan Power Group Corp, a subsidiary of China Energy Investment Corporation (China Energy), to demonstrate how Chinese SOEs fulfill their responsibilities in overseas markets.

"Backed by various mature digital technologies, solid construction experience, corporate social responsibility and future economic synergies, these open media events will be persuasive in improving the image of Chinese companies across the world," said Gao Lingyun, a research fellow at the Institute of World Economics and Politics of the Beijing-based Chinese Academy of Social Sciences.

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Sinopec enhances refining capacity with chemical JVs

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Asia's biggest refiner, China Petroleum and Chemical Corp (Sinopec), is stepping up efforts to enhance its overseas refining capacity through international refining and chemical joint ventures.

The Amur Gas Chemical Complex, an integrated polyethylene and polypropylene production facility jointly developed by Sinopec and Russian petrochemical company Sibur, began construction on Aug 27, Sinopec said.

The plant, the largest chemical cooperation project between China and Russia, has a designed capacity of 2.3 million metric tons/year polyethylene and 400,000 tons/year polypropylene. It is expected to begin operations in 2025, with most of its products to be sold in the Chinese market.

It is one of the company's six overseas refining and chemical, storage and logistics investment projects as of 2019, including YASREF in Saudi Arabia, a Krasnoyarskiy nitrile rubber (NBR) JV project in Russia, a lubricants plant and supporting jetty project in Singapore, a Fujairah storage project in UAE and a VESTA storage project in the Netherlands.

By the end of 2019, the company's cumulative initial investment reached $4.7 billion and it had overseas refining capacity of 7.5 million tons/year, storage capacity of 1.36 million cubic meters, lubricant grease production capacity of 80,000 tons/year and NBR production capacity of 10,500 tons/year.

Li Li, research director at energy consulting company ICIS, said the project will take advantage of the low cost of local gas to produce common chemical raw materials.

Production at the site will use ethane and liquefied petroleum gas (LPG) feedstock from the Gazprom Amur Gas Processing Plant.

The site is strategically located in the region to serve buyers in China, with capacity 1.35 times higher than its total polymer exports in 2019, said ICIS.

Investing in the Amur project is among the company's recent efforts to deepen cooperation between the two countries, and the project is seen as leveraging Sinopec's best practices and advantages in fields of investment, technology, engineering services, operations and trade, said Sinopec.

As the strategic relationship between China and Russia enters a new stage, the project will become a model for future energy cooperation between China and Russia in downstream petrochemical sector-related areas, it said.

Employees walk past facilities of the Amur gas processing plant under construction in Amur region, Russia, in November. REUTERS

As Asia is becoming a major consumer of petrochemical products, it is expected that Russian petrochemical exports to China will increase alongside rising energy supplies.

Sinopec is tipped to become a partner on this project as it "boasts an extensive distribution network in China for oil and gas products of varying processing levels", said Sibur.

Sinopec holds a 40 percent stake in the Amur gas chemical complex located in Russia's Far East.

"Long-term forecasts for petrochemical demand, proximity to markets and a well thought out feedstock base give us confidence that Amur will be a highly effective and competitive business that will help Sibur gain a strong foothold in both Russia and globally," said Dmitry Konov, Sibur's CEO.