

SOE MATTERS

RIGHT TRACK

‘Green’ is the new buzzword for State firms

CRICC to build flora-themed park in previous mining areas of Tangshan

By ZHONG NAN
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For decades, China's infrastructure project providers have been heavily focused on building roads, bridges, dams, railways and airports both at home and abroad. Starting in recent years, many such enterprises have begun to deploy more capital and resources into environmental protection projects to remain competitive in this lucrative sector.

One such example is underway in North China. Supported by more than 2,000 employees, China Railway Investment and Construction Co Ltd (CRICC), a subsidiary of centrally-administrated State-owned enterprise China Railway Group Ltd, has invested 13.6 billion yuan (\$1.98 billion) in Tangshan, Hebei province, to build a flora-themed park in previous mining areas to further diversify its business activities.

The Tangshan Sea of Flowers project covers an area of 11.02 square kilometers in the city's Kaiping district. It is a large-scale ecological environment restoration project invested, constructed and operated by Beijing-based CRICC. The project aims to ecologically restore Tangshan's previous mining sites as the country pursues a synergy between environmental protection and economic growth.

Because heavy industries such as coal, iron and steel grew rapidly and caused environmental degradation since the 1990s, the scarcity of resources and the deteriorating environment have pushed Kaiping's economic growth into a weakened position. The remaining mining areas, adjacent landfills and dilapidated factories are an eyesore in northeast Tangshan, said Nian Fubing, CRICC's labor union chairman.

As a demonstration project to transform a traditional industrial city into a global tourism city, CRICC plans to re-engineer former mining areas and facilities into two lakes, four mountains and a number of grasslands and roadways, as well as cultivate 54 varieties of flowers and 26 species of plants in selected places, covering an area of 235 hectares within the park.

Nian said many opportunities are emerging from the government's call to stress the concepts of: clear waters and green mountains are as valuable as mountains of gold and silver; strive to win the battles against air, water and soil pollution; encourage the development of green industries and renewable energy, and promote economical use and recycling of resources.

The project — with a zoo, art and commercial zones, as well as many supporting facilities — is expected to be operational in the second half of 2021.

“Even though the COVID-19 pandemic delayed our work pace in the first quarter, all of our employees have undergone contagion preven-

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Wan Xucai, a professor at Nanjing University of Finance and Economics

tion and control protocols and training to ensure worker health and safety,” said Xiao Weirong, the project's chief engineer.

Eager to create more economic returns in the future, CRICC's management team is planning to introduce more investors from tourism, hotel and educational sectors to further enrich the park's earning potential, he said.

The Tangshan Sea of Flowers project will boost the city's GDP and better serve the coordinated development of the Beijing-Tianjin-Hebei region, bringing investment to sectors such as retail, transportation and logistics as well as creating jobs in the service sector, Xiao said.

Zhang Chunxiao, an economics researcher at the National Academy of Governance, said cautious reopening of businesses, recreational spots and major scenic attractions around the country has boded well for China's contagion-hit tourism sector that is now seeking to meet surging domestic travel demand.

As of mid-August, the number of tourists booking package tours through Trip.com, the country's largest online travel agency, jumped 150 percent on a monthly basis, while orders for self-guided tours expanded 126 percent, according to a report released by the company.

With the population once again on the move, tourism-related sectors including accommodation, transportation and entertainment are ready for a rebound, Zhang said.

“To spur the economy amid mounting downside pressure and disruptions from the pandemic, the government has not only introduced supportive policies but also fostered a better natural and business environment for SOEs as well as foreign and private companies in various sectors,” said Wan Xucai, a professor at Nanjing University of Finance and Economics.

From a long-term perspective, China's tourism and leisure industries must deepen risk management by improving service quality and innovating business models to promote healthy development, Wan said.



A DHHI employee (left) answers visitor's queries about smart robots during a high-tech exhibition in Dalian, Liaoning province, LIU DEBIN / FOR CHINA DAILY

Equipment maker DHHI to increase global market share via sustained innovation efforts

By ZHANG XIAOMIN
in Dalian, Liaoning
and ZHONG NAN in Beijing

With China on its way to build a group of world-class, benchmark, State-owned enterprises that are leaders in high-quality development, the country's SOEs have been accelerating innovation to further compete with established rivals around the world.

Dalian Huarui Heavy Industry Group Co Ltd (DHHI) recently rolled out the world's first dual-use equipment that can unload cargo from both open-top containers and open wagons.

The dual-use unloader was independently developed by Dalian Huarui, a locally administrated Shenzhen-listed SOE.

Wang Jinfu, deputy chief designer of DHHI, said the company was the first in the world to master such a maneuver.

“It has very broad market prospects as it can achieve a low cost transformation of the traditional convertible wagon market in a short period with good operational efficiency and equipment reliability,” Wang said.

During the research and development process, DHHI solved 12 design and technological problems, applied for 14 patents and so far has obtained four authorizations, Wang added.

The feasible technical scheme has been widely recognized by authoritative institutions and important customers such as China Railway Rolling Stock Corp, China International Marine Containers (Group) and CRRC Qingdao Sifang Vehicle Research Institute Co Ltd.

Relying on its patented technological advantages and customer confidence, the company signed the world's first dual-use unloader

supply contract for open-top containers and open wagons last year.

Cong Hong, president of DHHI, said the dual-use unloader is gradually becoming a new performance growth point for the company.

“Recently, DHHI successively signed supply contracts for dual-use unloaders with customers from Hebei province and the Xinjiang Uygur autonomous region, and a number of customers have expressed their intention to cooperate in the technical renovation of existing equipment,” Cong said.

DHHI will continuously consolidate the advantages of its traditional products and accelerate the R&D of intelligent, environmentally friendly, energy-saving new technologies and products, Cong added.

According to the company's semi-annual financial report released on Aug 28, DHHI's main operating indicators, such as operating revenue, new orders and payment recovery, all increased year-on-year as it closely focused on two main tasks — epidemic prevention and control as well as production and operations in the first half.

The company's first-half operating revenue increased by 32.56 percent year-on-year and total profit was 42.7 million yuan (\$6.25 million).

To maintain solid economic fundamentals, the central government has reiterated that policy measures and fiscal funds should be used to ensure the focus remains on the “six priorities” of employment, people's livelihoods, development of market entities, food and energy security, stable operation of industrial and supply chains and the smooth functioning of society to ensure stability in the six areas of employment, finance, foreign trade, foreign investment, domestic investment

“We will ... continue to focus on developing advanced technologies and service solutions to enhance the country's competitiveness.”

Ning Gaoning, chairman of Sinochem Group Co Ltd

and market expectations.

China National Nuclear Corp, a centrally administrated SOE, also announced that it started to load fuel last week at China's first nuclear plant with a domestically-developed reactor using Hualong One technology, a self-developed third-generation reactor design, bringing the unit one step closer to operation.

Loading began at the No 5 nuclear power unit in Fuqing, Fujian province, said Beijing-based CNNC. Hualong One reactors were jointly designed by two nuclear power giants — China General Nuclear Power Group and CNNC — and passed inspections by a national panel in August 2014. The nuclear power unit, which began construction in 2015, is expected to start operations this year.

The No 1 to No 4 nuclear power units of CNNC's Fuqing project entered commercial operations in September 2017, and have generated a total of 130 billion kilowatt-hours of electricity to date. Compared with power generation using fossil fuels, the four nuclear power units have cut carbon dioxide emissions by 105.44 million metric tons, CNNC said.

Eager to boost their earnings, both State-owned enterprises and private companies have significantly deployed capital and manpower into R&D to seize more market share both at home and abroad, said Ning Gaoning, chairman of Sinochem Group Co Ltd, a Beijing-based central SOE.

To better optimize the country's State-owned assets and build world-class SOEs that lead in high-quality development, Ning, who is also chairman of China National Chemical Corp (ChemChina) — another State-owned company — said the merger of Sinochem and ChemChina is in progress, and many internal studies and procedures are being undertaken.

“It is necessary and vital to complete this merger,” he said. “We will actively promote this matter and continue to focus on developing advanced technologies and service solutions to enhance the country's competitiveness.”

Through mergers, acquisitions and restructuring, State-owned capital should gravitate more toward emerging industries and advanced manufacturing, as well as other sectors that have a bearing on people's well-being and national security, Ning said.

In the past, the government paid more attention to the scale of SOE revenues, but in the next stage, more attention will be placed on SOE returns in areas such as net assets, margins, investment into R&D and added value so that SOEs will not only be leaders in terms of revenue scale, but stand out for development quality and efficiency, said Weng Jieming, vice-chairman of the State-owned Assets Supervision and Administration Commission.

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CRICC employees install steel structures at the exhibition center of the Tangshan Sea of Flowers project in Tangshan, Hebei province, on Aug 15. PROVIDED TO CHINA DAILY

By ZHENG XIN
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China Southern Power Grid's 800-kilovolt ultra-high-voltage direct current project that passes through the provinces of Yunnan, Guizhou and Guangdong as well as the Guangxi Zhuang autonomous region, had generated more than 1.39 billion kilowatt-hours of hydropower from Southwest China to supply southeastern areas as of Aug 17, said the company.

It has substantially eased pressure at the Wudongde Hydropower Station, the world's seventh-largest, during the flood season, while ensuring clean energy from Yunnan province is efficiently utilized and not wasted, it said.

Rao Hong, chief technical expert for the grid, said the system can improve stability, safety and flexibility to further support the transmission of electricity from west to east.

1,452 kilometers

total length of China Southern Power Grid's 800-kilovolt ultra-high-voltage direct current project

With a total length of 1,452 kilometers, the project transmitting hydropower has also offered power resources to the Guangdong-Hong Kong-Macao Greater Bay Area, thus helping promote its economic recovery.

The project, with a total investment of 24.26 billion yuan (\$3.47 billion), kicked off in December 2018 and is scheduled to be completed in 2021. Wei Hanyang, a power market analyst at Bloomberg New Energy, said the new UHV line will deliver power from Wudongde Dam, which is a major Yunnan site serving the Guang-

dong power market.

“Its technology in flexible DC is the first trial in China Southern Power Grid's territory, and will further clean up the energy mix in the coastal Greater Bay Area,” Wei said.

“After its completion in 2021, Yunnan will increasingly reconsider the idea of outbound delivery, because it is now hosting more energy-consuming industries than ever before. To reserve more hydropower for local development may be a next-step choice.”

Li Licheng, an academicien at the Chinese Academy of Engineering, said the world-leading project illustrates the country's UHV direct current technology has significantly improved.

The project will also provide experience for power grid development in other countries, Li said.

China Southern Power Grid said the project will provide green energy resources to areas that report

heavy power loads in the Guangdong-Hong Kong Macao Greater Bay Area, and will help with the economic recovery of the region.

The company constructs and operates power grids in five southern provinces and regions in China — Guangdong, Yunnan, Guizhou and Hainan and the Guangxi Zhuang autonomous region — with a total service area spanning 1 million square km and serving more than 252 million people.

The company sold 1,051.8 terawatt-hours of electricity last year, generating revenue of \$81.2 billion, with total assets reaching \$133.2 billion, it said.

With its grid spanning 2,000 km from west to east and a total installed capacity of 310 gigawatts, China Southern Power Grid operates eight AC and 10 DC projects in the West-to-East Power Transmission Project, with a maximum transmission capacity of 50 GW.