

SOE MATTERS

RIGHT TRACK



An Ansteel employee performs smelting operations at a steelmaking facility in Anshan, Liaoning province. PAN YULONG / XINHUA

State enterprises team up with foreign partners to lift growth

Automobiles, steel, renewable power industries among those in spotlight

By **ZHONG NAN**
zhongnan@chinadaily.com.cn

With the government pledging to enrich services and help solve operational difficulties for both domestic and foreign companies, China's State-owned enterprises are partnering with more foreign and domestic firms to remain competitive amid the economic fallout of the COVID-19 pandemic.

Ansteel Group Corp Ltd, a Liaoning-based centrally administrated SOE, signed a cooperative agreement last week with Dongfeng Nissan Vehicle Co — a joint venture between China's Dongfeng Motor Corp and Japanese automaker Nissan — to jointly develop technology solutions and new materials for application of new energy vehicles.

Tan Chengxu, Ansteel's chairman, said the company will cooperate in depth with Dongfeng Nissan in areas such as the research and development of new auto steel materials and high-strength steel certification to achieve win-win results.

Supported by seven manufacturing bases across China and iron mines in Australia, Liaoning and Sichuan provinces, Tan said that as the contagion and other disruptions have severely impacted the global economy, the group will build more partnerships with both overseas and domestic firms to build a three-pillar development platform of cement, new materials and engineering services to enhance its competitiveness both at home and abroad.

Eager to pursue sustainable development, China National Building Material Co Ltd — a Beijing-

based central SOE, has been working with Europe's Schneider Electric to introduce more digital solutions in its cement mills in China to cut energy usage and upgrade efficiency.

Wang Jie, vice-president and head of the corporate affairs and sustainability development division at Schneider Electric China, said this partnership has helped CNBM's cement plants save up to 5 percent of energy in their production and raise employee work efficiency by 15 percent.

"At Schneider Electric, we believe digital transformation is the most efficient way to realize sustainable development. The extensive use of digital technologies and new energy can not only help enterprises to improve production efficiency and thus improve economic benefits, but also reduce emissions, improve energy efficiency and encourage enterprises to implement more green innovation technologies", Wang said.

To put the country's economic growth on a firmer footing, the State Council released a guideline last week to roll out more measures to better protect foreign trade entities, support the local growth of foreign companies and keep supply chains stable. The guideline urged more support for high-tech industries and stressed the need to encourage foreign investors to invest in China.

China is not only Schneider Electric's second largest market, but also carries out plenty of technological innovation. All these factors offer multinationals strong confidence to enrich their presence in China, said Yin Zheng, executive

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Wang Jie, vice-president and head of the corporate affairs and sustainability development division at Schneider Electric China

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Despite the pandemic adding a number of uncertainties to the global economy this year, Schneider's spending in research and development surged 15 percent year-on-year in China in the first seven months of 2020. The company is also eager to recruit more local talent.

Boosted by momentum such as 5G, new infrastructure and next-generation factories, China's investment environment has become more attractive, Yin said, adding that the company has seen a large number of innovation results from its Chinese teams and SOE partners, and the commercial environment in many sectors has notably improved in China.

Supported by high-voltage technology from Switzerland's ABB Group, the Yunnan-Guizhou 11500 kilovolt direct current transmission line, developed by China

Southern Power Grid Corp Ltd, was officially put into operation in June.

As the world's first 11500 kV three-terminal power project in southern China, the line will effectively increase the hydropower consumption in Southwest China's Yunnan province and deliver more clean electricity to South China's Guangdong province.

ABB also contributed to the construction of the Kunlilong 11800 kV DC power project, another transmission line owned by CSG, to transfer power from southwestern to southeastern China. The project currently is in early phase production.

ABB provided key technologies, including DC dry capacitors, semiconductors and high-speed switches. It will ensure reliable and efficient clean energy transmission with optimal power quality and minimal losses from Yunnan Wudongde Hydropower Station to the Guangdong-Hong Kong-Macao Greater Bay Area and the Guangxi Zhuang autonomous region.

The 1,452-kilometer Kunlilong project is the world's first ultra-high-voltage multiple terminal DC project to adopt VSC-HVDC (high voltage direct current) technology, reaching 8 million kilowatts capacity, said Li Licheng, a member of CSG's expert committee and an academician at the Chinese Academy of Engineering.

"The two major power projects developed by CSG are essential to promote the consumption of clean energy and coordinate regional development. Although facing great challenges amid the pandemic, we worked closely with our local partners and strongly supported the project to operate as scheduled," said Zhang Jinquan, senior vice-president of ABB Group.

Infrastructure projects in epidemic areas get Chinese helping hand

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

With many countries making notable progress in containing the spread of the COVID-19 pandemic, China's State-owned enterprises have begun to organize chartered flights to ship experts and workers abroad to support local infrastructure and economic development.

The Dalian branch of China Railway No 9 Group Co Ltd, a subsidiary of China Railway Group Ltd, flew 88 of its employees to Belgrade, Serbia, last week.

Carried by a Hainan Airlines charter flight, they will be quarantined for 14 days after arriving in the Balkan nation, after which they will participate in the technical upgrading of a copper mine, said Meng Qingyi, head of the company's Dalian branch.

Meng said the firm has made full preparations for the chartered flight. All employees have undergone nucleic acid tests and received professional training in production safety and epidemic prevention.

"We also sent health kits, medical treatment and food supplies to the Serbian project," he said.

Following the tangible growth of the Belt and Road Initiative, the company has been developing markets in Europe, Asia, Africa and South America. It won the bid for engineering work of two copper mines in Serbia last year, marking the first time the company entered the Serbian market.

However, construction progress was seriously delayed due to the contagion and limited flight availability.

Hainan Airlines immediately formulated a service plan, said Li Quan, general manager of Hainan Airlines' Dalian branch.

Through close communication with Dalian International Airport, Customs, border inspection and port offices, Hainan Airlines helped guarantee smooth departure of the chartered flight amid strict epidemic prevention measures.

"We will continue to actively provide chartered flights for companies needing to resume production abroad," Li said.

In addition to sending more than 50 technicians and workers to continue construction of Pakistan's Karot hydropower project late last month, Power Construc-

tion Corporation of China (PowerChina) shipped 57 staff to Bosnia and Herzegovina to support power projects there last week.

As the whole world is facing an economic downturn, maintaining market share overseas has become a critical mission for SOEs, especially during the pandemic era, said Yao Qiang, the company's vice-president.

Building sound infrastructure projects such as roads, power stations and ports will also help host countries create jobs and commercial opportunities while also improving people's living standards and boosting trade flows, Yao said.

The Beijing-based group also delivered an 18.5-kilometer highway project to a client in the nation of Georgia last month.

Since the project started construction in March 2016, PowerChina's team has successively overcome several technical issues on the geologically challenging project.

After 52 months of construction, the new two-way, four-lane highway project shortened local travel time by between 20 and 30 percent, greatly improving existing traffic efficiency and driving regional economic development, Yao said.

He said the company's subsidiaries — including Sinohydro Group — started building a hotel and apartment project in Saudi Arabia last month.

The owner of the project is a unit of Dhahran Techno Valley Holding Co, a wholly-owned subsidiary of the King Fahd University of Petroleum and Minerals in Saudi Arabia.

Located in Dhahran, Saudi Arabia, the project covers a total construction area of about 55,000 square meters.

It will see the development of a 10-floor four-star hotel and apartment complex, including 216 hotel rooms and 118 apartments, as well as a restaurant, gym, swimming pool, meeting room, stadium and underground parking lot.

The press office of Beijing-based China Communications Construction Co Ltd, another centrally administrated SOE, also announced that it recently sent 139 workers and experts via chartered flight to Kyrgyzstan to support two local road projects.

Contact the writers at
zhangxiaomin@chinadaily.com.cn



An employee of China Railway No 9 Group shows his health kit to an airport staff before boarding a flight to Belgrade, Serbia, in Dalian, Liaoning province, on Saturday. ZHANG XIAOMIN / CHINA DAILY

SIX PRIORITIES

CNPC steps up efforts to boost natural gas stocks

By **ZHENG XIN**
zhengxin@chinadaily.com.cn

China's energy giants are stepping up efforts to boost natural gas supplies with winter approaching, as demand has seen sharp increases in North China during the colder months.

China National Petroleum Corp (CNPC), one of China's top three oil giants, said it has filled 97.8 percent of its Dagang oilfield natural gas storage cluster and is expected to have the cluster fully filled by the

7.68b
cubic meters
total capacity of Dagang oilfield natural gas storage cluster

end of this month to ensure natural gas demand in the Beijing-Tianjin-Hebei region.

The cluster, with a total capacity up to 7.68 billion cubic meters and working capacity of 2.3 billion cubic meters, is expected to provide 2.1 billion cubic meters of natural gas dur-

ing the upcoming winter to the Beijing-Tianjin-Hebei region, said the company.

Consisting of 10 gas storage facilities, the Dagang oilfield gas storage cluster has been in operation for almost 20 years, with an accumulated gas storage capacity up to 28.4 billion cubic meters, it said.

The country's energy majors have been ramping up output to ensure sufficient gas supply. CNPC, the country's largest natural gas supplier and operator, has been giving pri-

ority to residential gas and guaranteeing industrial gas in key areas, expanding upstream gas production and enhancing capacity for transportation and distribution to help northern regions fight the winter chill.

CNPC produced 150.3 billion cubic meters of natural gas in 2019, with domestic production reaching 118.8 billion cubic meters — a year-on-year increase of 8.6 percent.

Li Ziyue, an analyst with BloombergNEF, said national oil companies have sought to ensure

natural gas supply in the coming winter.

"The January-July gas output by China's top three oil and gas giants increased 9.5 percent compared with the same period last year despite the COVID-19 impact," Li said.

"On the other hand, CNPC and Sinopec are pumping up their gas storage facilities before the winter, which has played a key role in balancing the seasonal and regional gas consumption imbalance."

Another domestic oil and gas behemoth, China Petroleum and Chemical Corp (Sinopec), has also beefed up gas storage to meet increasing demand during the peak

winter consumption period.

The company's total gas storage at its Wen-23 underground storage facility — built from a depleted gas field in Henan province — reached 6.16 billion cubic meters, with an effective working capacity of 1 billion cubic meters. The facility will largely meet gas demand from Beijing and Tianjin as well as the provinces of Hebei, Shandong, Henan and Shanxi, it said.

With a total designed storage capacity of 10.4 billion cubic meters, its peak load regulation capacity has reached 13 million cubic meters per day, and will be able to satisfy gas demand for 26 million households, it said.