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“Summer Davos” in Asia
Annual Meeting of the New Champions 2016
Theme: The Fourth Industrial Revolution and Its Transformational Impact
Tianjin, 26-28 June

Tianjin: Innovation-Oriented Development

The beautiful port city of Tianjin will be the proud host of “Summer Davos” in Asia: Annual Meeting of the New Champions 2016. Tianjin secured an annual average GDP growth rate of 12.4 percent in the past five years, the highest in the whole country. Tianjin is now under the world spotlight for its rapid economic expansion against the backdrop of a sluggish global economic situation.

Looking forward, Tianjin will continue to promote the benefits from the FTZ, further innovate the system, build upon economic momentum, inject new vitality, coordinate regional development, and better serve the nation’s One Belt and One Road Initiative so as to make a fundamental contribution in achieving economic prosperity for the entire country.



A glimpse of Jinwan Square at the bank of Haihe River

By Wu Ziran

Before this year's Summer Davos is held, the Economic Daily interviewed Huang Xingguo, Mayor of Tianjin Municipality.

Currently, the Chinese economy has entered the stage of the “new normal.” In order to achieve the goal of creating innovative, coordinated, green, open and shared economic development, we need to vigorously push forward supply-side reform. What do you think of this approach? What will Tianjin do to achieve the goal?

If you take a look at the bigger picture here, the new normal is the situation we find ourselves in, the development goal is our target, while supply-side reform is the path toward this. Bearing in mind our objectives, we must come up with new measures and policies to support businesses in accordance with state-level guidelines and local conditions.

In my opinion, supply-side reform means the creation of new driving forces of development through innovation, while generating diversified development advantages. It also means to carry out structural reform so as to cut back on ineffective and low-end supply, while expanding effective, green, medium- and high-end supply. To put it this way, our work will be focused on land, capital, labor, and science and technology. We will strive to cut excess industrial capacity, decrease inventories, and get rid of leverage, while encouraging new and emerging industries, scientific innovation and the advanced service industry.

Taking Tianjin's local conditions into consideration, we have been giving top priority to eight areas of development so that Tianjin could maintain its current momentum for economic expansion.

First, we will dedicate more resources

to the construction of major projects and projects that will benefit peoples' lives. That includes advanced manufacturing in the areas of equipment manufacturing, aerospace science and technology, information technology, bio-pharmaceutical, and new energy. Additionally, modern service industries such as finance, logistics and R&D will be targeted. Tianjin will strive to provide better conditions for investment so that potential projects can be constructed and become operational as soon as possible. We look forward to these new projects to bring fresh impetus to our economy and help optimize our economic structure.

Second, we will create a “small giant 2.0” version of scientific and technological development. One of our major targets this year is to “upgrade” our economy. We will help grow and expand small science and technology-oriented companies in order to tap into their great potential. They will then help phase out obsolete production and spur new development.

Third, the expansion of commercial real estate will be encouraged. The number of buildings which generated taxes of over 100 million yuan reached 170 last year. This year, more functions will be added to those buildings and a target has been set to build 200 more such buildings.

Fourth, more than 10,000 enterprises will either be upgraded or transformed. The first batch of companies will have finished being upgraded or transformed this year. In the meantime, Tianjin has formulated a series of policies for manufacturers to upgrade their facilities through financial leasing. It is estimated that we will be able to introduce advanced facilities of up to 60 billion yuan in the 2016-17 period.

Fifth, we will continue our cam-



Huang Xingguo, Mayor of Tianjin Municipality

paign to help small- and micro-sized companies to engage in innovative and job-creating activities. One of our chief policies was to establish a compensation mechanism for lending risks imposed on banks — 50 percent of non-performing loans (NPL) borrowed by small- and micro-sized companies will be covered by local fiscal revenue. It was a compassionate move and brought about a desirable effect — loans to small- and micro-sized companies grew 30 percent in 2015, compared with that of the previous year. This year, the policy is even more favorable for companies and banks — a greater proportion of companies are covered and can be compensated in advance. Meanwhile, 70 percent of NPL from technological, export, and agricultural small- and micro-sized companies will be covered by local fiscal revenue.

Sixth, we will overcome all difficulties in the cost reduction of all companies involved in the real economy. In accordance with Central Government requirements, we recently launched the first 20 measures aimed at cost

reduction. We have worked out four ways to lift the burden of our companies: granting tax incentives, enlisting help from financial institutions, strengthening reform and tapping into the potential of the companies themselves. It is estimated that financial burdens of up to 48 billion yuan will be alleviated from the companies.

Seventh, we will strive to develop green manufacturing. Tianjin is encouraging 10 major projects which feature “recycle, reuse and reduce” for solid industrial waste and other recyclables. We will speed up the industrialization of reusing recyclables, foster several new industries, and promote a recyclable economic pattern suiting Tianjin's conditions. Then, we will actively revamp energy-intensive industries and promote energy-conservation in all types of industrial parks. Tianjin will make a concerted effort to become a showcase city for the green economy by developing new energy, building green logistics for APEC, and upgrading the industrial system.

Last but not the least, we will push through institutional reform in 10 areas. The supply-side reform requires institutional innovation so as to reduce the cost of transactions related to institutional barriers. Tianjin has made some headway in that regard in the past few years. We must now make sure the reform measures will be effectively carried out. We should also think outside the box to keep Tianjin ahead of other cities in China.

The coordinated development of the Jing-Jin-Ji (Beijing, Tianjin and Hebei Province) area is one of the major national development strategies. What has Tianjin done for its part? What kind of breakthroughs have we made?

The Tianjin Municipal Committee of the Communist Party of China and the Tianjin Municipal Government have both attached great significance

to the strategy and have taken concrete measures to achieve this lofty goal in accordance with the Central Government guidelines.

We are fully aware of the strategy's complexity and will grasp every opportunity to contribute to this. In the past two years, we've made remarkable achievements in key areas such as transportation, environmental protection and industrial capacity cooperation.

Our integrated transportation network has been upgraded and transformed. We have been vigorously upgrading our public transportation system including railways, roads, ports and airports.

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