

Branding initiative triggers city rejuvenation

► Yantai has seen huge knock-on benefits across various sectors

By **MU ZHIYONG AND ZHAO RUIXUE**

Yantai, a coastal city in east China's Shandong province, is claiming great success in its bid to develop a range of regionally-branded products.

The city is now home to 28 leading Chinese brands, 171 leading Shandong brands, 28 Chinese famous trademarks and 211 well-known Shandong trademarks.

The lead in developing this brand initiative has been taken by five renowned Yantai-based businesses – Changyu Wine Group Co Ltd, Longda Food-stuff Group Co Ltd, Luhua Group Co Ltd, Wellong Grape Wine Co Ltd and Jinhua Vermicelli Co Ltd.

The city's most well-known branded products – Yantai apples, Yantai wine and Longkou bean vermicelli – are now under the protection of the Products of Origin by the State Quality Supervision and Inspection and Quarantine Administration. A "product of origin" refers to

a product featuring defining characteristics from the place of production in terms of quality and reputation.

Thanks to the system of Product of Origin, which protects designated products from infringement by counterfeiting both at home and abroad, these three Yantai products have brought huge benefits to the city.

Changyu Wine, an important component among the Yantai Wine brand portfolio, has won 16 major international prizes and 20 national prizes. The Changyu Wine Group Co Ltd in the city is now the largest producer of wine in China, accounting for 23 percent of the country's wine market.

The Yantai Wine brand has attracted more than 50 well known wine makers to establish facilities in Yantai, making the city one of the world's top seven coastal grape planting areas and one of China's top three vineyard centers.

The Yantai International Wine Festival, held every two

years, has become a platform for worldwide winemakers to showcase their latest products and for investors to find business opportunities. This September's wine festival saw Yantai sign agreements with 24 foreign-funded businesses, accounting for a total investment of \$710 million. It also attracted 11 domestic-funded contracts, representing funding of 10.38 billion yuan.

Yantai's brand-building initiative has resulted in an all-round upgrade for the city, including its political, social and cultural development. This has seen city win almost all of the substantial prizes awarded by China's authoritative institutions. These include the National Civilized City, the National Garden City, the National Excellent Tourism City, one of China's top 50 cities of comprehensive strength, one of China's top 10 cities for living quality, a UN Habitat Scroll and one of China's Gold Medal Cities, in terms of its investment environment as defined by the World Bank.

These honors, seen as testaments to Yantai's defining qualities, have made the city a popular destination for both investment and relocation.



Yantai by night: one of China's most dynamic coastal cities.

Since 1997, the city has hosted a wide range of economic exchange events, many of them related to Asia-Pacific Economic Cooperation (APEC).

Yantai has been chosen as the host city for the International Fruit, Vegetable and Food Exposition by the United Nations Economic and Social Commis-

sion for Asia and the Pacific. Over 70 of the world's top 500 companies have now established a presence in the city. Its international prominence has also

seen more than 40,000 Korean nationals move to live in the city, creating residential and business centers with distinct Korean characteristics.

Economic zones boost Yantai's global standing

By **LIU XINGLIN AND JI YUAN**

Yantai, an international port city on the eastern coastline of Shandong province, is renowned throughout China for the success of its economic zones.

Back in 1984, the city was one of China's first coastal cities to embrace the opening up policy. The city now has 14 economic zones – 12 at a provincial level and two at a State level, the Yantai Economic and Technological Development Zone and the Yantai Bonded Port.

Assessing the zones' significance, Sun Yongchun, Party chief of the Yantai municipal committee said: "By the end of 2008, the gross industrial output value of the economic zones accounted for 47.8 percent of Yantai's total. Their exports and imports represented 83.8 percent of the city's total, whilst foreign investment in the zones accounted for 77.8 percent of the overall figure."

Yantai is now one of the fastest growing cities in the country. In 2008, the city's output value increased by 13.6 percent year-on-year to 343.42 billion yuan. It was among the top 20 Chinese cities and ranked No. 2 in the province in terms of total output.

According to a report released by the Chinese Academy of Social Sciences in April, eight Chinese cities are now included in the top 10 of the world's fastest-growing cities, with Yantai numbering among them. It was also selected as one of the 60 representative cities for excellence in urban development on the occasion of the 60th anniversary of New China's founding.

Yantai is now one of the most attractive destinations for overseas investment, with its economic zones and industrial parks as the major driving force behind this boom. According to local statistics, 50 of the world's top 500 multinational corporations – including LG, GM, Henkel, NEC, Toshiba, Hitachi and Mitsui – have opened operations in the zones, making the city a truly global manufacturing center.

At the same time, local businesses have also continued to grow. Hongfutai Precision Electronics (Yantai) Co Ltd, Langchao LG, General Motor (Dongyue) Auto Company, Doosan Infracore and Yantai Dongfang Stainless Steel Industry Co Ltd are now all key players in the Yantai economy.

The Foxconn Technology Group (Yantai) is a typical example of the kind of investment project that has flourished in the



Expanded production units in the city's auto industrial park.



Grape expectations: the Changyu branded wine vineyard.

Yantai economic development zone. Despite the worldwide economic crisis, the company generated more than 6 billion yuan in business income in 2008 and became the province's largest foreign trader.

With a robust expansion momentum, the city has launched a series of hi-tech projects including a number relating to gaming devices, mobile phones and LEDs. It expects output from this sector to surpass 100 billion yuan this year.

With its five key industries – automotive, cell phones, computers, shipbuilding and equipment and machinery manufacturing, Yantai has grown into a key national production center across these sectors.

Yantai ranks eighth on the list of the top 10 national export-oriented processing zones. The city's Zhaoyuan Development Zone is among the top 10 of the 145 provincial-level development zones in the province. It was also awarded the accolade of "scientific development park", together with another four development zones – Longkou, Penglai, Laizhou and Laishan.

New development strategies, such as marine economies and high-end industries on the Shandong Peninsula, continue to bring fresh opportunities to the city. It is now aiming to build a scientific and technological CBD and a new city to take advantage of the coastal ecosystem.

Myth-enshrouded 'coastal gem' attracts 24 million annual visitors

By **CHENG XIANFU AND DAI YAN**

Yantai, a coastal gem set in the northeastern Shandong province, has long been famed for its natural beauty and rich mythical past.

Perched on the south bank of the Bohai Bay and the Yellow Sea, Yantai has a coastline stretching for more than 900 km, 63 islands, and a 100 km of golden sandy beaches. Its blue sea and golden coast, combined with its meandering array of islands, make the city a true wonderland.

On the Zhifu Island, part of Yantai, there are historical sites dating back more than 2000 years. The Emperor Qin Shihuang, the first emperor of the Qin Dynasty (221-206 BBC), is said to have landed on the island three times during his quest for the elixir of everlasting life. Climbing across Zhifu Island, overlooking the blue sea and sky and bathed in the sun's warming glow, you will understand just why the emperor believed he would find true magic here.

Looking from the east of the Zhifu Island, a string of islands are scattered across the sea, including Yangma Island (or Feeding Horse Island), which earned its name as Qin Shihuang regularly had his horses fed there. The island has now become a health resort and has been described as the "Oriental Hawaii". Nursing homes, hotels and other tourist facilities have all been established on the island.

About 60 km west of the city center are the Changshan Islands, consisting of scores of small islands. Increasing numbers of tourists are attracted here by such scenic sites as the Bird Island, the Seal Reef and the Temple of Poseidon. In the summer, apparently, mirages occasionally appear out at sea, enhancing Yantai's mysterious

and enticing atmosphere. It is small wonder that ancient Chinese poets and writers depict the place as a marine wonderland.

Between Yangma Island and Sanshan Island (or Three-Mountain Island), there is a golden coast of more than 100 km, something of a rarity in China. Along the beach are a vast number of vineyards and European-style wineries. Around 30 percent of Chinese wine is produced here, making it the seventh largest grape coast in the world.

Some 50 km to the southeast of Yantai city, there is the 922.8 m high Kunyu Mountain, the highest peak on the Shandong

Peninsula. The mountain features a forest of nearly 4,700-hectares, creating a large natural oxygen bar and an irresistible leisure travel destination.

Pleasant climate, humid sea breezes, mountains and oceans, grape wine and more than 100 kinds of delicious seafood all combine to make Yantai a colorful city for tourists.

Yantai has received a number of honors, including a United Nations Habitat Award and China Habitat Environment Award, both of which help to attract more tourists from home and abroad. The city now welcomes more than 24 million tourists annually.



Bird Island: a popular tourist destination. It boasts a wide variety of bird species and a well preserved ecological system.



The Yantai Economic and Technological Development Zone: the driving force of the city's growth.

Sister cities program proves bridge for international exchanges

By **CHEN XIAOLING AND WANG QIAN**

Yantai in Shandong province and San Diego in the United States became sister cities in July 1985. Since this initial twinning, Yantai has established friendly and cooperative relations with 17 overseas cities in 11 countries, including South Korea, Japan, Russia and Britain.

Song Haiping, vice-chairman of Yantai Friendship Association, said: "The bridge of friendship linking Yantai and its sister cities has served as a key means for the city to strengthen international exchanges and cooperation."

Since Yantai was twinned with San Diego, the two cities have launched a range of exchange activities, across the fields of economics, culture and education.

Since 1989, the San Diego-Yantai Friendship Association has sent delegations to visit Yantai on many occasions. In 1993, the Yantai Port and the San Diego Port established mutual relations, promoting trade exchanges and cooperation.

The past 20 years has seen Yantai, together with its 17 sister cities, hold over 100 exchange activities, across the sectors of culture, sports, community, investment as well as celebrations of major occasions. All of these exchange activities have

significantly enhanced their friendship and mutual understanding.

A large number of Peking opera troupes, song and dance troupes, youth martial arts schools, art troupes, painting and calligraphy delegations, as well as photography associations have visited these cities as part of several interchange programs. This has been part of a bid to promote Yantai's urban profile and reputation.

In September 2005, the Yantai municipal government presented the statue of the Eight Immortals Crossing the Sea to Beppu, its Japanese twin city, in order to deepen their friendship.

Apart from success in cul-

tural exchanges, these sister cities have also provided a significant boost to the city's international convention and exhibition industry.

From 1997 to 2009, more than 50 delegations from these sister cities visited Yantai to attend a raft of international commercial and cultural tourism events, including the East Asian Trade Fair and the Yantai International Wine Festival.

Backed by governments and civil organizations, Yantai has staged more than 50 interchange activities in these sister cities in the economic, cultural, scientific, technological, educational and sporting sectors.

The past five years has also

seen Yantai stage 30 trade fairs, promotional conferences and investment seminars, resulting in turnover of tens of millions of US dollars.

During this period, Yantai has benefited from 50 new hi-tech projects, the arrival of high-quality planting and breeding specimens as well as from 100 sets of sophisticated hi-tech equipments – all arranged by one of its twin cities.

Businesses from twinned cities in Japan, the United States, South Korea and other countries have also set up a range of wholly-owned companies and joint ventures in Yantai, representing a total investment of \$500 million.

In December 2007, a Yantai

fishing delegation paid a visit to Tauranga, one of its sister cities in New Zealand. Whilst there they signed an agreement regarding seawater seedlings and breeding and also negotiated a contract to develop 2,000 hectares of sea area in New Zealand, worth an investment of 300 million yuan.

Over the years these international friendly cities have offered a number of free training places and provided Yantai with some 90 specialists in the fields of agriculture, fisheries, foreign trade, medical treatment, electronics and languages.

Some 18 doctors, nurses and technicians in the Yantai Development Zone Hospital also

received free training from Japan's Hotou Hospital.

Yantai, along with its sister cities, also holds a series of exchanges activities aimed at human resources development. Yantai has now employed some 50 civil servants and teachers from these friendly cities.

Beppu City in Japan has taken on board seven civil servants and 30 researchers in the sectors of agriculture and hospitality from Yantai, which in return has accepted seven civil servants and 65 self-financed overseas students.

Three friendly cities in South Korea, together with Yantai, have now carried out reciprocal exchanges of civil servants.