



Lin Chunwei, CEO of Fantian Industrial Design.



Syntio Camilleri, general manager of Wanda Vista Shenyang.



Wang Shengjun, founder of Munuo Ecology in Shenyang.



Yang Fan, a coordinator at the service center of Shenyang registration center.



Yang Shuo, owner of Bo Shi Wen Chang, an artists' materials business.

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"The northeast region of China is famous for its rich black soil, and we have very good agricultural produce, better than in the south of the country," he said. "I want to promote the agricultural produce of my home region around the world, and this is one of the reasons why I started the company."

Fantian Industrial Design is a business that the new FTZ would like to encourage to develop.

It started out as an advertising company but moved into manufacturing design in 2007. It has since won 12 Red Star Design Awards, the prestigious Chinese awards. Its designs include the robotin, a robot that can act as a guide at exhibitions.

Lin Chunwei, the company's

46-year-old CEO, is mulling whether to relocate the company, which employs more than 60 people, into the zone.

"Our company is still growing and we wouldn't want to miss an opportunity to boost the development of the company. We are looking at what sort of supportive policies will be introduced."

Lin, however, is not convinced that establishing an FTZ is the right way to help restructure the economy of the region.

"I think creating a better environment for businesses to operate in generally might do more for the northeast's economy. We would like to see a business environment where there are fewer limitations, regulations and rules, especially for pri-

vate companies, so they can develop more freely and be more creative."

Zhang Shu, Fantian's 36-year-old brand director, said that if the FTZ is to focus on robotics, it should build on the region's existing industrial strength.

"I certainly hope that Shenyang could be a center for the robotics industry in the future, but there are many types of robots and I think Liaoning as an industrial area should focus on industrial robots and leave the humanlike service robots to places like Shanghai."

In fact, the FTZ is expected to be a boost to the services sector in Shenyang as the city receives an influx of people to work in the zone.

Syntio Camilleri, the 53-year-old Maltese general manager of Wanda

Vista Shenyang, is gearing up for extra business, from short- and long-term stays.

"We are very optimistic about the launch of the new FTZ, which will bring in more companies to the region, and hence there will be a multiplier effect that hotels will benefit from."

He said that his hotel already hosted guests from BMW, with many staying for six months at a time.

So far, the FTZs have been an indication of the future direction of policy outside the zones. For example, there has been a reduction of the number of sectors on the negative list.

Falk Lichtenstein, a Beijing-based partner at law firm CMS, said there are risks in this policy

for the FTZ's policymakers.

"Foreign companies were allowed to do motorcycle manufacturing in 2014 in the Shanghai FTZ, but within less than 24 months, they were then allowed to set up anywhere in China and somewhere that may suit them better logistically," he said.

"In the future, they may just look at the policy regulation operating in the zones and expect there to be a similar change in national policy a few years later."

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Cai Shiyu also contributed to this story.

Liaoning looks to its strengths

FTZ will help region revitalize its economy and strengthen its position as a logistics hub for the northeast

By **ANDREW MOODY**
and **ZHANG TONGTONG**

Li Liming hopes the new free trade zone status will attract foreign companies to the northeastern city of Shenyang.

The 54-year-old deputy manager of the Shenyang Area (Liaoning) Pilot Free Trade Zone believes foreign investment could be the key to upgrading the local economy.

"The main aim of the FTZ is to boost the regional economy by both bringing foreign companies into the country and by sending domestic companies out."

The Liaoning FTZ — one of seven new zones launched by the Chinese government in April — has so far attracted investment from 53 foreign companies.

The aim of the zone is to specialize in six areas: intelligent manufacturing, aviation, automobiles, spare parts, logistics and modern services.

"We have so far brought in companies from the US, Germany, Aus-



Li Liming, deputy manager of the Shenyang Area (Liaoning) Pilot Free Trade Zone. JIANG MENG / FOR CHINA DAILY

tralia, South Korea and Hong Kong," Li said. "They are in trade, trade finance and consulting."

He said the aim is to promote the FTZ through economic and trade representatives in various countries,

visits by Chinese leaders, and connections with local chambers of commerce.

He said that foreign companies already understand the concept of FTZs in China.

"Many of them already have had the experience of working with an FTZ. The aim is for the services provided by all the FTZs to be cohesive and similar."

Li, said, however, that Liaoning intends to take its own approach.

"We can learn from the FTZs already launched, but each FTZ is in a different location with its own features, so not everything can be adapted by Liaoning."

He hopes the FTZ will play an important role in the Belt and Road Initiative, China's trade and infrastructure plan to revitalize the historical Silk Road routes.

"Shenyang is the only logistics hub in the northeast region," he said. "It is also an established industrial base accustomed to sending out its output to other countries. In addition, Shenyang's railway classification yard is the largest in Northeast China, and it can connect the region to Europe."

Li, who took over his current role in December last year, has been with

the Shenyang local government since 1997. He was previously in charge of developing economic and trade links with Southeast Asia.

He said that many people make the mistake of thinking that Shenyang is in decline because of the region's dependence on heavy industry and State-owned enterprises.

"Economically, it is a lot more prosperous than when I was growing up," he said. "The phenomenon of industrial decline is a gradual process, and it is only actually declining in relation to other sectors. Many areas of the economy are actually developing."

Li believes the Liaoning FTZ is strategically placed because of its proximity to the other northeast provinces of Heilongjiang and Jilin, as well as the Inner Mongolia autonomous region, South Korea, Japan and Russia.

"In many ways, because of Shenyang's special geographical place, it provides a pathway to a very important region."