

Eastern province's rich history of sea-based trade and cultural exchange makes it an ideal fit with nation's key global initiative

By **DENG YANZI**
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When Marco Polo traveled across China in the late 13th century, port cities in the eastern Fujian province amazed him with their bustling trade.

The Italian merchant and explorer described Quanzhou as "one of the two ports in the world with the biggest flow of merchandise" and Fuzhou "an important center of commerce in pearls and other precious stones".

These Fujian cities served as crucial ports in the ancient Maritime Silk Road, a trade route that connected China to Southeast Asia, India, Egypt, and finally Europe, by sea, transporting Chinese porcelain, silk and tea to faraway corners of the world.

More than 700 years later, Fujian is once again a core area in the nation's newly revived 21st Century Maritime Silk Road, the maritime component of China's Belt and Road Initiative.

Aiming to create mutual benefits for China and countries along the route, the Belt and Road Initiative, proposed by Chinese President Xi Jinping in 2013, seeks to connect the world through trade and economic cooperation as well as cultural exchanges.

The enterprising Fujianese people are of natural importance in the mission. The historic trade center has nurtured a group of strong-willed and adventurous entrepreneurs looking for opportunities at home and abroad. Sometimes dubbed "the Jews of China", the Fujianese are known to be keen explorers in foreign lands.

According to the Overseas Chinese Affairs Office, more than 15 million Fujianese descendants are scattered across 176 countries and regions around the world. Among them, Southeast Asia hosts the biggest Fujianese diaspora of 12 million people.

As a key region in the Belt and Road, Southeast Asia is a close partner in trade and investment ties with China. Fujian, designated as a "core area" in the initiative, is set to bolster the economic and cultural bonds.

"The fortune of history and the opportunities of the present have consolidated Fujian's position as a core zone on the Belt and Road Initiative," said Professor Huang Maoxing, head of the School of Economics at Fujian Normal University.

Fujianese descendants in Southeast Asia act as a special link between China and the region, he added.

"They will make a crucial contri-



A ship docks at the Haitian Containers Terminal in Xiamen, East China's Fujian province. The port city is crucial to the 21st Century Maritime Silk Road.

PHOTOS PROVIDED TO CHINA DAILY ASIA WEEKLY

Pivotal role in trade network



Professor Huang Maoxing, head of the School of Economics, Fujian Normal University.

but ion to the initiative's practice in Southeast Asia, an important segment of the Belt and Road route, for the historical trade and cultural ties."

Official data from Xiamen Customs show that the Association of Southeast Asian Nations (ASEAN) was the second-largest trading partner of Fujian province, following the United States, by October 2017.

Trade volume with ASEAN countries in November reached a record high at 20 billion yuan (\$3.15 billion), pushing the volume of the first 11 months of 2017 to 176 billion yuan. It posted a growth rate of 19 percent compared to the previous November, with a 43 percent rise in imports from ASEAN.

The Philippines remains Fujian's biggest trading partner among ASEAN and Belt and Road countries. In 2017, Fujian's imports from countries in the initiative enjoyed an upsurge of 42 percent, driving the total trade to 281 billion yuan.

Foreign investment in Fujian is also stepping up, but at a steadier pace. In 2017, 57 billion yuan of foreign direct investment was realized in Fujian, a growth of 8.2 percent compared to the same time last year.

The ASEAN bloc posted 130 percent year-on-year growth in its 3 billion yuan investments in Fujian last year.

Business communities with ethnic

roots in Fujian or broadly in China have been the strongest driver behind the investments.

According to the Fujian Overseas Chinese Affairs Office, investments by the overseas Chinese business community to Fujian from 2012 to 2017 reached \$32.4 billion, representing more than 80 percent of the province's foreign investments.

When Jinjiang-born entrepreneur Lin Jinzhong expanded his engineer contracting business from Xiamen to Southeast Asia and even Africa in recent years, he would always reach out to businesspeople of Fujian descent first.

"You can't do business if you don't know anyone in a new country, because you need to understand the market and the potential clients and projects there. It makes it a lot easier to have Fujianese businesspeople in all corners of the world, even if it's a small town in Africa," Lin said.

Lin is the owner of Xiamen Zhongguo Industrial Group, which started as a stone quarry company based in the provincial capital exporting raw materials and stone products to Southeast Asia and Europe.

His company was among the first batch of exporters authorized by the government to sell to ASEAN countries in 1999, Lin recalled.

The Southeast Asian market was unselective and eager to take in everything Fujian's stone industry offered at that time, but it has now grown into a highly competitive market that requires innovative products, he said.

In recent years, Xiamen Zhongguo Industrial Group has changed its strategy and taken up subcontract decoration projects in developing economies along the Belt and Road,

including Azerbaijan, Kazakhstan, Vietnam, Cambodia and the Philippines.

Lin's biggest contracts include a \$300 million hotel project in Azerbaijan, as well as a sports stadium and expo venues in Kazakhstan. A sense of bonding boosts Lin's confidence in entering lesser known markets as the Belt and Road links the countries together.

"The Belt and Road Initiative can bring the overseas Chinese communities into full play, as the group will function as the bridge of information," said Lin.

Apart from the existing ethnic ties, local Fujianese entrepreneurs are also acutely aware of the importance of introducing foreign cultures from countries along the Belt and Road to Fujian and China, to encourage two-way cultural exchange in the initiative.

Wang Chunfeng, president of Xiamen-based conglomerate Lead Holding Group, told *China Daily Asia Weekly* about its plans to bring top circus performers from Russia, as well as international pop artists, to China this year.

"Cultures need to communicate and exchange with each other, and that's how we get the best qualities out of them," he said.

As for unfamiliar markets with distinctive cultures, Fujianese entrepreneurs are not a bit hesitant to explore.

Yao Ming, president of Yama Ribbons and Bows Co, a major ribbon maker in China, is banking on opportunities that India's huge market and labor population are opening up. Yao's factory has been operating in the eastern Indian city of Visakhapatnam for three years,

providing 400 jobs for the local community.

The company also plans to invest 200 million yuan in the construction of an industrial park, to establish a better value chain for manufacturers in the area.

The labor costs in India are very competitive for the labor-intensive industry, Yao said.

To mitigate the rising labor costs in China, Yao expanded production to India, paying factory workers a monthly salary of 700 yuan including allowances, which is higher than the average level in the area, according to the company president.

This decision to expand and invest in India was precipitated in 2013 at the annual China International Fair for Investment & Trade (CIFIT), a signature investment event in Xiamen to connect Fujian entrepreneurs with foreign investors, especially the partners in ASEAN and Belt and Road countries.

More than 40 Belt and Road countries, including the majority of the ASEAN bloc, participated in the investment fair in 2017, with themed pavilions dedicated to ASEAN countries, according to Wang Qiongwen, director-general of Xiamen's Convention and Exhibition Bureau.

The aim is to facilitate trade, investment and cultural exchange between Fujian and its partners along the Belt and Road, he said.

"As a strategic node in the Belt and Road Initiative, Xiamen has a long history with Southeast Asia in terms of its partnership in the meetings and exhibition industry such as the CIFIT, aiming to bring the development of Belt and Road into focus, and to facilitate bilateral investment," Wang said.