

**15 July 2002 - Press Conference of the Beijing Municipal Government
Beijing Municipal Development Planning Commission
Overview of Beijing's performance in the first half of 2002**

Mr. Gilbert Van Kerckhove and Ms. Sun Bin attended the Press Conference. It was the third such event held by BDPC to offer more transparency in the work of the Beijing Government. The meeting was presided by Mr. Shen Bao Chang, director of BDPC. It highlighted the rapid growth and development of the city of Beijing as it race for the Olympics in 2008. Major projects centered on infrastructure construction (e.g. light rail, subway extensions, Fifth Ring Road) as it was deemed to be critical for more convenient transportation network across the city before the games. In the Q&A session, participants questioned the slow pace of development of metro in Beijing. Follow excerpts from the presentation. Compiled by Ms. Marie Andrea H. Yu.



Mr. Shen Bao Chang presiding the meeting



One of the presentations

Beijing's Economic Statistics

1. Beijing's GDP: increased by about 9%
 - This brought RMB 27.2 billion in revenue for the municipal government which is a 25.1% increase compared to the revenue generated in 2001.
 - Agricultural sector is further optimized since crops of higher quality are being cultivated while fisheries also showed the same remarkable growth.
 - Service sector is increasingly improving particularly in tourism, culture and sports, medical insurance, technology services.
 - Industrial sector have an overall dominance particularly driven by the joint venture with Korea's automotive carmaker through the transfer of new technology. This is one of the going trends in the sector to boost exports and bring in more foreign investment.
2. Fixed Capital Investment and Expenditure is rapidly increasing.
 - Overall Fixed Capital Investment amounts to RMB 61.4 billion with a growth rate of 23.4%.
 - Investments are heavily poured into Real Estate and Infrastructure Construction Investments
 - Real Estate Investment had a 55.2% increase
 - Infrastructure Investment had 24.3% increase
3. CPI index continued to descend: 7.6% less than in the same period in 2001.
 - The local government is still trying to look for other ways to spur domestic consumption.
4. Unemployment Rate in Urban Areas: reached 1.5% (June 2002) which is 0.6% higher than it was in the same period in 2001.

Completed Investment and Projects

- Planned Investment for Beijing: RMB 37 billion in 60 major construction projects in 2002.
- By the end of June 2002, financing for the construction needs of the 60 projects was satisfied. Completed investment allocation amounted to RMB 24 billion which is 65.4% completed of year's target. While completed financing funding amounted to RMB 40 billion which actually surpassed the targeted completed financing by RMB 16 billion. The current situation of the financial funding is very favorable as it was attributed to the strong development of the local economy.

Different Infrastructure Projects - Highlights

1. Beijing Express Light Rail Project.
 - The West Line is 95% completed. They plan that by July 2002, all of the construction will be completed including all the installation of the station's public facilities like water, electricity, fixtures would be completed and operational by September 2002.
2. Subway Line 8 Project.
 - May 29, 2002, National Development Bank formally signed a contract worth RMB 19.9 billion loans for the project to provide and guarantee the financing needs of the project. Ending 2003, the subway will be operational.

3. Subway Line 5 Project.
 - Currently, engineering evaluation and examination have passed the requirements set by China International Consulting Company which was also already approved by the State Planning Commission. All of the planned Subway Facility Program has passed the standards of the city government. Within this year, it will finish initial evaluation of the facilities and will start the relocation work then start the construction.
4. Fifth Ring Road Project.
 - Fifth ring Road 2nd Phase: 36% completed with 23km and by the end of this year will be operational
 - Fifth Ring Road 3rd Phase: 46% completed with 24km and it is planned to be operational by the end of 2002.
 - Fifth Ring Road 4th Phase: 31 km in length; expected that by this year's fourth quarter will start construction and that by the end of 2003 it will be operational
 - With all of these completed, there will be a 96km road widening of the Fifth Ring Road.
5. Public Transportation Hub Project.
 - Includes three (3) subsidiary projects: After the preferential offer of the Facility Program, by July, Dongzhimen Hub will start the preparation for the construction. By the fourth quarter of this year, it will start excavation. As targeted, end of 2003 it will be finished. Xizhimen Hub is planned to be finished September 2004. Currently, it has started excavating and putting the foundation and by the end of this year, it will finish basic infrastructures. Beijing Zoo Transportation Hub has started basic construction and expected to be finished by June 2004.
6. Xiaohongmen Water Treatment Plant and Supporting Pipeline Construction.
 - Currently, it has started with its demolition of the treatment plant which is expected to be finished by late July 2002. By August 2002, it will start the construction of the treatment plant. Xiaolonghe Pipeline extends to a total of 8.7km, currently, it has 7.5 km which is already 86% of the total project. It is expected to be finished by the first half of 2005.
7. Qinghe Water Treatment Plant First Phase.
 - Currently, it has finished 85% of the major construction of the total project. It is currently undergoing environmental inspection. Installation of facilities has also started and planned to completely finish installation trial and testing by late September 2002 and would be operational by October 2002.
8. Jingshuihe Sewage and Supporting Pipelines Construction.
 - The pipeline stretches to a total of 21km. Today, Fengcaohe Phase, Songjiazhuang Phase, Jingshuihe Phase has a total of 12km which is 57% of the total completion of the whole project. The whole project is expected to be finished by the first half of 2003.
9. Wujiacun Water Treatment Plant and Supporting Pipelines Construction.
 - The pipeline stretches to a total of 8km with which basic infrastructures are already finished. The treatment plant is 82% complete. Public bidding for the facilities has already been reviewed and will soon sign for the agreement. It is planned that late this year the project's civil engineering requirements would complete 80% of the total project. The whole project is expected to completely be finished by September 2004.

10. Lugouqiao Water Treatment Plant and Supporting Pipelines Construction.

- Total pipeline will stretch to 8.5km, currently, 0.9km is finished which is 11% of the total project. It is planned that fourth quarter of this year, engineering requirements would start. First Phase of the construction (100,000 m³ /day treatment requirement). By 2003, the whole project would be completed.

11. Beijing Central Business District (CBD) Project.

- This project includes 8 sub-projects. Today Beijing Fortune Center and New International City has already started construction. Fortune Center First Phase has already finished 310,000 m³ excavation and has started basic structural foundation. SOHO Jianguomenwai First Phase and Yihe International Center First Phase have started initial demolition of the building and construction will start third quarter of 2002. China World Center (Inner Ring Road), Mega Plaza, and Jindi International Village have carried out the layout of the project. It is expected that before the end of this year, construction will start. Yingtai World Trade Center Project is currently waiting for the approval from the State Planning Commission.