

China

## Agricultural logistics center sprouts

By Ariel Tung (China Daily)  
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NEW YORK - An agricultural logistics center is fast taking shape in the city of Tieling, in Liaoning province, Northeast China.

Riding on Tieling's tremendous growth, China Northeast Logistics City (NLC) is slated to be a one-stop shop with facilities such as a hotel, exhibition centers, banking services, warehousing and security. It will also accommodate commercial and residential housing.

China Metro-Rural Holdings Ltd, a Hong Kong-based company that manages the NLC project, said its goal is to position Tieling as the largest agricultural and small appliances trading center in Northeast China.

Liaoning province, well known in China for agricultural products such as corn, rice, barley and soybean, ranked seventh in the country in terms of GDP last year.

China Metro-Rural Holdings Ltd was listed with the New York Stock Exchange in August 2005. The company, previously known as Man Sang International Ltd, was renamed in March after its merger with China Metro-Rural Limited.

NLC, in the New District of Tieling, is in its second phase of development and will cover about 6 million square meters when completed.

The first phase began in late 2007, and by Sept 30 this year, its trade centers, with auxiliary facilities of about 328,000 sq m, were completed. The trade centers began operations in August last year.

Zhang Jingqiang, Tieling's mayor, said the project is very important for the city's development.

"In the past five years, Tieling has made great economic progress," he said.

"It's GDP and revenue have increased by two to three times. We want to be the fastest developing city (in China) in the next five years."

Zhang said the NLC project will create between 50,000 to 80,000 jobs over the next few years, benefiting fresh university graduates as well as farmers and blue-collar workers.

The government has three initiatives to help the project - reserving land for NLC, tax deductions and setting up an administrative office.

Cheng Chung Hing, chairman of China Metro-Rural Holdings and founder of NLC, said due to the high cost of living in Beijing and Shanghai, many rural people are not moving there but to second-tier cities.

"Also, it won't be possible for those metropolitan cities to contain all those people," Cheng said.

"So our plan fits in with the government's goal to develop second-tier cities."

On Nov 2, Cheng held a presentation in Hanover Square in New York to meet potential investors, hoping to expand the company's capital base to the United States. He also wants to bring agricultural expertise from the US to China.

"I believe that agricultural trading center will be one of the major trends in second-tier cities," Cheng said.

"That's why the government gives so much support to agricultural developments."

By the end of March this year, China Metro-Rural Holdings reported a 88 percent increase in its revenue, and a 43 percent rise in gross profit over the previous year.

Besides Tieling, the company has another project in Dezhou city in Shandong province, in

eastern China. Encompassing about 7 million sq m, the center there will focus on agricultural and small industry products.

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