



中国化学工程集团有限公司

China National Chemical Engineering Group Corporation Ltd

# New Era of International Industrial Capacity Cooperation Leading by Internationalization Strategy

September 19, 2019





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Basic Situation of CNCEC

2

Status of Overseas Business Development

3

Major Initiatives to Promote International Industrial Capacity Cooperation

4

Proposals to Promote International Industrial Capacity Cooperation

# Basic Situation of CNCEC

Market-oriented Operation  
Directly Supervised By SASAC  
Large-scale Construction Group



**Founder** of China's petroleum and chemical industry system

**The Pioneer** of Reform of Construction System and Mechanism in China

**Leader** of "Going Globally" strategy and co-constructing the "Belt and Road"

**Practitioners** of Building Beautiful China

A Knowledge-intensive Engineering  
Cooperation with the top comprehensive qualifications  
complete function  
Integrated Business chain



International contractor

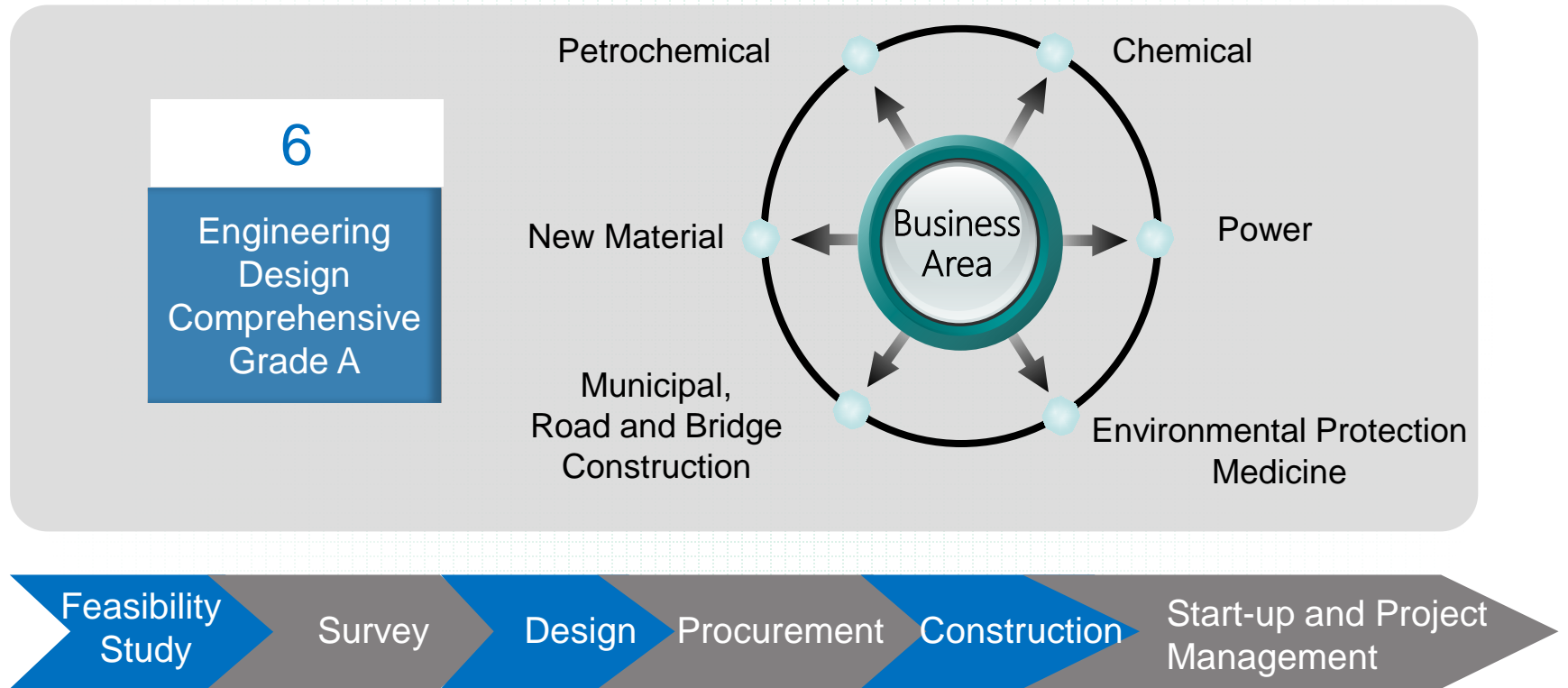


Global Engineering Contractor

**2019 ENR TOP250**



# Business Area



Lifecycle engineering services

**SACCT** 新一代煤（能源）化工产业技术创新战略联盟  
Strategic Alliance to Share Trails of New Coal (Energy) Chemical Technology (SACCT)



Founder of **National SACCT**

**5** National High-tech R&D Program of China (such as 863 Program)



**22** Luban Awards ( **5** overseas )

**839** Awards for Quality Engineering

**17** Excellent Survey and Design Awards



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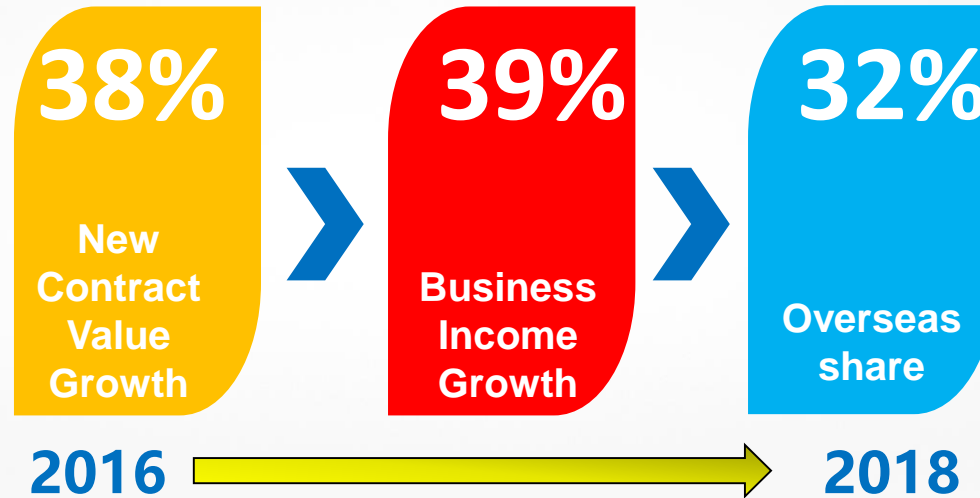
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## CNCEC Entering the International Engineering Market

Experience and witness the internationalization of Chinese Enterprises

CREATED MANY OF THE WORLD'S GREATEST

Overseas Business  
Performance



# Development Status of Overseas Business



- **130** Overseas Branches
- **\$50** Billion Accumulated Overseas Contract Value
- **1200** Overseas Projects
- **\$20** Billion Financed in China
- Mainly distributed in more than **60** countries and regions such as Southeast Asia, South Asia, Middle East, Europe and Africa





# "Belt and Road Initiative" Project



Many projects have been identified as  
"Belt and Road Initiative" Key Projects

Russia

## **Nakhodka's 1.8M t/a Methanol Project**

The global single-set largest methanol  
general contracting project signed  
under the joint witness of the Chinese  
and Russian heads of state has caused  
great repercussions in the industry.

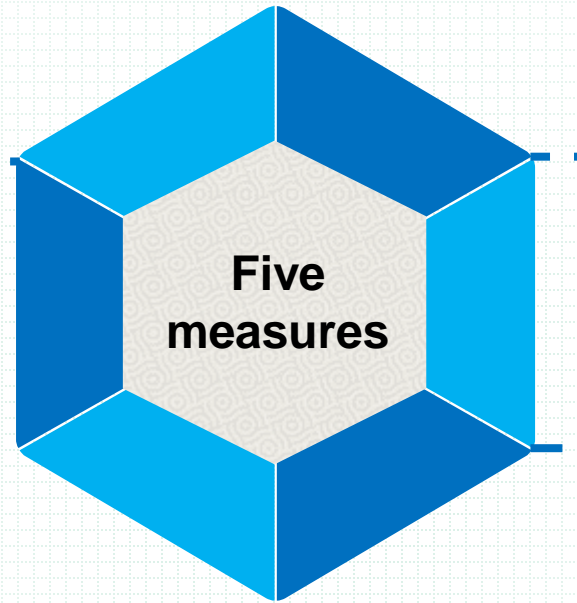


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# Measures to Promote International Industrial Capacity Cooperation

Leading By Policy  
Planning First  
Grasping Market Opportunities

Making Overall arrangement  
Solidifying platform  
Promoting regional integration



Intensifying Chemical Industry  
Strengthening Main Business  
Making Diversified Development

Integrating Resources  
Innovating Models  
Building the Development of  
the Whole Industry Chain

Leading By Innovation  
Supporting By Technology  
Creating a Strong Engine for High Quality Development



# Leading By Policy, Planning First, Grasping Market Opportunities

(1)

**Concerning about the Policy Opportunities of International Industrial Capacity Cooperation Strategy**

(2)

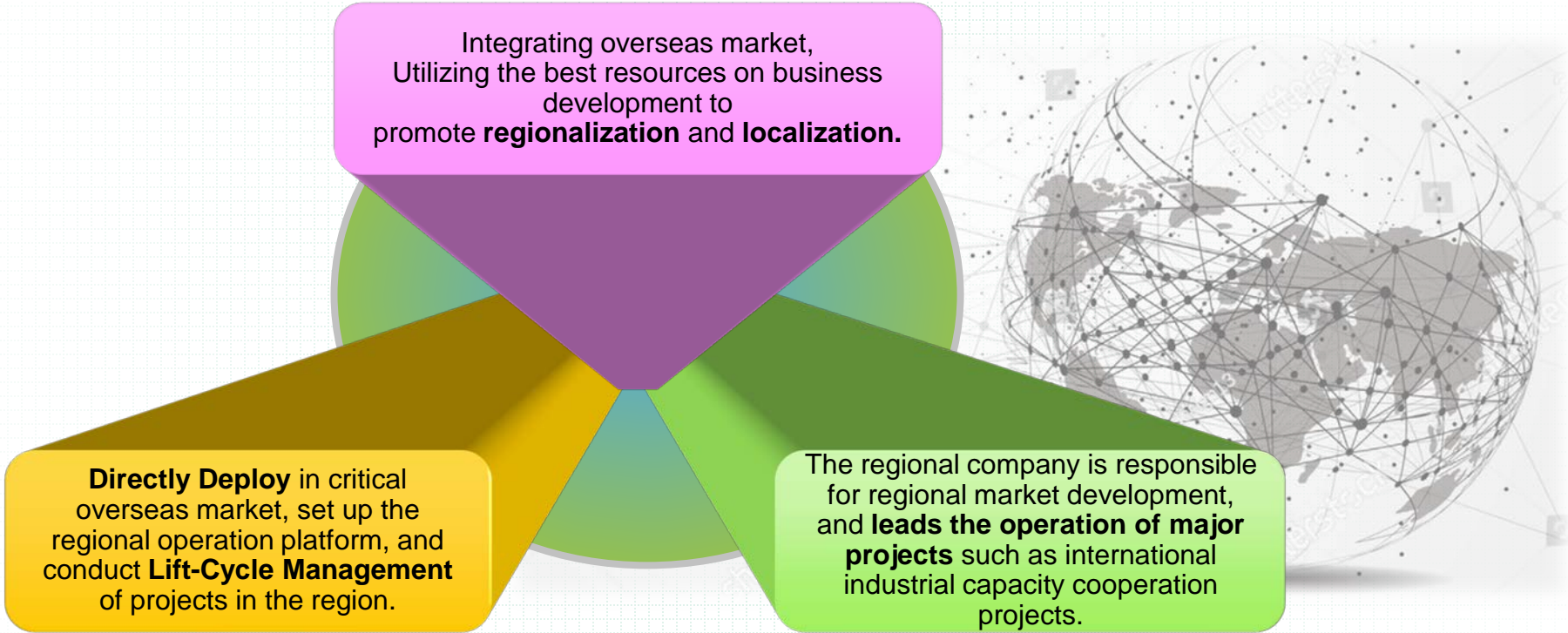
**Paying attention to the adjustment of the global industrial structure and the changes in the business model of the international engineering contracting market**

(3)

**Focusing on the demands, investment and project planning of countries in the fields of energy, infrastructure and environmental protection**



# Making Overall arrangement, Solidifying platform, Promoting regional integration



Integrating overseas market,  
Utilizing the best resources on business  
development to  
promote **regionalization** and **localization**.

**Directly Deploy** in critical  
overseas market, set up the  
regional operation platform, and  
conduct **Lift-Cycle Management**  
of projects in the region.

The regional company is responsible  
for regional market development,  
and **leads the operation of major  
projects** such as international  
industrial capacity cooperation  
projects.



# Intensifying Chemical Industry, Strengthening Main Business, Realizing Diversified Development



◆ Consolidate the competitiveness in the field of **fast products** and expand the market share in the field of international chemical industry



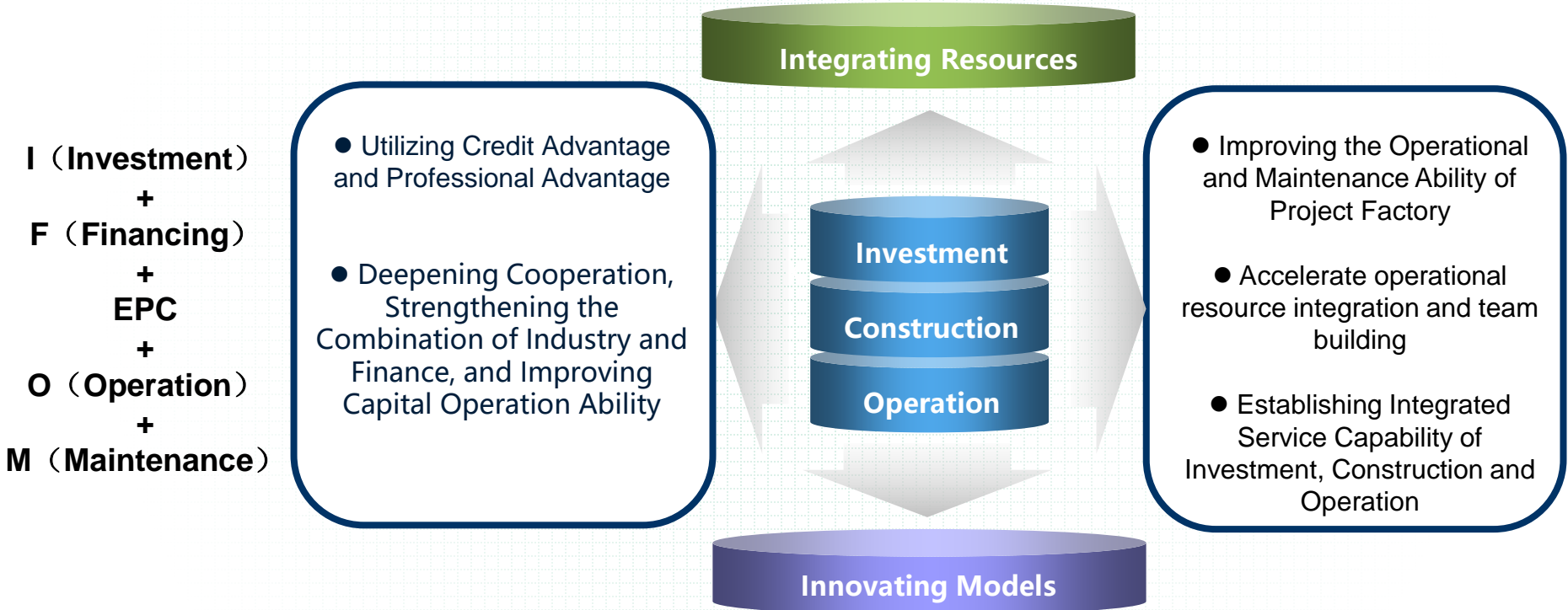
◆ Focus on developing different fields in different regions , promoting diversified development



- Promote **coal chemical projects** in Mongolia, Vietnam, Indonesia, Pakistan, Ukraine and other countries
- Focus on **Refining Opportunities** in Middle East, Latin America, South Asia and Eastern Europe
- Pay attention to **infrastructure investment needs** in Asia, Africa, Latin America and Eastern Europe
- Grasp the construction opportunities of **industrial parks** in the core developing countries and regions along the “Belt and Road”
- Actively participate in investment, construction and operation of infrastructure and related **supporting industries**



# Integrating Resources, Innovating Models, Building the Development of the Whole Industry Chain



## Strengthen the Supporting Role of Technological Innovation for Overseas High-quality Development

### Traditional Priorities

- Continuous optimization and upgrading of traditional superior technology based on Market-orientation
- Ensuring strong vitality and competitiveness in the international market

### Emerging industries

- Enhance key technology research in Emerging industries such as new material, environment, Clean energy
- Break through a batch of key technologies, seize the commanding heights of science and technology

### Technology Drives Industry


- Establish research institutes to make full use of global innovation resources
- Promoting the investment and construction of related industries and realizing the distribution of key industries overseas





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❖ International **industrial capacity** cooperation is an important platform for optimizing the global division of labor and implementing “Belt and Road“ initiative




Direct investment exceeds **\$90 Billion** along “Belt and Road” countries

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The proportion is over **10%**, and the average annual growth rate is **5.2%**.

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Value of new contracts exceeds **\$600 billion** along "Belt and Road" countries

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About **50.9%** of all new contracts signed overseas

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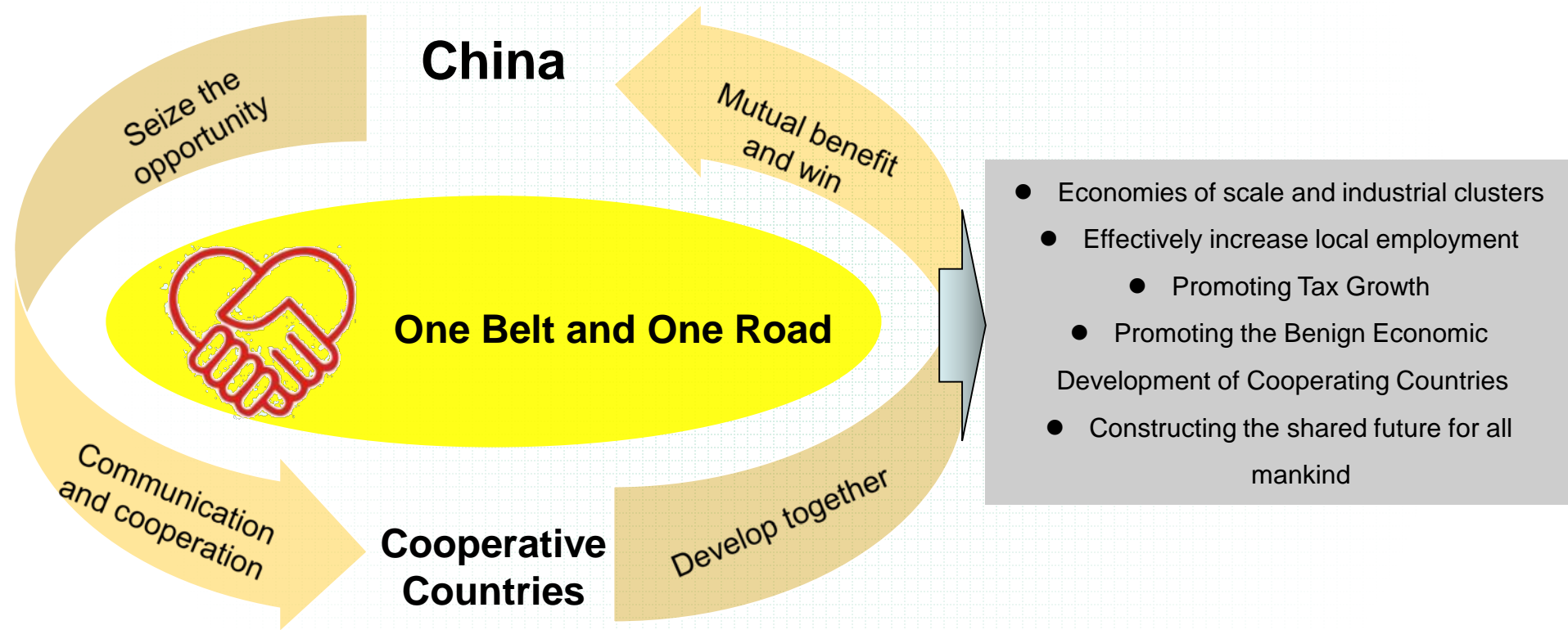


New contracts Growing at an average annual rate of **11.9%**



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# Promote Project Cooperation





# Suggestion

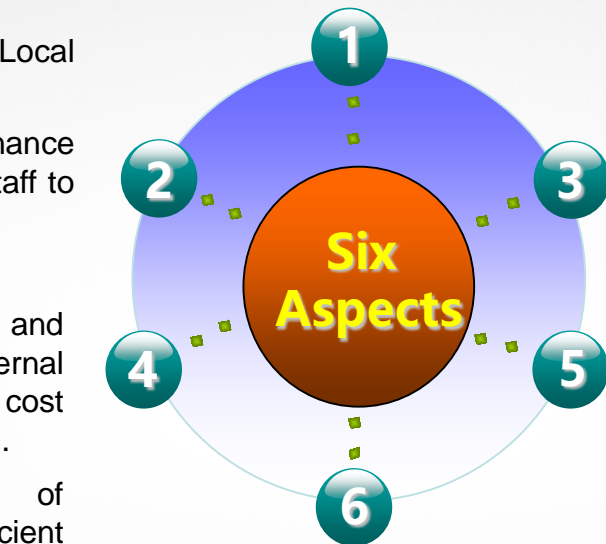
-  Projects deploy around industries that adapt to local resources and development
-  Pay attention to the sustainability of industry and guide the green development of industry


 Strengthen the Skills Training of Local Managers and Technicians


 The core operation and maintenance gradually transits from Chinese staff to local personnel


 Strengthen Fine Management and Optimize Project Internal Management Process for cost decreasing and benefit increasing.


 Enhance the efficiency of management, promote the efficient implementation of projects, and benefit people's lives





 Promoting technology development cooperation to provide the best technology choice for the project

 Promoting the landing of local key projects and strengthening the open cooperation of innovation capability

 Study the laws, regulations, industry policies, etc. of the partner country to prevent possible major risks

 Hire a team of third-party professional lawyers to ensure the smooth execution of the project

 Promote engineering, manufacturing and financial companies to form a team to develop overseas markets

 Forming Interest Community to Form Competitive Financing Cost Advantage



*Thanks for Your Attention!*