

Signs strategic cooperation agreements with various large, state-owned enterprises

The major Chinese construction company turns an initial African setback into a healthy pipeline of work

By **CHEN LONGXIANG**

Ye Mao has a wonderfully honest expression for his company's rapidly expanding international business. The director of international business at Zhong Taiheng Investment Holdings Group admits that the company, a latecomer to project contracting in Africa, is still very much "borrowing the boat to go out to sea". But after a difficult start to its business in Africa, that approach appears to be paying off.



AFRICAN OPERATIONS

ZHONGTAI CONSTRUCTION GROUP (ALGERIA)
Industry: Construction and installation, architectural design
Established: 2013
Employees: 4
Headquarters: Boushaba Nacer, Noui Bara
Address: 24+ cite 50 logement promotion sociale Bourahla, quartier Hachimi, Setif 19000, Algerie
Phone: 213 553334522

PARENT COMPANY IN CHINA

ZHONG TAIHENG INVESTMENT HOLDINGS GROUP
Industry: Construction and installation, architectural design, highway projects, railway engineering, mining development, financial industry, service outsourcing and real estate development
Established: 1985
Headquarters: Langfang, Hebei province
Overseas operations: Presence in more than 10 countries
Assets: 4.6 billion yuan
Employees: 90,000
Ranking: 297 of Top 500 Enterprises in China (2014)
Address: Guangyang Road No 20, Langfang, Hebei province
Phone: 86 316 2228725
Website: <http://www.zthjt.com>

LI WENJIAN



Chairman of Zhong Taiheng Investment Holdings Group
Born: 1959
Education: PHD in Wuhan University of Technology
Career
• Chairman of Zhong Taiheng Investment Holdings Group (2007-present)
• President of Zhongtai Construction Group (2005)
• General manager of Langfang Zhongtai Construction Installation Group (2001)
• General manager of Langfang Construction Installation Engineering Company (1997)

In 2009, one of the subsidiaries of Zhong Taiheng, Zhongtai Construction Group, won a contract to build 1,500 houses in Libya in partnership with China Gezhouba Group Corp.

The project, covering 300,000 square meters of floor space, was considered a key Libyan public sector housing scheme and was set to provide free homes for many thousands of Libyans.

However, before the project could be completed, a civil war broke out in the country.

With the safety of its 1,260 administrative and construction workers a top priority, Zhongtai was forced to abandon the asset and get its people home to safety.

That troubled construction project was Zhongtai's baptism by fire in Africa; far from cooling its ambitions on the continent, it only has fueled a stronger desire to succeed there, Ye said.

"That unexpected setback caused by the political crisis has certainly not prevented us from moving forward into a continent that we realize has so many opportunities," he said.

Zhongtai has now created a dedicated international division, aimed at expanding its overseas investments and bringing its latest innovations to market.

The company has signed numerous strategic cooperation agreements with various large-scale, State-owned enterprises, such as the international division of China Gezhouba Group and Changjiang Geotechnical Engineering Corp, companies that already have a lot of experience in overseas construction.

That strategy is aimed at spreading risk in future overseas construction projects, but also at accumulating international engineering experience for its own staff and management.

In 2011, for example, Zhongtai was a major subcontracting engineer on 60 kilometers of track that was part of a deal between Ethiopian Railways and China Civil Engineering Construction. The project called for construction of the 339 km Mieso-Dire Dawa-Deweile railway line, part of the Addis Ababa-Dire Dawa-Djibouti railway project. The project provides vital passenger and freight

transport and links Addis Ababa with Djibouti's port.

That is just the kind of contract Ye likes to illustrate his favorite phase, "borrow the boat to go out to sea".

Other overseas construction projects have followed along the same lines, including one in the middle of Nigeria's commercial center, Lagos, and stadium- and cement-plant construction projects in Algeria.

The company's full pipeline of work includes investments in Algeria, Benin, Ethiopia, Gabon, Libya and Nigeria.

Last year alone, the company bid for six overseas deals worth 5.3 billion yuan (\$855 million) and it is now negotiating a number of engineering projects that are expected to top 10 billion yuan in value.

The Chinese Ministry of Commerce has fully accredited Zhongtai as having the experience for construction projects under the country's foreign aid projects.

It is also one of the driving forces behind a new chamber of commerce set up between the company's home city in China, Langfang in Hebei province, and Cairo. The chamber aims to promote trade relations, individual relationships and increased investments.

"With the political situation in Egypt calming down and social stability in recovery, the chamber of commerce will play a bigger role in boosting China-Egypt economic and trade exchanges," Ye said.

Li Wenjian, Zhong Taiheng's chairman, was an engineer in the Chinese People's Liberation Army from 1978 to 1985. His company emerged from the 179th Regiment of the PLA's Engineer Corps in 1985. Since then, it has grown tremendously and it is now ranked 297 on China's Top 500 Enterprises list.

"It has experienced the hardships of starting a business, the exploration of development, and the joy of success," Li said.

"From construction, building materials and real estate development to getting into the medical and health, mining, hotels, investment, finance and service industries, each step has been the result of hard work."

