

## RegionalNews

# Malaysians building \$6b ski resort in China

WITH 82 SKI RUNS, DEVELOPER AIMS TO RIVAL OTHER WORLD-CLASS WINTER ATTRACTIONS IN CANADA, US

By MARK GRAHAM in BEIJING

Even by the big-thinking, grand-planning standards of contemporary China, the under-construction Secret Garden, a \$6 billion ski, golf and adventure resort in the country's northeast, is a project of spectacularly large proportions.

When the work is finished, it will have 82 ski runs, chairlifts and gondolas that can carry 18,000 guests a day; five championship golf courses; a theme park, a 3,000-person capacity convention center; 2,700 hotel rooms; an ice skating rink and trails for mountain biking and horse riding.

The main investors, who run the Genting Highlands resort complex in Malaysia, are confident that the hunger for top-class facilities among newly-affluent Chinese will ensure the success of the Hebei province project.

"It will be one of the leading resorts in the world," says Justin Downes, president of the consultancy Axis, hired by the investment company, VXL, to advise on the adventurous scheme during the initial stages.

Downes has had a long career operating such large-scale winter resorts in Canada, the United States and Australia, and sees huge poten-

tial for the Secret Garden.

"It will be very easy to access, particularly for the 30 million people who live in and around Beijing. People in China are ready for this kind of development. It will bring in 21st century technology."

The resort is the brainchild of Lim Chee Wah, whose family already runs the Genting Highlands complex in Malaysia, a destination that draws some 20 million visitors a year, many of whom are lured by casinos.

Lim, a long-term China resident, runs the Hong Kong-headquartered VXL group, which has investments in the information, communication and technology sector in Malaysia, along with property development and tourism interests in Hong Kong and the Chinese mainland.

The Secret Garden is in an area that is already home to ski resorts, but it is not particularly easy to access at the moment. That will all change next year, when the new high-speed railway line from Beijing to far-western Urumqi opens, with the first station in Zhangjiakou City, a mere 20-minute shuttle ride from the ski slopes. That means the entire journey from downtown Beijing to the Secret Garden will take just over an hour.

But the owners are not just targeting people in the capital. The aim is to attract people from all over China and other parts of Asia. A close-by military airport will be converted, so it can be used for civilian flights.

To date, around more than \$150 million has been invested, with estimates that the figure will grow to \$6 billion by the time all the elements are completed, in a decade's time.

The first part of the Secret Garden will open this coming winter, allowing ski enthusiasts to try the newly-created slopes; by the following December, a 350-room hotel and various restaurants and bars will be operational.

Lim, who is a keen skier himself, plans to open the rest of the complex in phases. The master plan provides for five championship golf courses starting with a par-72, 103-yard facility designed by GolfPlan of Santa Rosa, California. The course will be open for play in early 2013. Mountain biking, horse-riding and hiking trails will be built, along with an ice skating rink and a theme park.

As well as tourists, the owners hope to draw conventions and conferences and, to that end, will build a convention centre that can host 3,000 delegates. The idea is

that the Secret Garden is in use 365 days a year, attracting outdoor-lovers in the summer months as well as winter skiers.

The Malaysian investor, who is the youngest son of the late Lim Goh Tong, founder of the Genting Group, has had his eye on the site for more than a decade. It took a long time to obtain government approval for the mega-project, which will eventually cover a 100-square-kilometer area.

The master plan, drawn up by the industry leaders in such schemes, as Ecosign and Hornberger + Worstell of San Francisco connects five valleys and three mountain peaks, linking over 250 hectares of skiing area and 65 kilometers of trails. The core village project, spread over 500,000

square meters, is located in the third valley and will be known as the Goh Tong Highlands Resort.

The developers have the ambition to create a place that will be spoken of in the same breath as the world-class resorts at Whistler in Canada or the Rocky Mountains in Colorado. Certainly, it will set new standards for China as an international mega-resort within easy reach of Beijing.

"There is nothing like it in China at the moment but that is not to say there won't be in future," says consultant Downes.

"Right now, if you are a tourist, or a resident of Northeast China, you don't associate it with tourism, but a lot of people in this part of the world are craving this kind of activity."

## CASHING IN ON THE SLOPES

**Project:** Secret Garden ski, golf and adventure resort

**Developer:** VXL group

**Investment:** \$6 billion

**Area:** 100 square kilometers

The master plan connects five valleys and three mountain peaks, linking over 250 hectares of skiing area and 65 kilometers of trails.

**Where and what:** Northeast China part of Beijing in Hebei province.

82 ski runs, chairlifts and gondolas, 5 championship golf courses, a theme park, a convention center for 3,000 pax, 2,700 hotel rooms

**Value-added features:** Mountain biking, horse-riding, hiking trails, ice skating rink

## Unemployment: A major concern among university grads

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According to Matthieu Cognac, youth employment specialist with the ILO's Asia and Pacific office, developing countries in Asia and the Pacific region have recovered strongly from the financial crisis, but "we are still seeing more young people out of work than adults."

"A key factor behind this is that economies are not creating enough jobs to absorb the increasing number of young people entering the labor market. At the same time national education and training systems are not meeting the demands of the labor market," he says.

"As a result, a large number of young people come into the labor market without the necessary skills. In addition, there are age-specific challenges. One being that young people lack the on-the-job experience of adults."

The ADB economists add that the "expectations" of young people may also affect youth unemployment numbers. Often you find that graduates and other school-leavers will hold out for a great job but as time goes by they may lower their expectations and take what is on offer, they say.

"Planning is important and it



Chinese university graduates gather at an employment fair in Hefei, Anhui province. The number of Chinese graduates has quintupled in the past decade.

is certainly important that those leaving the education system have the skills required by employers. Better coordination between what is being taught and what is needed in the economy is important and this is something that government and the business community can work on. The skills mismatch, as we call it, is a concern in many parts of Asia."

Even Australia, which has one of the lowest unemployment rates among the Organisation for Economic Co-operation and Develop-

ment economies, has difficulty finding enough work for young people. The country's jobless rate for the 15 to 19 year age group stood at 17.8 percent in January, the highest January reading in eight years. Even for the wider grouping of 15 to 24 years, the jobless rate was 12.8 percent, the highest January reading in seven years.

The economic transformation of China over the past three decades has created millions of jobs along the eastern seaboard and major cities inland. Despite China's econom-

ic miracle, unemployment remains a major concern, especially among university graduates.

Tens of millions of rural migrant laborers cannot find jobs. According to the Blue Book of the Chinese Academy of Social Sciences, some 50 million migrant laborer posts have been lost. In addition, young adults, who have just graduated from technical colleges mostly, can only get jobs that involve repetitive action.

In the past 10 years, worldwide, youth unemployment has decreased except in Southeast Asia and the Pacific and in South Asia, according to Cognac.

"A large number of young people who detach themselves from the labor market threaten the economic growth and competitiveness of economies," ILO economist Kee says.

"They are not contributing to the economic welfare of the country, but rather may drain key public resources by remaining dependent on the State for large periods of their lifetime. Long-term unemployment translates into a loss of income from the youth period and beyond, which in turn translates into a lack of savings as well as a loss of aggregate demand.

"Young people who are unable to earn their own income have to be

financially supported by the family, leaving less for spending and investments at the household level. Societies lose their investment in education. A large number of idle or underemployed young people also have serious implications for social instability."

Cognac adds, "There is a tremendous opportunity cost which employers bear when they do not maximize on the creativity, dynamism and vigor of youth, who are instrumental in shaping viable policies that respond to their needs and aspirations.

"On the one hand, governments are rightly concerned with both the economic costs of joblessness and discouragement as well as with the possible social impacts, manifested by increased crime, deteriorating mental health, violence, drug taking and social exclusion of these young people known to belong to the so-called 'Lost Generation'."

"An important effort needs to be made to improve communication between young job seekers and potential employers. This also entails efforts to make labor market information more readily available and accessible, including onsite at public and private employment centers; as well as online."