

SOUTH CHINA MORNING POST

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Shanghai landmark builds on historical irony

Mark O'Neill in Shanghai
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It is December 1996 and, after a dinner of sake and sushi, Kiyoshi Yoshikawa, the elderly spokesman of Mori Building, is warming to his subject.

"In the 19th century, it was the Eiffel Tower in Paris. In the 20th century, it was the Empire State Building in New York. And in the 21st century, it will be the World Financial Centre in Pudong," he said.

"Do you understand me? The 19th was the European century, the 20th belongs to the Americans and the 21st will belong to China."

Sake or not, it was a surprising statement to come from a Japanese. But it explains why Mori's president and chief executive, Minoru Mori, has persisted with a project others would have abandoned.

For him, it is an attempt to build the most desirable office building in China's commercial capital and also to leave a landmark that will symbolise Shanghai to the world for decades to come.

Mr Mori bought the land-use rights in September 1994, for 50 years, and started the piling work in October 1997. Then came the Asian financial crisis and the fall of the Shanghai property market. The firm froze the project in 1999.

"We had completed our first project in Lujiazui, now the HSBC building, in 1986 and the occupancy rate was not good," Mr Mori said yesterday. "The vacancy rate in the area was poor. So we waited for the market to recover."

The original plan called for an investment of more than US\$1 billion from Mori Building and a consortium of 33 Japanese banks, insurance companies and trading firms. Then came the attacks on the United States on September 11, 2001, which made many people uneasy about working in tower blocks.

Some of the Japanese investors pulled out, short of money or uneasy about the future of the Shanghai property market. Many people questioned the commercial viability of such a costly building.

But the city government wanted a landmark building - before the World Expo in 2010 - that would stand out among the forest of skyscrapers and become a symbol of the city, much like the HSBC and Bank of China buildings in Hong Kong.

It asked Chinese banks to replace the Japanese lenders.

It is a historical irony that it is a Japanese developer that will build such a landmark in the mainland and has been forced to modify the design for reasons that have more to do with prejudice than science.

This year - 60 years after the end of the Pacific war - has been marked by fierce anti-Japanese propaganda in the mainland media and demonstrations nationwide.

Japanese Prime Minister Junichiro Koizumi's visit to a war shrine has also been a cause for concern.

South China Morning Post – Mark O'Neill

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Politics forces redesign of Mori Shanghai tower

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Political opposition by China to a design that resembled the Japanese flag helped force developer Mori Building to change the architecture of Asia's tallest building.

Chief executive Minoru Mori yesterday announced the redesign of the **Shanghai World Financial Centre**, 101 storeys and 492 metres high and involving an investment of 105 billion yen (\$7.03 billion). On completion in 2008, it will be Asia's tallest building, overtaking the 480-metre, 101-storey tower in Taipei.

Mr Mori first signed the land-use contract in September 1994 and started piling work in October 1997. But it suspended construction in 1999 because of the Asian financial crisis, a downturn in the Shanghai property market and criticism from China that the moon-shaped hole at the top resembled the Japanese flag.

Mr Mori said he held the news conference to quash rumours that the firm had abandoned the project. "After freezing the project, we redesigned it to make it larger and more efficient. At the end of 2003, we decided to resume and obtained all the necessary authorisations last summer."

The new design replaces the lunar shape with a rectangle.

"Politics played a major role," said Eugene Kohn, the chairman of architect Kohn, Pedersen Fox Associates. "Mr Mori wants to be a good neighbour. We studied octagons and other shapes and decided on the rectangle. The circle was spectacular but very expensive."

Mr Kohn said the new design was cheaper and more functional, allowing for two public observation towers, of which the higher, at 472 metres, would be the tallest of its kind in the world. The shape also suited a multipurpose room that would be built below it.

Mr Mori said the government had told him civil society had concerns about the circle. "The architects said the new design would be more beautiful and functional, cheaper and quicker to build, so we jumped on it."

The other major change is Chinese banks, which did not appear in the original proposal, are providing 25 per cent of the financing.

Mr Mori said of the cost of 105 billion yen, half would be equity and half debt. Of the equity, Mori Building will provide about 65 per cent and the rest will come from 40 Japanese, US and Asian investors. Of the debt, Chinese banks will provide 50 per cent, with the rest from Japanese and Hong Kong banks. The loan term exceeds 10 years.

Landmark of historical irony- B6

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