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Xue Jiaji

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## International and internal cooperation

*Xue Jiaji is a professor at Jiangsu Provincial Academy of Social Sciences. This speech was presented in Nanjing, Jiangsu Province, on Oct. 28. Its full title is "International and Internal Cooperation: A Call for the No. 2 Bridge to Progress Smoothly."*

The No. 2 Land-Bridge is a silk ribbon connecting Asia and Europe, and an intercontinental chain of international economic cooperation, too. This new type of modern international thoroughfare, which crosses intercontinentally, connects oceans, and is composed mainly of railway transportation, has a system of highway, aviation, sea transportation, river transport, pipeline transportation, and light cable communication, directly by sea and land, from America to Asia, then to Europe, greatly shortens the distance of economic communication of the whole world, and becomes the formal thoroughfare of the whole world's co-development.

Built along the Silk Road, the No. 2 Land-Bridge is shorter by 2,000 km than the Siberia Land-Bridge, and avoids the freezing conditions of high and cold areas. It is a bridge of transportation, commercial, industrial cooperation, and cultural communication. And it compiles a great stream of people, goods, and information. The bridge starts east from the Pacific and attracts the attention of many countries in East Asia, Southeastern Asia, and the Pacific surroundings. From West to Central Asia, West Asia, and Southeastern Asia, and even to Europe, the Land-Bridge becomes the thoroughfare to develop the Northern and Western areas in China and Central Asia, and strengthens the communication of economy, technology, and culture. From China to Holland, there are 35 countries sharing the fruits of the bridge.

Along the bridge, countries can obviously complement each other mutually and optimize their groupings. Developed countries may march into this super-market, which has a large population and rich materials. Those areas, such as Central Asia and the northwestern part of China and so on, may absorb the foreign capital, technology, and modern management experience to speed up the promotion of economy. It is a trend of social development, to march into the undeveloped places which have wide areas and rich materials, and create a new wide area for human living, prosperity, and development. Although there is a beginning of a "knowledge economy," it does not mean the end of agricultural and industrial economy,

but to improve the traditional industries to a higher level. It does not mean the end of resource exploitation either, but to rationally develop and make effective use of resources.

Especially in the huge undeveloped areas, resource development and industrialization are still the most important tasks. The construction of the Land-Bridge offers more convenient conditions for further prosperity and development than before.

The No. 2 Land-Bridge is an intercontinental chain, and an inner gold belt for coordination of the east, middle, and west parts of China. It is an important lever for the international and internal cooperation in order to make the bridge ply smoothly.

1. *International cooperation.* . . . One lagging factor for the development of the bridge is that the transit tariffs are different between countries, the rates remain unstable and there are many taxes and incidental expenses. This raises the transportation cost. Additionally, the competition between the old and the new Land-Bridge obstructs the new bridge. In fact, each of the two land-bridges has its advantages. With the development of international trade, both of them will give play to their particular function.

In recent years, the leaders of our country have visited Central Asia many times, to impel the five countries in Central Asia and Russia to co-build the modern Silk Road and spread the communication of economy and culture between Asia and Europe. After the explosion of the Southeast Asian financial crises, it is more important to strengthen the communication of international economy and technology, impel the economy to recover and [foster] prosperity even earlier. In recent years, the European Community has been promoting an "Eastern Strategy" to develop a partnership relationship with Asia, and bridge construction should be one of the important elements of the coordination between Europe and Asia.

2. *Internal coordination of transportation and services along the bridge.* The whole bridge is 10,900 km long; 4,131 km are in China, and 37.9% of the whole length runs across the middle, east, and west of China, including ten provinces: Jiangsu, Shandong, Anhui, Henan, Shanxi, Gansu, Ningxia, Qinghai, and Xinjiang. To build the bridge, we must build good relations among the ten provinces in China. We must break down the phase in which each does things in his own way.

In the past, the tariff cost via the Beijing-Xinjiang Railway was double that of the Siberia Bridge. Obviously, that is not favorable to the smooth operation of the bridge. Another example is the expressway planned to accompany the railway from Lianyungang to Huber Guise: Many provinces only built their own roads and the roads were not connected. There should be overall planning. Taking advantage of expanded internal need, [we should] speed up road construction; we should connect all of them quickly. The construction of the ports, highways, and airport connected with the bridge also

should be built up in order to form a completely equipped three-dimensional transportation system and network of inward and outward motion, raising the level of transport, including the coordination of the industries along the bridge. Besides the internal east and west bridgeheads of Lianyungang and Alashan, goods can also be carried to or off the bridge from the Jingou Railway, Jingjiu Railway, Jingguang Railway, Jiaozhi Railway, Baochen Railway, and so on. The bridge-industries of each area can divide up and coordinate, and mutually complement each other's advantages so that each shows its strong points.

3. *Commercial coordination and development of the information network between areas.* The operation of the bridge will impel the development of the overall circulation and commercial trade. Especially the central cities along the bridge must fit this kind of situation, trading with each other closely and forming a market network along the bridge. Information development along the bridge is also a sector which cannot be ignored. We should connect the central cities along the bridge out to the entire surrounding area by using modern information and modern technology to form a network to powerfully promote the all-round development of economy and society and create conditions for international integration.

4. *Coordinate development of the east, middle, and west.* The No. 2 Land-Bridge is another important lever of impelling coordinated development of the east, the middle, and the west. The development model of the bridge may be a gradient of transformation going from east to west. But because of the long internal section of the bridge and the big differences in natural resources of the huge, desolate internal areas, a dual-pole mode of development has emerged along it. . . .

Therefore, the main development approach is to cultivate growing points with the help of big and medium-sized cities along the bridge. We may make this the center to carry out "ink-spot spreading" and develop by "dot-axle-ring" and sections. Thus, we make different areas complement each other, link these spots to a line like a chain of pearls to promote the whole development of the areas along the bridge. The new economic growing points being presently improved consist of the Xu-Lian economic zone, the Mid-China economic zone, the central Shanxi plain economic zone, the Lanzhou economic zone, and the Wulumuqi economic zone. In the spatial layout of the national high-technology industry, these growth points also can be enumerated: the Lianxu industry corridor, the Luo Zhenbian high-technology industry corridor. In Lanzhou and Urumqi, new and high-technology industry developing areas also were set up. The growth of these industrial centers, from spots to a line, and the mutual complementarity of East and West will become a great motive to increase the whole line's economics and the mutual support of East and West.

5. *Cooperation in resource development.* Along the line

of the bridge, the large area with rich resources is a relatively backward, huge space for development. According to geological prospecting and remote sensing exploration of the areas along the bridge, the reserves of coal, crude oil, natural gas, and nonferrous metals are quite rich. However, due to some historical reasons, the whole level of economic development in these areas is still rather low. The industry layout is not very reasonable and the labor force development poor. The No. 2 Land-Bridge has opened for the hinterland, a wide thoroughfare which can be used to break up the blocked-up state, to make use of foreign capital, technology, and management experience, and to combine the east's and west's complementary advantages, to speed up the development of the middle and the west.

The situation of farming resources is similar. Agricultural resources along the bridge are very advantageous. The development of farming and animal husbandry has great possibilities. The Xulian economic area has achieved great results recently by developing trade, industry, and agriculture together; developing production, processing, selling together and impelling the industrialization of agriculture and secondary production, and non-staple foods. There are rich land resources in Huaihai and the Mid-China area, which can be connected to carry on farming development and to develop agriculture earning foreign exchange.

In the process of developing mineral and farming resources and impelling industrialization, science and technology must be developed along the bridge. Many cities along the bridge, especially Xi'an and Lanzhou, have great science and technology strength. The high-level science and technology development of Bianzhenluo and the central Shanxi plain can build up superiority in science and technology. In the course of exploitation and development, we should emphasize the input of advanced science and technology, as well as strengthen their coordination. Especially in the development of Land-Bridge industries and input substitution, we should depend on the scientific and technological superiority and the military-industrial superiority of Mid-China and the central Shanxi plain.

6. *Special opening-up measures.* At present, the opening along the bridge is at too low a level, and the ability to attract investment is weak, too. So opening-up should have special measures, which include the establishment of a low-tax area or belt. Low-tax zones have an important status among the preferential policies and have a large attraction for investors. With the development of economic communication among East Asia, Central Asia, Europe, and America, and along the bridge, the corridor from the east to west should form a low tax zone. From the warehousing to transit trade, the area should have comprehensive abilities for export processing, transiting trading and commodity fairs to have more attraction for investors. For example, the use of BOT [build-operate-transfer] mode.

The bridge is a three-dimensional transport network in-

volving sea, land, and air. In the hardware scope, we should break through on attracting investors to build wharves, airports, railways, and expressways, and co-build, co-manage, and share, to speed up transportation and sustainable development of the network. The economic foundation in many areas along the bridge falls short, the economic strength is not great, and there are many desolate areas where nature resources are also poor, and the need of investment is large. If we do not take special measures for opening-up, it will affect the development and progress of the bridge area.

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Yu Xingde

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## The economic potential of Jiangsu Province

*Yu Xingde is the executive vice governor of Jiangsu Province. This speech was delivered in Nanjing, on Oct. 28.*

First of all, on behalf of Jiangsu Provincial People's Government, I would like to extend my warm welcome to the experts from home and abroad and representatives of the cities and government organizations of our province, who have come to attend the second session of the International Symposium on Euro-Asian Economic and Trade Relations in the 21st Century and the Second Continental Bridge. The foreign experts will further make a study visit to Lianyungang, the east bridgehead of the Euro-Asia Continental Bridge. Your visit will promote mutual understanding and expand the economic cooperation between Jiangsu Province and countries in Asia and Europe. I would also like to take the opportunity to brief you on the economic situation of Jiangsu.

Jiangsu finds itself in the center of China's east coast, with an area of 100,000 square kilometers and a population of 71.48 million. Under the direct jurisdiction of Jiangsu Province there are 13 cities, under which are 64 counties and county-level cities. Jiangsu has always been one of China's most developed provinces in economy, science, technology, and culture. Since the founding of the People's Republic of China in 1949, especially since the initiation of reform and opening to the outside world, Jiangsu's economy has been growing at a fast speed and great achievements have been made in the modernization drive. The GDP of Jiangsu has increased from RMB 24.90 billion in 1978 to RMB 668 billion in 1997, an average annual increase of 12.7%, and 3% more than the nation's average.

Being an important agricultural base in China, Jiangsu has long been known as a land of fish and rice. As the birthplace of China's modern national industries, Jiangsu is also an important industrial province in China. Besides, Jiangsu boasts developed science, technology, and education. Jiangsu has produced many famous writers and scientists in contemporary China. The number of institutions of higher learning and science and research institutes in Jiangsu ranks the first in China. Although Jiangsu's population, land area, and arable land account for 5.8%, 1.06%, and 4.7% of the nation's total, respectively, the output of grain, cotton, the GDP, the added value of industry, and the exports of Jiangsu make up 7%, 11%, 8.9%, 9.5%, and 7.7% of the nation's total.

The following changes have taken place in Jiangsu over the past 20 years:

1. Jiangsu has developed from a province where agriculture held the dominant position, into a major industrial province in China, one of the pioneers of industrialization. Since the founding of the People's Republic of China, Jiangsu has maintained a rapid growth rate in industry. The total industrial output value rose from RMB 2.55 billion in 1978 to RMB 1,254.2 billion in 1997, an average annual increase of 20.2%. Along with the development of such traditional industries as textiles (including silk) and food processing, new branches of industry like machinery, building materials, petrochemicals, and electronics are growing very fast, with comprehensive product assortments and strong competitive capabilities. In recent years, new industries have been developing rapidly. Jiangsu is the largest petrochemical industry base in China. A chemical industry system composed of small, medium-sized, and large companies has taken shape. The added value of the four pillar industries, namely machinery, electronics, petrochemicals, and automobiles, accounted for 46% of Jiangsu's total industrial added value in 1997. The output of textiles, chemicals, machinery, metal products, transport equipment manufacturing, electric equipment and materials manufacturing, electronics, and telecommunications equipment industries, all rank among the top in China. The ratio of primary, secondary, and tertiary industries has changed from 27.6:52.6:19.8 in 1978 to 15.1:51.1:33.8 in 1997.

Besides this, Jiangsu has accelerated the development of heavy chemical industry. From 1978 to 1997, the share of the heavy chemical industry in the provincial total industry has increased from 47.6% to 49.1%. Large enterprises and companies have become a major force in economic development. Enterprises producing textiles, pharmaceuticals, automobiles, washing machines, air conditioners, and diesel engines enjoy a high reputation in China.

2. The continued development of township enterprises has played a very important role in the economic development of Jiangsu. Jiangsu has the most developed township enterprises in China. Since the 1980s, productive forces have