

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

been liberated due to rural reform, so that a large amount of the rural labor force has moved out from villages. Under the unfavorable conditions of a large population on scarce land with insufficient resources, the people in south Jiangsu took the lead in developing market-oriented township enterprises, which give priority to the processing industry by depending on the favorable geographical conditions and convenient transport facilities—being located along the coast and near Shanghai, and taking the opportunity of the industrial transfer from Shanghai and some other cities. By 1997 the township enterprises accounted for two-thirds of the province's industry and one-third of the province's GDP. The rapid development of township enterprises has contributed a lot to the construction of rural communities, the enhancement of agricultural mechanization, electrification and modernization level, and the increase of farmers' income.

3. Agricultural production is marching toward modernization, with the traditional manual cultivation dying away. The development of industry, especially the township industry, has greatly improved the productive conditions in agriculture and enhanced agricultural productivity. In some comparatively developed regions, mechanization and electrification of agricultural production has been realized. In 1997, 86% of Jiangsu's arable land was cultivated by machines and 85% of the arable land was irrigated electrically and mechanically. The use of electricity in the countryside was 26.3 billion kwh and the power of agricultural machinery was 25 million kw in 1997. The agricultural production level of Jiangsu has been leading the country. The average per-capita output of the major agricultural products in the province in 1997 were 499 kilograms for grain, 7.1 kg for cotton, 20 kg for oil-bearing crops, and 37.2 kg for aquatic products, 24.8%, 91.9%, 14.9%, and 27.8% more, respectively, than the nation's averages.

4. Export-oriented economy has been developing very fast. Export and foreign investment have become a major driving force in Jiangsu's economic growth. Jiangsu has maintained a rapid growth rate in foreign trade, with its export volume ranking the second in China. In 1997, Jiangsu's total export volume reached US \$15.22 billion, 36 times more than that of 1978. Jiangsu has established trade and cooperation relations with 199 countries and regions in the world. Jiangsu is a popular spot for foreign investment. In 1997, 2,089 foreign-invested enterprises were newly approved, with a contracted foreign investment of US \$9.2 billion, ranking the first in China. The actual utilization of foreign investment of US \$6.2 billion ranks second in China, next to Guangdong Province. By the end of 1997, 34,357 foreign-invested projects had been approved and 16,573 had gone into operation. The accumulated utilization of foreign investment reached US \$30.3 billion, coming from more than 120 countries and regions including the U.S.A., Japan, and the EU members. More than 100 world famous multina-

tional companies have invested in Jiangsu. The range of foreign investment projects has become wider and wider, involving the major industries in the primary, secondary, and tertiary industries.

The investment in basic industry and new and high-tech projects has increased remarkably. Development zones of all kinds at different levels have become a new economic growth point in Jiangsu. There are now 11 national-level development zones, namely the Nanjing, Wuxi, Suzhou, and Changzhou new and high-tech development zones; the Lianyungang, Nantong, and Kunshan economic and technological development zones; the Zhangjiagang free-trade zone; and the Suzhou and Wuxi Taihu tourist resorts. There are 68 provincial level development zones. By 1997, 2,882 projects have entered these development zones with a total investment of RMB 67.2 billion, of which 669 are foreign-invested enterprises with the contracted and actual use of foreign investment accounting for half of the province's total.

5. Small towns have made remarkable progress and the urbanization process has sped up. Jiangsu is one of the most densely populated provinces in China, with the agricultural population taking up a large proportion. Because unrestrained flow of rural population into the large and medium-sized cities would cause a series of urban problems, Jiangsu adopts the policy of controlling the development of large cities, properly developing the medium-sized cities and actively constructing small towns in pushing forward the process of urbanization. This policy accords with the development of township enterprises and helps the rural areas move toward de-agriculturalization with distinct Chinese characteristics. At present, the population in cities and towns in Jiangsu accounts for 30% of the total population. However, people engaged in non-agricultural industries take up 56% of the total labor force in Jiangsu. This can be attributed to the development of township enterprises and small cities and towns. A pattern of co-development of large and medium-sized cities together with small cities and towns has taken shape in the province.

6. The bottleneck constraints on infrastructure have been eased and the investment environment has been greatly improved. The completion of the Shanghai-Nanjing Expressway in 1996 marked a new era in Jiangsu's road construction. A crisscross network of quality highways has taken shape. Meanwhile, modernized airports in Nanjing and Suzhou have been completed one after the other, facilitating Jiangsu's connection with the outside. The construction of a number of important bridges and railways is now in full swing. Power generating capacity has been increased by several times. In 1997 it reached 77.7 billion kwh, six times that of 1978. The days when industrial and agricultural production as well as people's daily life were affected by the lack of electricity, are gone. Posts and telecommunications develop faster. On average the telephone exchange capacity of

Jiangsu in recent five years has been increasing by 43% annually, while the number of mobile telephones has increased by 146%. Now the telephone exchange capacity has exceeded 10 million lines. Jiangsu leads China in realizing the access to telephones in every corner of the province.

Ladies and gentlemen, although Jiangsu has made great progress over the past 20 years, it is still in the developing stage. There is still a long way to go. In particular, I would like to stress that we will, as always, unswervingly implement the policy of opening to the outside world and try our best to promote economic cooperation between Jiangsu and foreign countries, since opening up has become a key driving force in Jiangsu's economic growth. Jiangsu has close relations with many countries in Asia and Europe. People from overseas economic, financial, and business circles are encouraged to establish and develop trade relations with their counterparts in Jiangsu and invest directly in Jiangsu in various ways. Investment in water conservancy projects, infrastructure, new and high-tech industries, and tourism industry are warmly welcome. Projects in accordance with the state guideline list of foreign investment will be encouraged and given preferential treatment. Jiangsu is sure to make even more rapid development through economic and trade cooperation with foreign countries.

Lianyungang, a rising port city and the east bridgehead of the Euro-Asia Continental Bridge, is one of the first 14 coastal cities in China to open to the outside world. Suzhou, an important communications hub in China, and Lianyungang, form the Suzhou-Lianyungang Economic Belt in north Jiangsu. Since the Second Continental Bridge was open to traffic, the central and provincial governments have attached great importance to this economic belt, which is located in the eastern part of the bridge.

The government has listed the planning and construction of Suzhou-Lianyungang Heavy Industry Belt as the priority project on China's 21st Century Development Agenda. More efforts have been put in the infrastructure construction in Suzhou and Lianyungang. The first-rate Nanjing-Lianyungang Highway, Guanyin Airport in Suzhou, and the first phase of Xugou Port in Lianyungang have been completed. The first-rate Nanjing-Suzhou Highway has been open to traffic for half its length. The construction of the multiple tracks of the Suzhou-Lianyungang Railway, construction of the Lianyungang nuclear power station, construction of the Suzhou-Lianyungang Expressway and the International Exhibition Center in Lianyungang are now under way. In order to develop international transportation along the Second Continental Bridge, we have intensified the overall development of Lianyungang Port, improved the collecting, distributing, and transporting conditions and enhanced the service quality of the port.

The Second Continental Bridge has connected Asia and Europe and facilitated the cooperation and exchanges between the two continents. It has also provided favorable

conditions for its surrounding areas. With the functions of Lianyungang as a port being fully realized, the further economic development of the regions along the Continental Bridge, Suzhou-Lianyungang Economic Belt and Lianyungang will play an even more important role in international trade and cooperation.

That is all for my briefing. Later on you will make an on-the-spot study of Lianyungang and see with your own eyes the progress made after the implementation of reform and the opening policy. Your suggestions will be highly appreciated. We hope this symposium will strengthen our friendship, deepen mutual understanding, and enhance cooperation. I wish you a pleasant stay in Jiangsu and good health. Thank you very much.

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Guo Gengmao

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## Join hands to build the Continental Bridge

*Guo Gengmao is the vice governor of Hebei Province. This speech was delivered in Qinhuangdao on Oct. 30.*

In the golden season of autumn, the sub-meeting of the International Seminar on 21st Century Euro-Asia Economic and Trade Relations and New Euro-Asia Continental Bridge is being held in Qinhuangdao, a beautiful seaside city in Hebei Province. On behalf of the People's Municipal Government of Hebei Province, I would like to express my warm welcome to all the representatives attending the seminar.

The economic cooperation and cultural exchanges between Asia and Europe have a long history. Functioning as the comprehensive international passageway between Asia and Europe, the New Euro-Asia Continental Bridge enjoys many favorable conditions of crossing vast lands, large spaces, and rich natural resources. It also has great importance for developing complementary economies among different geographical locations along the bridge, and there is much potential for enhancing regional economic cooperation. The opening of New Euro-Asia Continental Bridge will redisplay the Silk Road, glowing once again, which used to spread the ancient culture and traditional friendship to the people of all nations, and will provide new opportunities for extending exchanges and cooperation in economy, trade, and technology in the countries and regions along the bridge, and further improve the economic development and prosperity of Asia and Europe.