

Urban Development in the GMS Corridors — — perspectives of China

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Part One

Introduction of Urbanization of China

Current Situation and Trends

- By 2012, the urbanization rate of China reached 52.67%, on par with world average.
- The number and scale of cities are continuously expanding and clustering of cities are showing a more prominent pattern.
- Fast urbanization is expected in the following years.

Challenges and Problems

The low quality of urbanization as shown in 5 aspects:

- Large number of rural residents are difficult to be integrated into urban society;
- Urbanization of land is faster than urbanization of people;
- The spatial distribution of cities and towns does not match with the bearing capacity of resources and environment, and the urban scale and structure are not reasonable;
- The problem of “urban disease” becomes more and more prominent;
- Relevant system and mechanism for urbanization are not well established.

The National Strategy of Urbanization

- **The context of China's urbanization: A large population, relative limited resources, fragile ecological environment and imbalanced urban-rural development.**
- **4 strategic tasks of China's urbanization are:**
 - **Carry out citizenization of the migrant population in an orderly way;**
 - **Optimize the spatial layout and pattern of urbanization;**
 - **Enhance cities' capability to realize sustainable development;**
 - **Promote integrated urban-rural development.**
- ◆ **Target: By 2020, urbanization rate reaches around 60%, with 100m more rural population shifting to cities.**

The Urbanization Strategies of Guangxi and Yunnan

| | Guangxi | Yunnan |
|---|--|--|
| Current Situation | Urbanization rate at 43.53% in 2012 | Urbanization rate at 39.3% in 2012 |
| Urbanization Strategies (main tasks) | (1) Enhance the diffusion effect and the driving capability of large and medium-sized cities; (2) Emphasize the development of counties and central towns; (3) Strengthen urban infrastructure construction; (4) Promote the integration of urban-rural service industry; (5) Carry out reform on the household registration system. | (1) Accelerate the development of central Yunnan; (2) Improve the quality of urban development, promote the integration of urbanization and industrial development; (3) Improve urban human settlements and optimize the urban spatial layout; (4) Move cities and towns to hills and transfer peasants to cities; (5) Set up a supervisory mechanism on environmental protection. |
| Targets | In the next 5 years, urbanization rate shall be at 53%. | By 2015, the urbanization rate reaches 42-43%; in the next 5 years the rate shall reach 48%. |

Part Two

Feedback on the Keynote Report on GMS Urbanization

On Urbanization Strategy of China

- **Generally agree with the point of view that China's urban system is “constellation based, not corridor based”(P.45)**
- **China's urbanization strategy: city groups/clusters as the main pattern in urban spatial layout**
 - **To develop 3 world-class metropolitan areas in Beijing-Tianjin-Hebei Province, the Yangtze River Delta, and the Pearl River Delta.**
 - **To develop 10 more regional city groups including the two in GMS area--one at Beibu Gulf (Gulf of Tonkin), the other in central Yunnan, as specified by the national 12th five-year plan**

Spatial Framework of Urbanization of China



Additional Info on the Driving Forces of China's Urbanization

- Rebalancing the economy: urbanization as a major measure to boost domestic demand
- Urbanization of population as the core task: sharing of basic public service among more than 200m migrants from rural area--an unprecedented historical empowerment
- Urbanization in sync with new-type industrialization, modernization of agriculture and informatization

On the Role of Economic Corridors in GMS

- Agree with the judgment that GMS is largely landlocked and depends more on sea ports.(P.2, P.12)
- Therefore, the importance of economic corridors in urbanization should be put in perspective.(P.37)
- Economic corridor is a major measure to overcome difficult geography and national boundaries, and promote regional integration in GMS.
- Economic corridors feature large in urban spatial planning in Guangxi and Yunnan. Almost all the important cities/towns of Guangxi and Yunnan are distributed along the outbound (GMS) and domestic economic corridors.

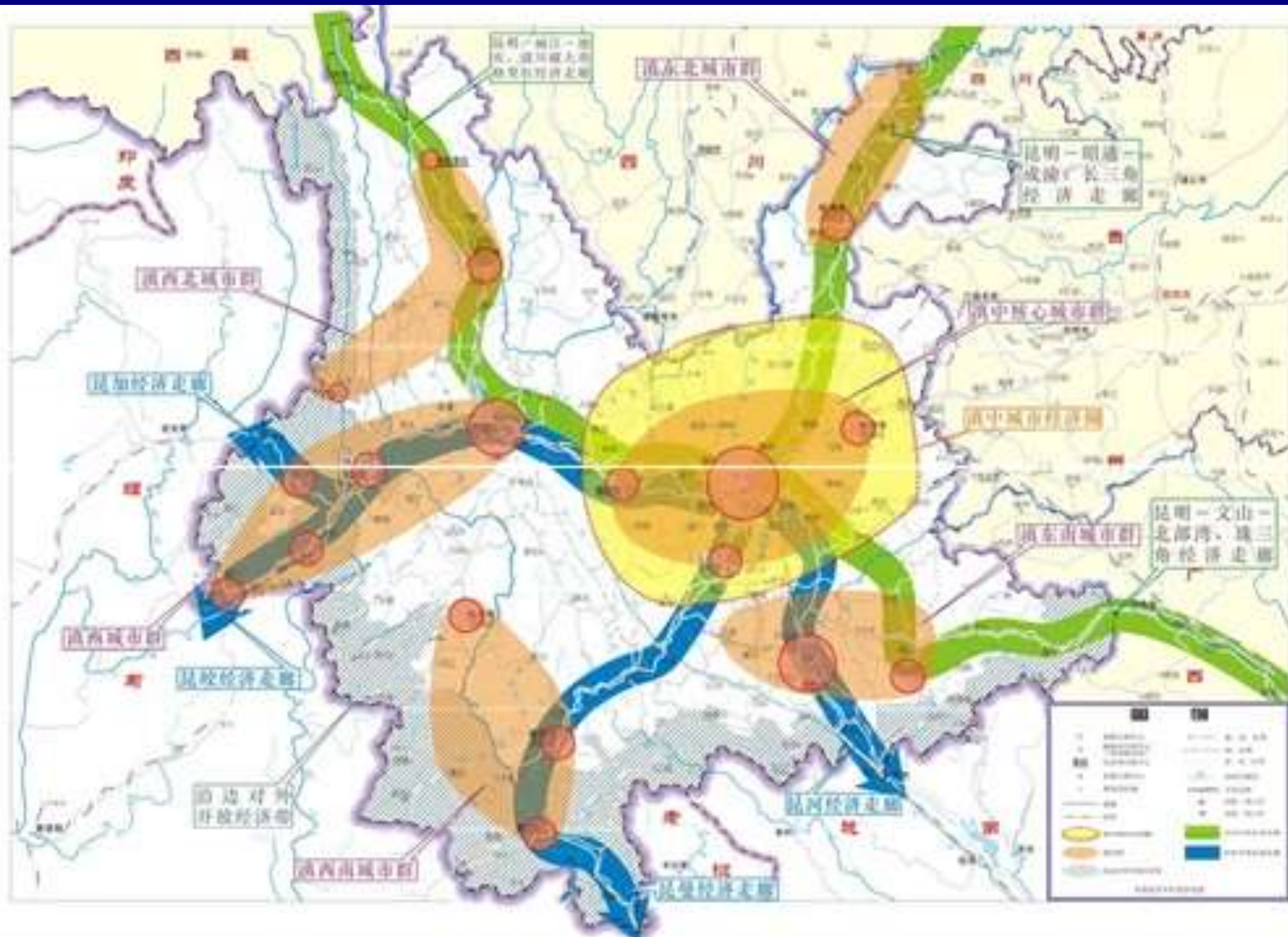
Urban Spatial Framework Plan of Guangxi 2006-2020

广西城镇空间布局规划图

(2006 ~ 2020)



Urban Spatial Framework Plan of Yunnan 2011-2015



Urban Spatial Patterns and Features of Guangxi and Yunnan

| | Guangxi | Yunnan |
|---|---|--|
| Spatial Layout of the Urban System | <p>4 city groups and 4 city belts:</p> <p>The 4 city clusters are: (1) the Nanning-Beihai-Qinzhou-Fengchenggang city group centered on Nanning; (2) the Central Guangxi city group centered on Liuzhou; (3) the Northern Guangxi city group centered on Guilin; (4) the Southeast Guangxi city group centered on Wuzhou, Yulin and Guigang.</p> <p>The 4 city belts are: (1) the Youjiang River city belt centered on Baise and Pingguo; (2) the Guizhou-Guangxi corridor city belt centered on Hechi and Yizhou; (3) the Southwest city belt centered on Chongzuo, Ningming and Pingxiang; (4) the Northeast city belt centered on Hezhou, Zhongshan and Fuchuan.</p> | <p>6 city groups:</p> <p>(1) the Central Yunnan city group centered on Kunming and including Qujing, Yuxi and Chuxiong; (2) the Western Yunnan secondary city group centered on Dali, Baoshan and Ruili; (3) the Southeast Yunnan secondary city group centered on Mengzi and Wenshan; (4) the Northeast Yunnan secondary city group centered on Lijiang; (5) the Southwest Yunnan secondary city group centered on Jinghong and Pu'er; (6) the Northwest Yunnan secondary city groups centered on Zhaotong and Ludian.</p> |
| Main Features | A city group network is taking shape | <p>(1) Solely centered on Kunming;</p> <p>(2) The border economic belt</p> |

Comparison of Guangxi and Yunnan

| | Guangxi | Yunnan |
|--------------------------------|------------------------------------|--|
| Nearby Economic Centers | Conveniently linked with Guangdong | Separated from Chongqing and Chengdu by difficult terrains |
| Sea Port Access | Beihai, Qinzhou, Fangchenggang | None |
| Terrain | 76% mountainous area | 94% mountainous area |
| Industrial Development | Relatively good and improving | Weak and ill-structured, lack of integration with urbanization |
| Length of Land Border | 1020 Km | 4060 Km |

- **Yunnan is comparatively more dependent on economic corridors. As evidenced by history, the fate of cities and towns of Yunnan has been closely linked with the trading routes.**
- ◆ **A more balanced view: Development of economic corridors and urbanization supplement each other; both are important.**

On Urbanization Projects along the Corridors or at Border Areas

- Agree with the point that investment should be based more on the principle of economic efficiency. (P.37)
- However, the importance of urbanization at border areas should not be underestimated. (P.37)
- Construction of AEC and China-ASEAN FTA is a long, gradual process.

On Urbanization Projects along the Corridors or at Border Areas

- Intra-regional trade level is still not satisfactory, and GMS countries are competing for FDI and market.
- Other factors, e.g., the list of sensitive goods, non-tariff barriers, transparency problems, cross-border transportation agreements which are not in full play, etc., are hampering regional integration.
- To support urbanization at border areas is conducive to fostering a favorable situation for win-win and regional integration gradually.

On Mobilization of Funds and Selection of Priority Routes

- Agree to involve the private sector in the form of PPP. Meanwhile, the governmental and multilateral organizations still need to play a pivotal role.
- Investment should be based on market principle, but other factors should also be taken into consideration in GMS, for example:
 - Major transportation routes may cause huge spillover effect, driving regional development and creating new demand, especially for formerly landlocked places.
 - Poverty-alleviation, balanced regional development, development of ethnic minorities, etc. are also important factors in the decision-making of GMS countries.
- ◆ A more future-oriented and holistic point of view probably would be more helpful for mobilizing funds from GMS countries.

Part Three

Policy Recommendations

On Development Strategies

- **Explore the possibility of forming regional city constellations or city economic circles in a larger scale through the construction of priority economic corridors, for example, the Hanoi-Nanning-Kunming economic circle.**
- **Promote inter-city connectivity between big city and surrounding small and medium-sized cities/towns, so as to reduce the Matthew effect while facilitating the spillover and trickle-down effect.**
- **More investment on industrial parks with comparative and competitive advantages, medium-sized (second tier) cities with developmental potential, and featured small towns.**

On Development Strategies

- More support to the economic cooperation and urban development at selected border areas
- More investment to support regional railway construction to reduce logistic costs
- More support for the development of vocational education
- As to industrial development, agriculture (agri-processing), tourism, logistics, telecommunication, international finance, energy are recommended as key areas for regional cooperation

On Strategic Measures

- **Strengthen regional cooperation. To hold regional urbanization symposium or investment fair.**
- **Increase city-to-city interaction and cooperation by pairing up more “sister cities” in the GMS.**
- **Integrate GMS plan with member countries’ plans**
- **Cooperate on building regional industrial chain**
- **Offer more training programs for the law enforcement and management departments at border areas.**
- **Enhance coordination among GMS countries, and governments at various levels within GMS member countries.**
- **Accelerate the process of approval and implementation (thru pilot projects) of GMS CBTA and other cross-border transportation agreements**

Thank you!