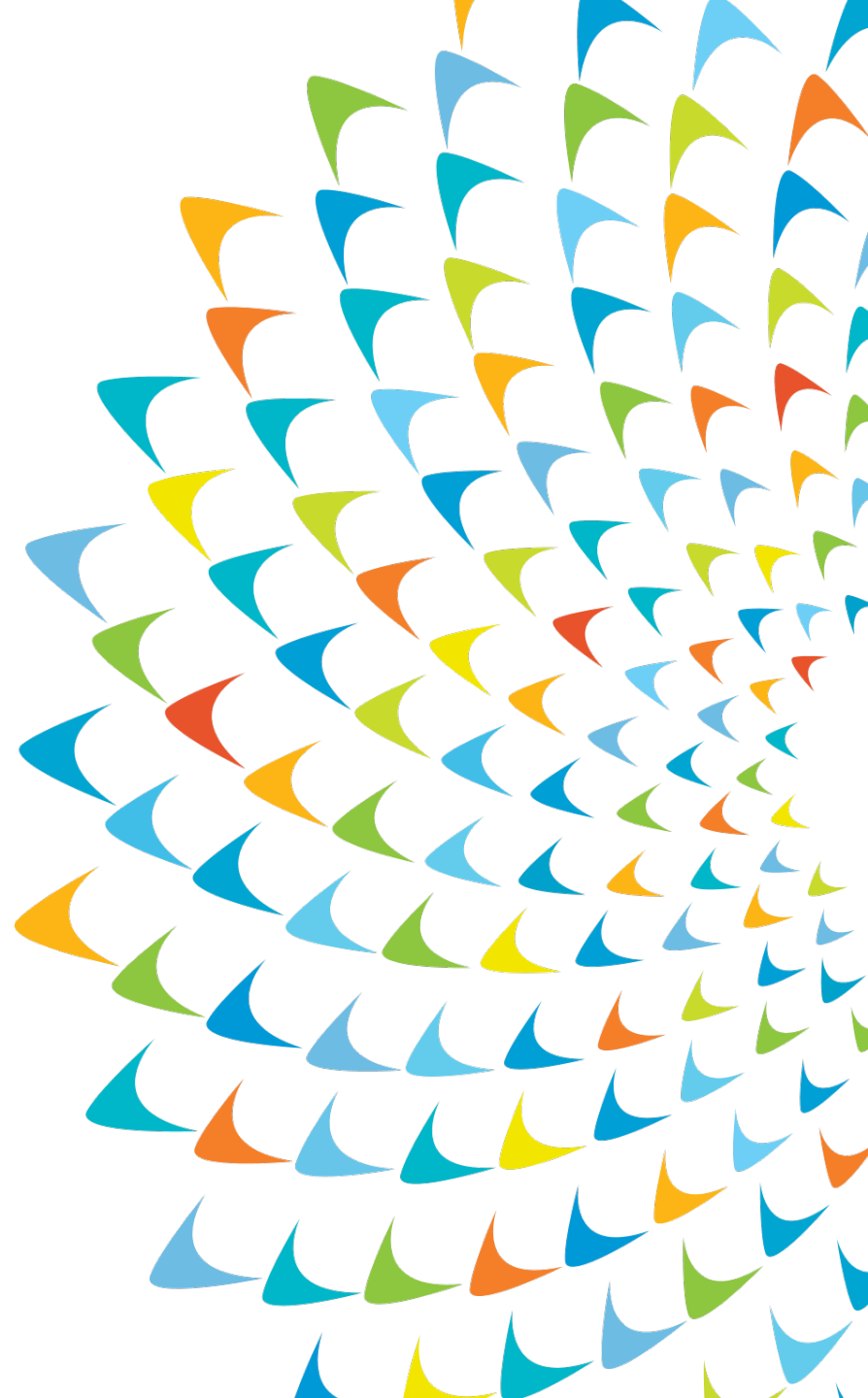




# Special Economic Zones (SEZs) as Catalysts for Economic Corridors, Value Chains and Production Networks

25-29 March 2019, Shanghai,  
People's Republic of China





# Guangxi Regional Cooperation and Integration Promotion Investment Program(GRIP)

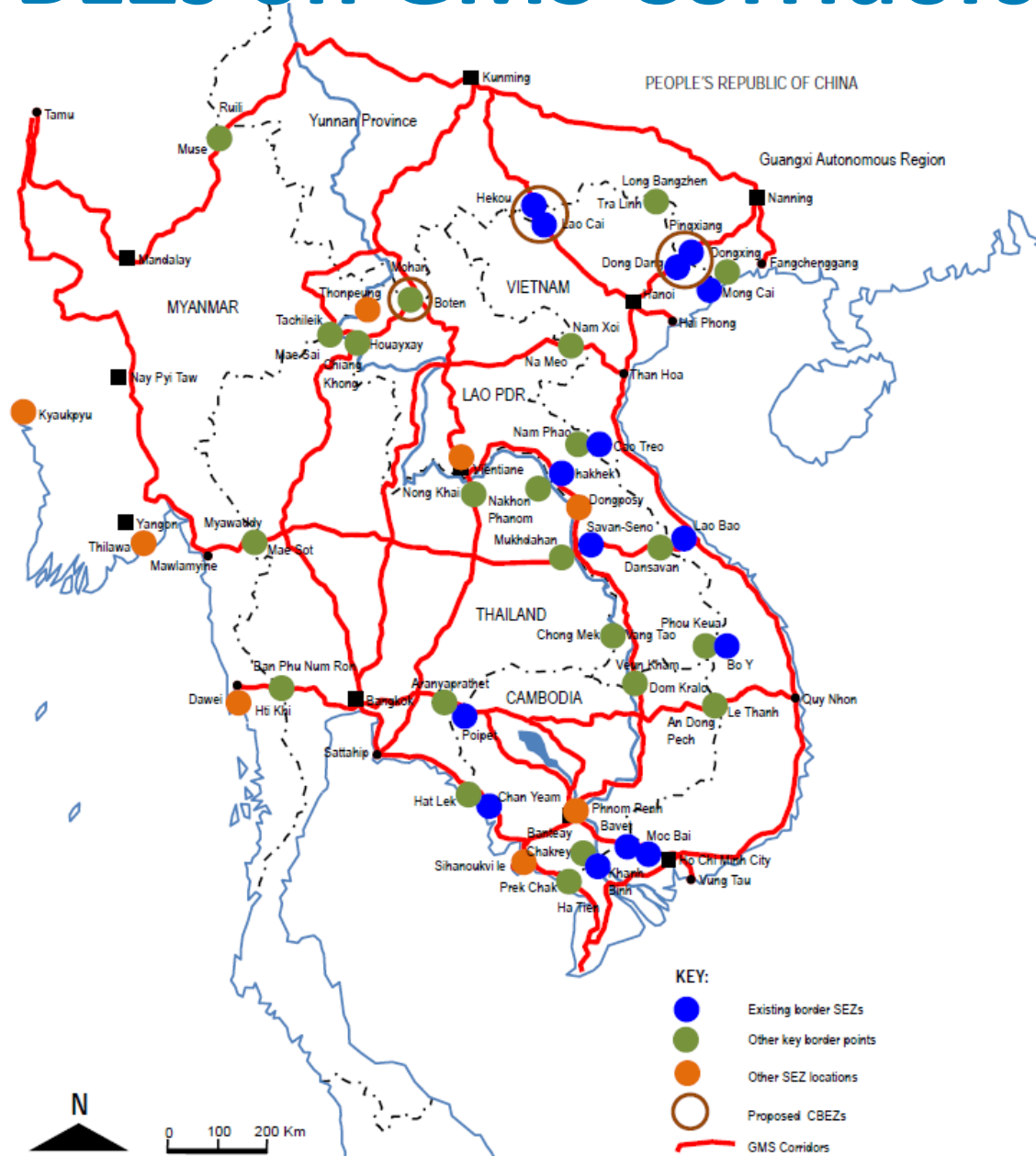
Ying Qian  
East Asia Department  
Asian Development Bank



# SEZ/BEZ in GMS

- In different forms
  - Free zones
  - Free trade zones
  - Export processing zones
  - Free ports
  - Trade and economic cooperation zones
  - Economic technological development areas...
- Enclave type (most common)
- Integrated type (as in PRC, VIE)
- Public (common in 1970s-1990s)
  - governments taking responsibility for planning financing, defining and administering regulations, offering incentives, working with investors, managing real estate, etc.
- Private (since late 1990s)
  - own, develop, and operate
  - 65% by 2010 in developing economies (e.g. 90% in VIE)
- PPP-based

# BEZs on GMS Corridors





# Key Success Factors

- SEZs as experimental reform centers for demonstration and replication
- Infrastructure and connectivity
- Business-friendly services for trade and investment
- Financing, particularly for SMEs
- Skills development (both managerial and job skills)
- Cross-border coordination, not competition



# Guangxi RCI Promotion Investment Program – 2016



- GMS economic corridor development
- PRC-Vietnam cooperation initiatives
- RCI: opening up PRC's border areas
- RCI in PRC CPS
- Guangxi: constraints and untapped potential



# Multitranche Financing Facility 2016– 2026

**Impact:** Greater economic integration

**Outcome:** RCI opportunities realized

**5 Interlinked Outputs:** SME; financial services; e-commerce; BEZ development; connectivity

**3 Tranches** (\$450 million OCR and Regional set-aside)

**Why MFF?:** long term commitment; flexibility; phased funding; policy dialogue; private sector participation

## Key Features:

- Country ownership and demand-driven
- Focusing on the promotion of cross-border economic activities to benefit people in border areas of PRC and VIE
- Cross-border synergy
- One ADB Approach



# 5 Interlinked Outputs

- Border economic zone development
  - Cross-border connectivity
  - SME development
  - Cross-border financial services
  - E-commerce
- FIL for SMEs
  - Business development services
  - Skills development
  - Cross-border labor mobility
  - Border trade centers





# ADB Financing for MFF

Component/Output	Tranche 1	Tranche 2	Tranche 3	Total
SME development	83.0	30.5	10.6	124.1
Cross-border financial services	0.0	0.0	15.5	15.5
Cross-border e-commerce	22.3	10.7	13.0	46.0
Border economic zone development	6.9	50.9	58.6	116.4
Cross-border connectivity	0.0	72.5	30.8	103.3
Technical and institutional support	8.4	3.1	1.5	13.0
Financial charges during implementation	9.4	12.3	10.0	31.7
<b>Total</b>	<b>130.0</b>	<b>180.0</b>	<b>140.0</b>	<b>450.0</b>



# Tranche 1 Subprojects – 2016

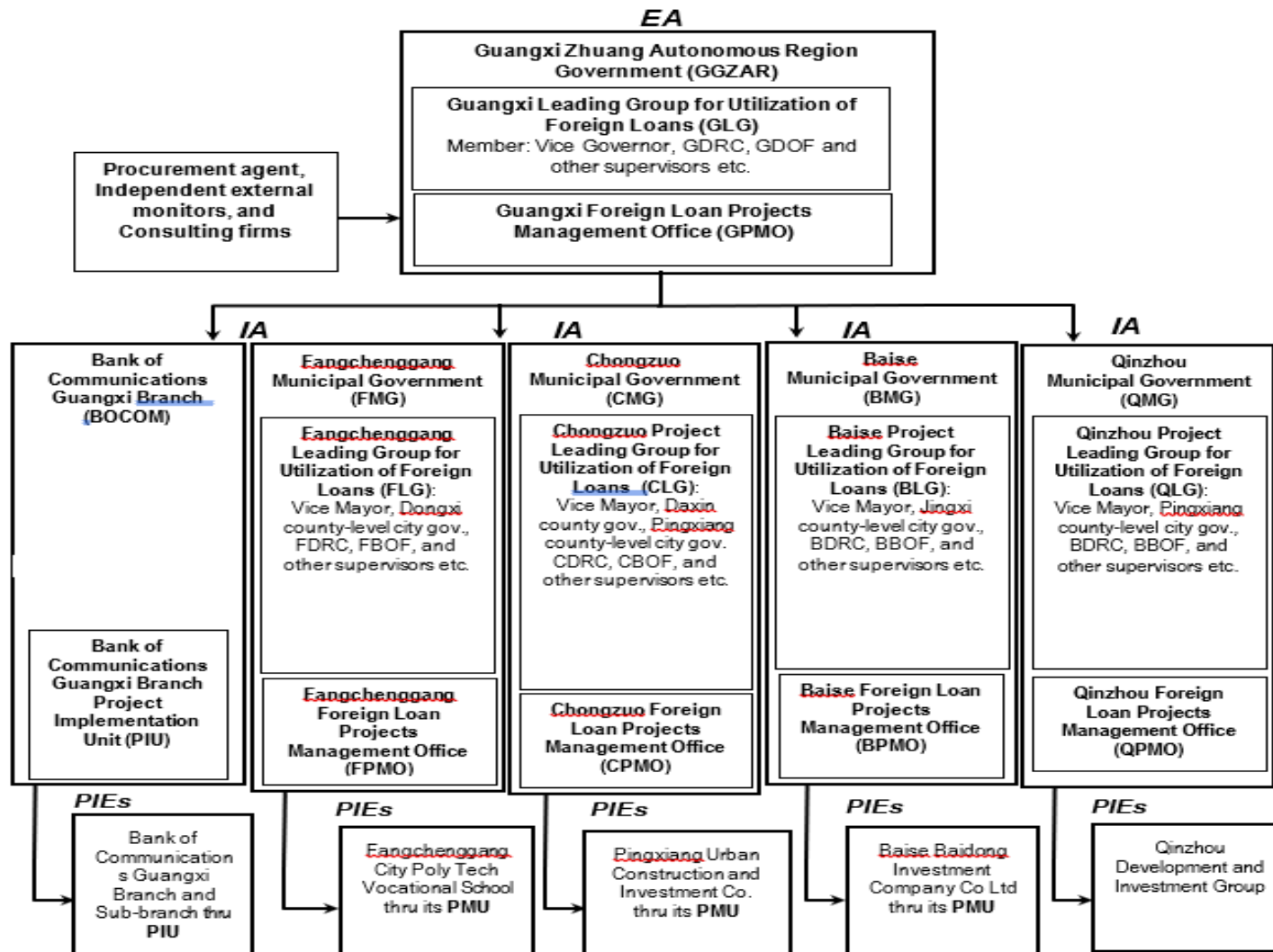
1. Fangchenggang Training Center for PRC and Vietnamese workers and SMEs
2. Pingxiang Cross-border Labor Cooperation Development Park
3. Training for PRC and Vietnamese Worker and SMEs
4. SMEs Financing in Guangxi
5. Smart Port for Longbang Border Economic Zone
6. Pingxiang Border Trade Service Center
7. Exploring PPP Opportunities for Improving Border Service
8. Support on Improving Cross-border Financial and Investment Service
9. Strengthening Business Development in Guangxi
10. Project Management and Capacity Development





# Project Implementation Arrangement for T1

Figure 1: Investment Program Organizational Structure



ADB = Asian Development Bank, BDRC = Baise, Development and Reform Commission, BBOF = Baise, Bureau of Finance, BOCOM = Bank of Communications Co. Ltd. Guangxi Branch, CDRC = Chongzuo, Development and Reform Commission, CBOF = Chongzuo, Bureau of Finance, EA = executing agency, FDRC = Fangchenggang, Development and Reform Commission, FBOF = Fangchenggang, Bureau of Finance, GDRC = Guangxi Development and Reform Commission, GDOF = Guangxi Department of Finance, IA = implementing agency, PIE = project implementing entities, PIU = project implementation unit, PMU = project management unit  
 Source: Asian Development Bank.





# Tranche 2 Subprojects – 2018

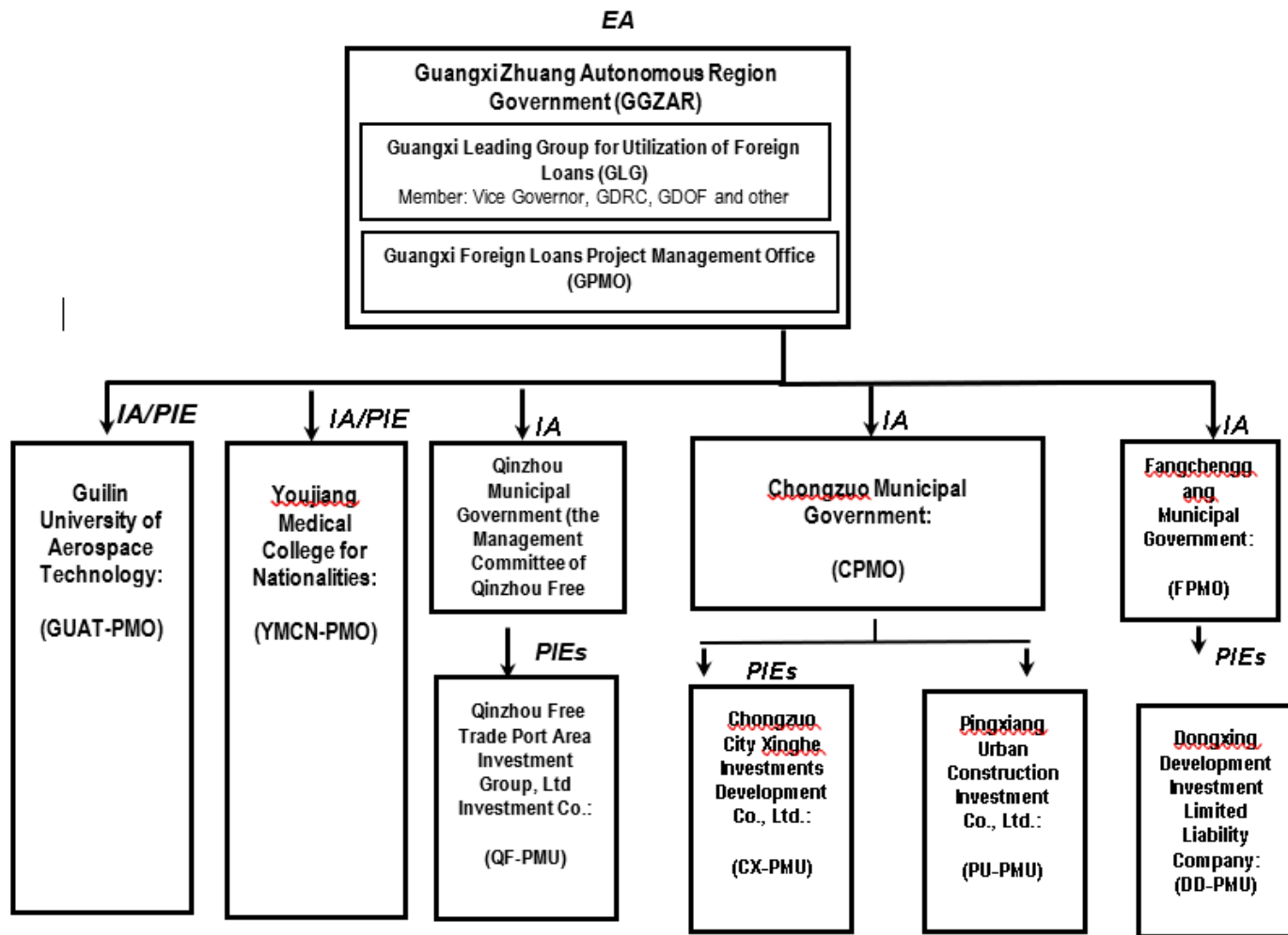
1. Chongzuo Sino-Viet Nam BEZ
2. Dongxing Changhu Road East Section Construction
3. Pingxiang-Mongcai Cross-Border Road Connectivity
4. Qinzhou Bonded Port Cross Border Trade E-commerce Industrial Park
5. Qinzhou International Cold-Chain Logistics
6. China-ASEAN SME Synergy Innovative Development
7. China-ASEAN Educational Cooperation





# Project Implementation Arrangement for T2

Figure 1: Investment Program Organizational Structure for Tranche 2



EA = executing agency, GDOF = Guangxi Department of Finance, GDRC = Guangxi Development and Reform Commission, IA = implementing agency, PIE = project implementing entities.  
Source: Asian Development Bank.



# Tranche 3 Subprojects – 2021



1. Chongzuo Daxin County Border Roads Improvement
2. Chongzuo Shulong Border-cross point Updating

3. E-commerce Incubation Parks in Fangchenggang, Longbang and Pingxiang
4. Fangchenggang Big-data Center
5. Qinzhou Cloud Computing center
6. Dongxing Cross-border Financial Service Center
7. Promotion of PRC-Viet Nam cross-border policy and operational dialogue, finalizing the joint master plan for BEZ development



# Regional Technical Assistance

## TA9293: Policy Coordination and Planning of Border Economic Zones (BEZs) of PRC and Viet Nam

**Implementation:** 1 March 2017 – 29 March 2019

**Impact:** Improved integration along the GMS North–South Economic Corridor

**Outcome:** Enhanced capacity to develop BEZs in the border areas of PRC and Viet Nam

**3 Outputs:** (i) Policy recommendations for coordinated BEZs development formulated; (ii) Coordination for BEZs development strengthened; and (iii) capacity building of governments conducted



# ADB's Value Added

- Honest broker for cross-border coordination
- Effectively supporting “horizontal cooperation” within PRC
- RCI knowledge and capacity building
  - Trade facilitation
  - Institutional strengthening
- Demonstration and replication (for GMS NSEC and other PRC provinces)







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**Thank you.**

