



# FIRST MEETING GMS Urban Development Working Group

28–29 June 2017 • Ha Noi, Viet Nam

## Country Report of PRC on GMS Corridor Town Development

### Definition of “Border Economic Zone (BEZ)” and PRC's strategy/policy for BEZ development

- In PRC, Border Economic Cooperation Zone usually means the area designated for border trade and export processing industry development in border towns.
- PRC attaches great importance to development of border areas. In Dec. 2015, the State Council of PRC published a document supporting the development and opening up of key border areas with a series of preferential policies in poverty alleviation, institutional reform, trade, industrial development, tourism, infrastructure construction, finance and taxation etc.
- Key border areas/platforms for GMS cooperation in PRC include:
  - National Key Development and Opening-up Experimental Zones: Dongxing, Pingxiang (in Guangxi); Mengla (Mohan), Ruili (in Yunnan)
  - Border Economic Cooperation Zones: Dongxing, Pingxiang (in Guangxi); Hekou, Lincang, Wanding, Ruili (in Yunnan)
  - Cross-border Economic Cooperation Zone: PRC-Lao PDR Mohan-Boten Economic Cooperation Zone
  - Border Towns: Dongxing, Pingxiang (in Guangxi), Jinghong, Mangshi, Ruili (in Yunnan)
  - National Border Ports:
    - Railway Ports: Pingxiang (in Guangxi), Hekou (in Yunnan)
    - Road Ports: Dongxing, Aidian, Youyiguan, Shuikou, Longbang, Pingmeng (in Guangxi); Tianbao, Dulong, Hekou, Jinshuihe, Mengkang, Mohan, Daluo, Mengding, Wanding, Ruili, Tengchong (in Yunnan)

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## What are the challenges for BEZ development?

- Infrastructure development still lagging behind
- Difficulties in international coordination
- Slow progress in fostering new industries, many difficulties facing the enterprises
- Low level of facilitation of customs clearance at ports
- Lack of talents and deficiency of innovation capability
- Limited space for economic development, heavy tasks in environmental protection
- Lack of financing platform, difficulties in cross-border money exchanges and trade settlement
- Management systems and institutions are not fully developed

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## How does PRC coordinate BEZ development and urban infrastructure development?

- Lack of necessary infrastructure, such as transportation, water conservancy, energy, information, remains a critical bottleneck for development of BEZs and border ports
- According to PRC's 13<sup>th</sup> National Economic and Social Development Planning (2016-2020) and the National New-type Urbanization Planning (2014-2020), PRC will:
  - **further strengthen overall urban infrastructure development.** It will upgrade and construct the water supply system, the underground municipal pipe network, strengthen construction of roads, parking spaces, security facilities and promote construction of barrier-free facilities. It will improve the facilities for public service, enhance anti-disaster ability of urban constructions and infrastructure.
  - **improve infrastructure at border areas esp. at the border towns and land ports,** for the development of border trade, financial services, transportation and industries. PRC will open cross-border multi-modal transportation routes, foster international industrial clusters, establish logistics and processing centers at border areas.

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## Proposals to integrate BEZ development in the design of GMS Corridor Towns Development Projects

- Further integrate GMS plans and projects with the plans of urban development, BEZ, industrial development of individual countries
- Coordinate multisector cooperation. Integrate with cooperation in infrastructure projects, CBTA, trade and investment facilitation, industrial development, tourism, financial cooperation, logistics, e-commerce etc.
- Designate key areas for promoting cooperation (F.I. key opening-up and development experimental zone, border economic cooperation zone, border town, etc.) , supporting their development with more financial support and TA programs
  - PRC-Viet Nam Border Economic Cooperation Zones (Pingxiang-Dong Dang, Dongxing-Mong Cai, Longbang-Tra Linh, Hekou-Lao Cai)
  - PRC-Lao PDR Economic Cooperation Zone (Mohan-Boten)
  - PRC-Myanmar Border Economic Cooperation Zone (Ruili-Muse, Lincang, Tengchong)
- Improve the level of urban planning for BEZs, and take intelligent and ecological measures to build new BEZs

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## Factors to be considered in Establishing Selection Criteria for the GMS Corridor Towns Development Projects:

- ① Whether the project is situated at the nodes of corridors; its closeness and connections to economic centers;
- ② Whether there exists bilateral/multilateral agreement for BEZ development esp. for paired-up border towns;
- ③ Its potential for driving economic development along the corridor; and its relations with multisector cooperation such as industrial, agricultural and tourism development;
- ④ Whether it is helpful for promoting regional connectivity, F.I. cohesion of multi-modal transportation;
- ⑤ The level of involvement of Public-Private Partnership (PPP);
- ⑥ Its impact on inclusive growth and sustainable development

## How PRC is going to be involved in the GMS Corridor Towns Development Projects?

- PRC will coordinate and integrate its urban and BEZ development strategies/plans with those of GMS and GMS countries, jointly promoting policy coordination, infrastructure connectivity, border trade and financial cooperation.
- Provide necessary support and assistance to GMS countries through platforms of ADB, sharing China's experience in urban and BEZ development
- As development of border areas and BEZs of PRC still faces many difficulties and challenges, PRC expects further support from ADB both in financing and technical assistance.

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