

**Speech Delivered by Mr.Yang Zhongqiang, Vice Chairman of
Tianjin Dongjiang Free Trade Port Zone in 19th Northeast
Economic Forum**

Good afternoon! Honourable Guests, Friends, Ladies and Gentlemen

As the invited guest of 19th Northeast Asia Economic Forum and the vice chairman of the Administrative Commission of Tianjin Dongjiang Free Trade Port Zone, it is a great pleasure to share some of my thoughts with you about the economic development in Northeast Asia, and I would like to deliver the speech from following three aspects:

I. Tianjin Port Dongjiang Free Trade Port Zone--the Crucial Connecting Point in the Transportation and Logistics Cooperation of Northeast Asia

(I) Tianjin Port

Situated in the eastern starting point of the Eurasian Continental Bridge and being the 5th largest port in the world, Tianjin Port has the earliest operating sea-land line with the largest transporting capacity, shortest distance and most routes and three accesses to Russia, Mongolia and Kazakhstan via Alataw Pass, Erlianhot and Manchuli respectively. Tianjin Port has established regular lines with Inchon, Pusan, Kitakyushu and Fukuoka. It is one of the core ports in the Pacific Ocean Region.

Divided into three operation areas as Nanjiang Port area, Beijiang Port area and Dongjiang Port area, Tianjin port has the all-round operation functions in handling crude oil, minerals, bulk cargo and container. Its radiation effect covers the hinterland to the north, northeast and northwest of China and vast land of Northeast Asia. In Tianjin Port's surrounding area, there are Port Industrial and Nangang Industrial Area, which build a sea-port economic area as a whole with modern machinery manufacturing and petrochemical refinery industry as the core.

II. Tianjin Dongjiang Free Trade Port Zone

The Dongjiang Port Area subject to Tianjin Port is 30 km², which is divided into three parts as Terminal Operation Area, Logistics Processing Area and Comprehensive area with 10 km² respectively. Within the Dongjiang Port Area, 10 km² is Tianjin Dongjiang Free Trade Port Zone approved by the the central government. It is the special zone with the highest opening and developing level established by China in this new centry. It integrates the functional policy of all kinds of free trade and developing zones in China with the priority to have the first trial for the comprehensive reform and the innovation in externally economic administrative system. Dongjiang Free Trade Port Zone has 5 main functions as international transfer, international allocation, international purchasing, international transshipment and export-orientated processing. It is equivalent to a special area within China's territory but outside the customs. The cargos flowing from domestic market into this area will be granted tax-refund while keeping bonded if the cargos were from abroad without paying duty. The manufacturing-orientated enterprises within the free trade port zone will be free of VAT. It is tailoring for the enterprises in international shipping, logistics processing and financial trade. Dongjiang Free Trade Port Zone enjoys the highest freedom in the flowing of cargo, capital and personnel and enterprise operation . Dongjiang Free Trade Port Zone makes specialized industry promoting policy for enterprises and provides a platform in trade convenience and low-cost operation in accordance with intertional common practice mode.

II. Tianjin Port and Dongjiang Free Trade Port Zone--Playing Important Role in the Economic Cooperation in Northeast Asia

(I) Comprehensive Economic and Trade Cooperation between Mongolia and Tianjin

On 15th April,2009, Mongolia Ministry of Roads, Transportation, Construction and Urban Development and Tianjin Municipal Government signed the MOU of Deepening the Economic and Trade Cooperation in Tianjin Binhai

New Area. Two sides agreed to making full use of the advantages in policy and function of Dongjiang Free Trade Port Zone to cooperate on the building of Mongolia Industrial Logistics Project. Both sides have set up corresponding working group and organized four official meetings. More than 100 enterprises from both sides have held business talks on the trade of auto, engineering machine, mineral and frozen products. The joint-venture established by Grant China Logistics Group and Mongolia Asia Logistics Company had registered in Dongjiang Free Trade Port Zone while another sole-Mongolia-invested logistics company had also been set up in Dongjiang. Both working groups will hold a new round meeting recently on the port pass convenience and the improvement of logistics route. Two sides are also seeking the possibility of established logistics centre in Mongolia for more cooperation at a variety of fields.

(II) Building New Trade Platform with Countries and Regions from Northeast Asia

For the special advantages of Dongjiang Free Trade Port Zone in geographical position, policy and function, lots of companies from Korea and Japan have come here to evaluate the availability of setting up logistics and processing base in the free trade port zone; Buryatia Republic from Russia Federation is also willing to build its mineral logistics centre targeted for China and Overseas market; Dongjiang Free trade Port Zone also established cooperation relation with Kaosiung Port and Keelung Port from Taiwan established for more efficient cargo flowing; making use of the giant radiation of Tianjin Port to the Northeast of China, Dongjiang Free Trade Port Zone is seeking to develop the cooperation with the Middle Asian Countries.

(III) Tianjin Port and Dongjiang Free Trade Port Zone--Providing Best Economic&Trade Service for Northeast Asian Countries

Tianjin Port still maintained a fast growth affected by the world economic recession in 2009. For the first half of 2010, Tianjin Port has realized its cargo

handling capacity of 198 million tons and 4.7 million teus, comparatively up 7.3% and 13.1% respectively. It is estimated that Tianjin Port's cargo handling capacity will exceed 400 million tons with 10 million teus. Dongjiang Free Trade Port Zone will cooperate with each Northeast Asian countries in developing ship financing and leasing, international shipping, product exhibition&trade, logistics processing, bonded service and leisure tourism to build a more convenient place of trade.

Up till now, 315 companies have registered in Dongjiang with total capital of more than 1.5 billion USD. Meanwhile, Dongjiang Free Trade Port Zone had made a preferential policy to support the development of enterprises with the most efficient service. On the basis of the preferential policy, Dongjiang will provide each investor with plus 1 corresponding policy and set up a convincing platform.

III. Outlook of Tianjin Port and Dongjiang Free Trade Port Zone in the Economic Development of Northeast Asia

Tianjin Port and Dongjiang Free Trade Port Zone are both situated in Tianjin Binhai New Area, which is the third economic growth engine after Shenzhen and Shanghai Pudong New Area. Tianjin Binhai New Area is positioned to be the North International Shipping Centre and International Logistics Centre in China. Dongjiang Free Trade Port Zone is its core functional area, which provides Tianjin Port and Dongjiang Free Trade Port Zone will a historic opportunity to be involved in the economic development of Northeast Asia playing the role as the strategic core of being the east bridgehead of Eurasian Bridge.

According to the masterplan, Tianjin Port will realize a comprehensive upgrade on channel rank, terminal berth, loading capacity and transporting network system and grow to a international sea-land transporting hub port in 2020. In 2020, Dongjiang Free Trade Port Zone will realize local GDP of 8.4 billion USD with 29.5 billion USD investment. Dongjiang Free Trade Port Zone is expected to be a highly open free trade port with optimal policy, efficient service and elegant environment.

Tianjin Port and Dongjiang Free Trade Port Zone are situated in China Bohai

Sea rim, which makes a comparatively longer sea trip but lower cost. The transporting network starting from Tianjin Port and Dongjiang Free Trade Port Zone to Alataw, Erlianhot and Manchuli is basically mature. The building of the logistics system of Tianjin Port to Northeast Asia has been listed in the national strategy, which will solve the restraining factors in railway and road transportation. Meanwhile, along with the measures Russia and Mongolia taking in improving the land transportation, Tianjin will act as a connecting point with Korea and Japan and play a more important role for regional cooperation.

Currently, China is at a opening-up stage of fast development and plays a much more important role in building the new world economy. We strongly believe that with the combination of economic factors and trade cooperation at a variety of fields, the Northeast Asian Countries will strengthen the dealing ability tackling with crisis and better maintain and promote the social economic stability and development. Tianjin Port and Dongjiang Free Trade Port Zone will contribute to the development of Northeast Asian transportation network, promote the flowing of national externally economic factor and prospering regional economic and cultural exchange by its own renovation in function, system and policy.

To complete my speech, I wish 19th Northeast Asia Economic Forum a complete success! Thank you!