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## **Changchun's Unique Advantages and Role in Northeast Asian Economic Development**

Li Huali

On behalf of the People's Municipal Government of Changchun, I would like to extend my sincere welcome to all of you. This Forum provides a great opportunity for economic experts, scholars, and entrepreneurs from China and abroad to discuss Northeast Asian economic and development issues that concern us all.

As the political, economic, and cultural center, as well as the capital of Jilin Province, our young city of Changchun, with its 200 years of history, is located in the center of the Song Liao plain. Owing to its rich natural conditions, distinct seasons, and lovely weather, Changchun is known as the "Spring City of the Northern Country." With six administrative districts, four counties, and a total area of 20,571 square kilometers, including 3,116 square kilometers of urban area and 150 square kilometers of urban construction, Changchun accommodates a population of 7.12 million people.

Since China carried out its reform and opening policy, and especially during the Ninth Five-Year Plan, Changchun has changed a lot. Since 1995 the GDP per capita, financial income, gross industry product, social consumption retail value, foreign trade value, total social fixed assets, and other major economic indicators have doubled. Although the global economy was comparatively stagnant, Changchun created a prosperous regional economic situation, and progressed in a healthy direction because of its own unique industrial structure and advantages. Nowadays, Changchun has a strong industrial and agricultural base. Commerce is booming, and science and education are developing as well. As a result, it has become famous as the Auto City, Forest City, Movie City, Science and Culture City, and Tourism City. At present, we are trying to obtain another title: the National Environmental Protection Model.

Changchun is situated in the world-famous golden corn belt, has rich soil, and is one of the most important grain bases in China. Having such abundant agricultural resources, Changchun has established Dacheng, Qingzheng Haoyue, Jilin Deda, and other agricultural by-product processing enterprises. Changchun has the highest agriculture industrialization rate in China. Changchun is also the cradle of China's auto industry: the famous First Automobile Works, the largest modern auto research and producing base in China with complete automobile models. It produces mainly cars and medium-size trucks, and its output accounts for one-fifth of the nation's total production. Changchun's Passenger Train Plant

is a large research and export base, producing railway trains and subway trains. Its output accounts for 60% of the nation's total production. Changchun has advantages in education, science, and technology as well. In the field of hi-tech, we have a group of firms with international competitive ability that are involved in biological engineering, e-information, new materials, and integration of optics, machinery, and electronics, especially optical electronics and pharmaceuticals. Changchun has been approved by the state as the National Torch Plan—Changchun Optics Electronics IT Industrialization Base. We are doing our best to set up Changchun China Optics Village, so that it can turn the city into a center for Optics Electronics IT research, production, and trade.

Changchun is very attractive in terms of opening new projects. In these years, we have attached great importance to introducing foreign funds. We have done a lot to improve investment in both the soft and hard environments, we established a series of preferential policies for foreign business people, and we provide them with quality services. We already have more than 2,000 foreign funded and joint venture companies, including Pepsi from the U.S., Volkswagen and Siemens from Germany, Itochu cooperation from Japan, and other world famous companies.

Changchun High and New Technology Development Zone and Changchun Economic and Technology Development Zone are state-level development zones. Compared with similar zones in China, Changchun's Economic and Technology Development zone ranks among the top 10. Changchun's High and New Technology Development Zone is also in the top 10. For geographical and economic reasons, Changchun always puts trade and economic cooperation with other Northeast Asian economies in a very important position. Thus far, 635 enterprises from Northeast Asia have invested here. Some of them are cooperating with state-owned companies, or investing in urban infrastructure, or aiming at hi-tech enterprises. When they give their support to Changchun, they also strengthen themselves and get a lot of profit.

With the speeding up of economic integration, international exchanges are improving and increasing. Although systems are different, the problems we encounter are very similar. Our mutual goals are to develop the economy and realize social prosperity. Thinking back, economic globalization and regionalization have indeed become the trends of the future. With its unique features and advantages, Northeast Asia is an important and attractive economic region. It therefore seems all the more important to cooperate further and develop our mutual interests within our own region.

As a central city in the northern part of China and Northeast Asia, Changchun is also located in the heart of Northeast China. It is at the crossroads of transportation connecting Liaoning, Jilin, and Heilongjiang Provinces and Inner Mongolia. To the south are cities along the coast on the Liaodong

peninsula; to the north across Heilongjiang Province, we can go to Russia and Eastern Europe; to the east, across Hunchun and Tumenjiang port, are North and South Korea and Russia; to the west, by way of the Baicheng region of Jilin Province, we can communicate with Mongolia. For these reasons, Changchun has become the most important link of the economic chain of the northeast region of China, and also the central place of Northeast Asia. In this sense, the development of Changchun affects the whole economy of Northeast Asia.

Changchun is a city with lots of potential. In the present situation, the economic tide is flowing from the south to the north in China. Changchun is taking full advantage of this and is pushing forward China's economic development. Meanwhile, Changchun is an important economic center in Northeast Asia, and has good economic cooperation with the countries and regions in Northeast Asia. Thus Changchun should and can contribute more.

For China, entering the World Trade Organization (WTO) is a historic move that will push Changchun further into the economy of Northeast Asia and the rest of the world. The next step for Changchun will be to create a better investment environment and strengthen cooperation with countries and regions in Northeast Asia in the fields of transportation, energy, deep grain processing, city building, and resources development. During the Tenth Five-Year plan, we will build Changchun into a regional center which can benefit the development of enterprises and residences of high Chinese and foreign standards.

At this meeting of the Northeast Asia Economic Forum, our goal is to promote economic regional cooperation in Northeast Asia. We will discuss transportation, electricity, communications, environmental protection, finance, development of the Tumen River area, and other special topics. These issues concern us all and also push us to resolve them together. We welcome the experts, scholars, and entrepreneurs present who are masters in research, economics, and urban development, who are able to give us valuable advice on the city's planning, building, and management.

Finally, I wish the Tenth Northeast Asia Economic Forum complete success, and wish all of you happy days in Changchun.