



Enhancing financial cooperation and promoting regional development in Northeast Asia

Financial Affairs Office

Tianjin Municipal People's Government

——Mr. Du Qiang

August 27th 2010

I. Ever-growing communication and cooperation among Northeast Asian countries grant Tianjin Binhai New Area the historical opportunity.

In May 2006, China Central Government approved Tianjin Binhai New Area as a “Comprehensive Reform Experimental Zone”, and Binhai New Area is becoming the third turbine of China’s economic growth. Geographically, Binhai New Area is located at the very heart of Northeast Asia, a region that is celebrated for its economic vitality worldwide now . Cooperation between China and other countries in this area play a crucial role in China’s overall regional economic strategy. Therefore, Integrating with Northeast Asia is an objective requirement and the optimal choice for Binhai New Area.

Tianjin Binhai New Area sits at the centre of Bohai Bay, with a planned area of 2270 km² and 152km long coastline. It is the eastern starting point of the Eurasian Continental Bridge and a significant window for China's participation in economic globalization. Tianjin Port's cargo handling capacity is ranked the 5th worldwide, and its free trade zone is the largest one in North China. In recent years, Tianjin seized the opportunity of Binhai New Area, and attained some remarkable achievement in economic terms, as well as social welfares.



II. Tianjin actively promotes financial innovations, and facilitates developments in financial industry.

China Central Government regards financial reforms and innovations as the priority task for Binhai, hence piloting here in financial services, financial markets, and financial openness is supported. Tianjin is creating a modern financial service system that is capable to reinforce other economic developments in Northern China, and financial innovations is the key spirit in such system. So far, Tianjin has already yielded some positive results.



1. Fastening the pace of developments in modern financial industry.

Tianjin now has the highest concentration rate of Private Equity firms in China, due to its merits in financial service system. Tianjin also successfully hosted China International Private Equity Forum for four years, which is a quite influential event in the PE circle.



1. Fastening the pace of developments in modern financial industry.

Financial leasing firms is thriving, in terms of business volume and number of registered leasing firms, Tianjin is in the top tier domestically. Also, various other types of financial institutions are being introduced to Tianjin to enrich its multi-layered financial system, such as financial factoring company, currency security company, financial credit rating company and consumer credit service company.



2. Empowering traditional financial enterprises

Industrial Bank of Korea, Korea Exchange Bank and Aioi Insurance Company had already set up their China's cooperate headquarter in Tianjin, and many other financial institutions, such as Wooribank (Korea), had established branches. Meanwhile Tianjin based institutions like Bohai Bank are enlarging their network nationally. Tianjin now has an open and multi-layered financial system that is mainly comprised with traditional type financial enterprises like banking, insurance and security.



3. Pioneering in innovative financial markets

Tianjin is a harbinger in building various types of platforms for capital markets. Tianjin now had established financial capital trading platforms, such as Tianjin Equity Exchange, Financial Asset Exchange; commodities trading platforms, such as Tianjin Ferroalloy Exchange, Tianjin Commodity Exchange; Experimental platforms like Tianjin Climate Exchange. Now the preparatory works for Tianjin Mining Exchange and Tianjin Maritime Exchange are undergoing. These platforms will surely optimize the distribution of economic resources. In near future, pooling effect of capital markets will bless Tianjin with greater advantages.

4. Creating favorable local financial environment

Tianjin works closely with Chinese foreign exchange regulatory bodies, for instance, Tianjin Eco-City project which is jointly constructed by Chinese and Singaporean government, enjoys some ground breaking preferential foreign exchange settlement policies. Tianjin also is the vanguard on many other foreign exchange related issues, like currencies exchange for personal reasons, import payment verification system and cross border RMB settlements. Growing levels of capital concentration and social credibility in Tianjin are offering a favorable environment for financial institutions. Meanwhile, government officials are functioning as one unit, and dedicating themselves to provide top quality service to financial institutions.

III. Intensifying financial cooperation in Northeast Asia, striving for new breakthroughs

Global business environment today is a very dynamic one, every player is constantly facing with new situations, new challenges and new opportunities. Within it, Northeast Asia now is an uprising economic turbine of significance. China, allied with other Northeast Asia countries, shall spare no effort to enhance the regional communication and cooperation, especially so in financial field. The financial integration of Northeast Asia lies on extensive and intensive connections among its member countries.

1. Establishing and improving communication and cooperation mechanisms in financial field in Northeast Asia

It is sensible to establish a coordination system for senior government officials of Northeast Asia countries to address regional financial issues, within which regular and irregular meetings will be hosted. Deepening connections between financial institutions or enterprises internationally will also be beneficial. Meanwhile, communication and cooperation that are related to financial services, financial markets and financial openness shall be encouraged. Building up senior management team exchange programs for training purposes is another measurement to facilitate regional financial integration.

2. Proceeding the work for Northeast Asia Bank

The Chinese Government attaches great importance to Northeast Asia Bank and its preparatory work. Ministry of Finance, The People's Bank of China, National development and Reform Commission, Ministry of Foreign Affairs, Ministry of Commerce, China Banking Regulatory Commission and Tianjin Municipal Government now founded a working group for this project. We hope governments of other Northeast Asia members could lift their level of supporting, so that we can proceed preparatory work of Northeast Asia Bank and achieve some substantial progress in the future.

3. Common foreign exchange reserve fund



A common foreign exchange reserve fund of no less than 80 billion U.S dollars will bring considerable benefits to Northeast Asia. It will boost the regional defense power against financial risks, stabilize the financial environment, optimize resources distributions and ultimately, promote regional financial integration.

4. Collaborations in regional financial reforms

Northeast Asia countries, led by Japan and South Korea had acquired some highly valuable experiences in modern financial system developments, especially in areas of financial innovation, financial information technology and financial market building, hence Tianjin is willing to learn from their past experiences. Tianjin treasures every chance to cooperate with other Northeast Asia members, and we have every reason to believe that such relationships will be mutually beneficial.



Thank you !