

Tianjin's Financial Sector and Economic Development

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In recent years, Northeast Asia's economy has become more robust. The growing economic strength has contributed especially to withstanding the spread of the financial crisis that began in Southeast Asia, and the economy of the whole region is enjoying stable development. Meanwhile, the economic and trade contacts between various countries within the region have further strengthened, creating strong momentum for development.

Historically, Tianjin has been a key economic center, and it has gradually developed into the second largest industrial and commercial city in China, with a large international port. At present, it is one of the four cities in China directly under the jurisdiction of the Central Committee and is a metropolis second only to Beijing in northern China. It has a land area of 11,900 km² and a permanent population of 9.56 million. From 1993 to 1998, its average annual GDP growth was 12.8%. GDP reached 133.60 billion yuan in 1998 (an increase of 9.3% over the previous year), and per capita GDP was 14,800 yuan.

Tianjin has an advantageous geographical location and advanced transportation and communication facilities. It is centrally located along the coast of Huan-Bohai Bay, its port is the oldest and largest in northern China, and it has a long history of foreign trade. Today, it maintains trade contacts with more than 300 ports in more than 170 countries, including all the world's regions. Tianjin International Airport, the first large base for civil aviation and freight transportation in China, is used by 36 domestic and international air lines, which provide services to various big cities within China and to countries such as Japan, Korea, Russia, and Ukraine. Tianjin is the juncture at which three key railway lines meet: the Jingshan, Jinghu, and Jingjiu. Tianjin also has many expressways, such as the Jing-Jin-Tang, Jingfu, and Jingshen expressways, which lead to neighboring regions. The city has comprehensive postal and telecommunication facilities and has direct communications with more than 600 cities within China and with more than 160 countries throughout the world.

At the end of 1998, 104 countries and regions had investments in Tianjin, and approvals had been given for the establishment of more than 12,000 enterprises with foreign investments. The total contracted foreign capital was US\$23.10 billion and the actual amount of foreign capital invested was US\$10.70 billion. Among the foreign investors are 204 world-famous international corporations (62 of which are among the 500 largest corporations in

the world) and 329 investment projects that involve contracted foreign capital totaling US\$6.843 billion.

Tianjin also has advanced science, technology, and educational facilities. More than 150 scientific research organizations of various levels and types and more than 300,000 scientific and technical personnel are available. The city has more than 30 universities and colleges and ranks fifth within the country in higher education.

Tianjin has an advanced financial sector, and in the past the city was the financial center of northern China. Ever since the reforms and the opening of the economy began, Tianjin's financial sector has enjoyed rapid development.

At present, 2,657 domestic and foreign financial organizations at various levels are available in the city, and employment in this sector exceeds 60,000. Since 1998, an Administrative Area Branch of the People's Bank of China and an Administrative Area Security Supervision Office of the Security Supervision and Management Committee of China have been set up in Tianjin. An Administrative Area Insurance Supervision and Management Office of the Insurance Supervision and Management Committee of China will also be set up in Tianjin. These three bodies will be responsible for the supervision, management, and overall planning of the banking, security, and insurance industries of the various provinces and cities in the North China region, thus further strengthening the city's financial sector.

As the result of active efforts, the People's Bank of China has given approval for some of the foreign-invested banks in Tianjin to be experimental units for trading in renminbi (RMB). The Insurance Supervision and Management Committee of China has given basic approval for Tianjin to be an outlet for insurance to the outside world. We have made active efforts for the establishment of the Industrial Investment Funds and the Overseas Funds and have taken part in the activities of the international capital market to explore new financing modes such as BOT, ABS, and so forth. We welcome financiers and industrialists of various countries to invest in Tianjin and will give them strong support and all possible help.

We believe that to develop the Northeast Asian region, financial resources must be available. To this end, it is necessary to set up a Northeast Asian Development Bank. We hope that its headquarters will be in Tianjin, which is at the center of the Northeast Asian region and boasts a sound economic and social environment. The city of Tianjin will provide all possible conveniences and a good working environment for the Bank.