

The Regional Economic Development in Hubei Province under the Background of One Belt and One Road

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Abstract—Promoting “One Belt and One Road” is to build inland open new highlands and form a pattern of all-round opening new focus in Hubei province. Under the process of the “One Belt and One Road” strategy, excellent enterprise with the help of regional traffic advantage and multi-type industry advantage actively to go abroad, to expand overseas market, which promote the development of regional economy of Hubei province. However, the overall opening up of Hubei is not throughly and the regional opening-up is not balanced, which limit the growth of regional economy in Hubei province. Therefore, under the background of “One Belt and One Road”, to share the development as the guiding ideology, the coordinated development is inevitable requirement of the important path of regional economic development in Hubei province.

Keywords—Hubei economic; One Belt and One Road; Hubei; the regional economic; development

I. INTRODUCTION

“The Belt and Road” refers to the “Silk Road Economic Belt” and the “21st Century Maritime Silk Road”, which is of milestone significance in terms of China's regional economic development and external liaison. In November 2013, “The Belt and Road” strategy was written into Decision on Several Major Issues about Comprehensively Deepening Reform of the Central Committee of the Communist Party of China passed on the Party's Third Plenary Session of the 18th Central Committee, thus it is upgraded as national strategy. 2014, the Asian Infrastructure Investment Bank and the Silk Road Fund were put forward, marking the implementation of “The Belt and Road” strategy. On March 28, 2015, the announcement of “Vision and Action for Promoting Joint Construction of Silk Road Economic Zone and the 21st Century Maritime Silk Road, marking the strategic concept of “The Belt and Road” has stepped into a comprehensive practical phase. [1] 31 provincial-level administrative units in the country have realized real docking with national strategy since “The Belt and Road” has been put forward, of which 26 provincial-level administrative regions have clearly put forward and released the construction scheme of “The Belt and Road”. “The Belt and Road” strategy is a vivid manifestation of China's internal and external co-ordination, and the promotion of it is of great

significance for the coordinated development in Beijing-Tianjin-Hebei region, the Yangtze River Economic Zone, the western region, the eastern region and the central and border areas, as well as the development of various provinces.

II. POSITIVE INFLUENCE OF “THE BELT AND ROAD” ON ECONOMIC DEVELOPMENT IN HUBEI PROVINCE

A. Conducive to the Enhancement of Opening-Up Level of Hubei Province

Hubei is an inland city, and there is a certain gap between it and other provinces and cities in terms of opening-up level. In 2014, the total import and export volume of Hubei Province is \$ 43.039 billion, ranking the 15th in the country and the third in central region; the foreign capital actually used is \$ 7.928 billion, ranking 14th in the country. At the same time, Hubei has lower dependency on foreign trade. In 2010-2014, Hubei's dependence on foreign trade has been hovering around 9%. Foreign trade has little contribution to the GDP of Hubei Province, but Hubei is also a city with convenient transportation and rich industrial types. Therefore, it is of great significance to elevate the level of Hubei's opening up to the outside world giving play to the location and transportation advantages, integrating advantageous resources and strengthening the foreign economic and trade relations with countries and regions along the “The Belt and Road” under the promotion of “The Belt and Road” strategy.

B. Conducive to Balance the Opening-Up Level in Various Regions of Hubei Province

From the opening-up level of various cities and counties in Hubei Province, Wuhan is in the “dominance” situation, while other cities and counties have a relatively weak opening-up level. [2] In 2015, the total import and export volume of Hubei Province was \$ 45.61 billion, and the foreign capital actually used is \$ 8.95 billion. Two indicators of Wuhan accounted for 61.5% and 82% of the whole province, followed by provincial sub-center city Yichang (total import and export volume and actual use of foreign capital is 6.8% and 4.0% respectively) and Xiangyang (total import and export volume and actual use of foreign capital is 5.3% and 8.1% respectively), other counties and cities are relatively weak in terms of total import

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and export volume and the actual use of foreign capital. With respect to the location and transportation, Shiyan is located at the junction of four provinces, namely Henan, Hubei, Shaanxi and Chongqing, connecting the south and the north, which is the east gate of Silk Road. Xiaogan, Suizhou, Xiangyang, Shiyan and other places are located along the railway line. Yichang links Wuhan and Chongqing, being the starting point for entering into the west from the central region. Various cities and counties in Hubei province have obvious location and transportation advantages. As for the industrial layout, Wuhan is an advanced manufacturing center, Xiangyang is a car and parts production base, Yichang is the photoelectric and phosphorus chemical industry base, Huangshi and Ezhou are the biomedical base, Xiantao and Qianjiang are the modern agriculture and textile base. Thus the cities and counties in Hubei all have their own unique industrial characteristics. Therefore, in the process of construction of "The Belt and Road", it is helpful to the settlement of unbalanced economic development in Hubei, the optimization of economic distribution, and the reinforcement of foreign trade coordination in various regions in Hubei Province, by giving play to the location and transportation advantages of various cities and counties in Hubei Province, realizing the combined railway-water transportation and combined river-ocean transportation, as well as absorbing and sorting the import and export source of goods in the regions.

C. Conducive to the Upgrading of Industrial Structure of Hubei Province

By the end of 2016, Hubei Province has set up 40 projects in the countries and regions along "The Belt and Road", including 30 investment projects and 10 engineering contracting projects. The investment projects cover more than 10 industries including hydropower, chemical industry, optical communication, automobiles, agricultural products, steel, cement, and new energy, which are mainly distributed in 21 countries including Pakistan, Kazakhstan, and Thailand. Sources of investment are Wuhan Iron and Steel, Dongfeng, Gezhouba, Tri-Ring Group, Angel Yeast and other enterprises. The investment volume reaches \$ 5.2 billion. Project contracting projects involve 10 countries including Bangladesh, Iran, Mongolia, and Myanmar. The contractors are Gezhouba, China Railway Bridge Bureau and other enterprises. The total contract value is up to \$ 8.8 billion. The "going out" enterprises are all the enterprise with advantages in Hubei province. As for Hubei, "going out" is not only in line with the central spirit of "de-capacity" and "cost reduction", but also conducive to the transformation and upgrading of the industry; as for the local, it has promoted the local economic development and filled the gaps in local industry.[3]

III. COMPARATIVE ADVANTAGE OF REGIONAL ECONOMIC DEVELOPMENT IN HUBEI PROVINCE

A. Location and Transportation Advantage

Hubei is located in the heartland of central China, connecting east and west, as well as the source and north. It has always been China's land and water transportation hub. In order to seize the two strategic opportunities of "The Belt and

Road" and the Yangtze River economic zone, Hubei is also increasingly turning its location advantage into traffic advantage. Currently, Wuhan Yangtuo Port has opened pilot routes from Wuhan to four countries of ASEAN in terms of water transport and port construction. The big channel of Maritime Silk Road has been opened taking Wuhan Yangtuo Port, Shanghai Waigaoqiao Port, Bangkok Port of Thailand and Vietnam Ho Chi Minh Port as the transportation nodes, via the gold waterway; at the same time, Wuhan Xingang has been approved to open to foreign ships and as the first designated port for importing grain and fruits in the central and western regions, with import and export cargo volume ranking first among 10 inland river ports in the country. With respect to the construction of railway transportation, the international train of "Han Xin Ou" (Wuhan-Xinjiang-Europe) has been normalized. "Yi Xin Ou" (Yichang - Xinjiang - Europe) is also under construction. The construction of railways has set up a bridge between Hubei and the western regions, accelerating Hubei to become a global cargo transit center. At present, Hubei has 34 national and regional flights in terms of air transport construction, initially forming the international flight network of connecting surrounding areas, direct access to Russia and France, and radiation to the North America. As a result, Hubei has obvious advantages in terms of land, sea and air transportation.

B. Industrial Base Advantage

Wuhan city circle industrial layout, western Hubei eco-cultural tourism circle industrial layout, and Hubei Yangtze River economic belt industrial layout constitute to the three major patterns of industrial development in Hubei Province. Wuhan city circle includes Wuhan city, Huangshi city, Ezhou city, Xiaogan city, Huanggang city, Xianning city, Xiantao city, Qianjiang city and Tianmen city. The development orientation of Wuhan city circle industrial layout is advanced manufacturing highland and modern service center. At present, the high-tech industrial belt with Wuhan East Lake New Technology Development Zone as the leading role, the metallurgical-building materials industry belt with Wuhan Iron and Steel as the leading role, the auto parts industry belt with Wuhan Economic and Technological Development Zone as the leader, the IT equipment and electrical and electronic components industry with Wuhan Economic and Technological Development Zone and Wujiashan Cross-strait Science and Technology Park as the leader, and the circum-city textile and garment industrial belt with the city of Wuhan as the leading role have been formed in this region. The western Hubei eco-cultural tourism circle with Shiyan and Xiangyang as the core has created Shi Xiang Sui automotive industry belt, Yi Jing power chemical industry belt, Jing Jing Xiang Sui modern agricultural industry belt, and Yi En Shen eco-industrial zone. Hubei Yangtze River Economic Zone includes 48 counties and cities of 8 cities along Hubei basin of the Yangtze River. Hubei Yangtze River Economic Zone is a strategic emerging industry with potential advantage based on the intensifying the existing competitive industries. It develops the modern service industry and modern agriculture with breakthrough, and focuses on creating electronic information, high-end equipment, automotive and other world-class industrial clusters. Under the guidance of construction

principle of "Two Circle and One Belt", various types of industrial advantages in Hubei are highlighted.

C. Advantage of Development Platform

The new platforms of opening up such as Wuhan Export Processing Zone, Comprehensive Bonded Zone, Airport Economic Zone, Comprehensive Bonded Zone, Financial Concentration Area, Wuhan Port and Hubei Free Trade Experimental Zone have great advantages in attracting foreign talents, enterprises and resources. On August 23, 2016, Hubei successfully entered the third batch of free trade area. Hubei is the important intersection of national opening up strategy of "The Belt and Road". China (Hubei) Inland Free Trade Pilot Area Overall Program put forward reducing barriers to foreign capital entry, new trade types cultivation, intensifying inland international logistics services, building opening up platforms and channels as well as other innovative measures, which is of great advantage in expanding Hubei economic development space and strengthening Hubei economic development service function, and it is conducive to create central region economic highland using Hubei free trade zone platform, and to introduce more external resources of good quality into Hubei.

IV. REFLECTIONS ON THE REGIONAL ECONOMIC DEVELOPMENT IN HUBEI PROVINCE UNDER "THE BELT AND ROAD" STRATEGY

A. Sharing Development Is the Guiding Ideology

Mutual benefit, win-win result, complementing each other's advantages, common and long-term sustainable development should be the guiding ideology of regional economic development in Hubei Province under the background of "The Belt and Road". It has been 3 years since the concept of "The Belt and Road" was proposed in 2013. During this period, some local enterprises and social organizations in the countries in Southeast Asia, the Middle East and other countries along the "The Belt and Road" have complained about Chinese enterprises and projects, worrying about China's "energy looting" and "economic control". Hubei high-quality enterprises should not just consider capacity transfer with only short-term economic interests while going out to expand overseas markets, but should pay more attention to whether the industrial transfer meets the needs of local economic development, whether is conducive to sustainable development of both parties, and whether it can really bring the share of economic interests. Only by adhering to the principle of sincerity and inclusiveness, common development and mutual benefits, can the "going out" enterprises in Hubei Province achieve greater development in foreign countries, and it will open up greater room for foreign economic and trade cooperation of Hubei Province, thus to promote the development of regional economy in Hubei province.

B. Coordinated Development Is An Inevitable Requirement

In order to dock with "The Belt and Road" in Hubei, the coordination of regional economic development need to be emphasized, and constantly optimize the economic layout, and further enhance the development process and regional economic coordination. First, make efforts to solve the

inconsistency between Hubei foreign trade and Hubei economic development. On the basis of taking full advantage of Hubei industry, regional transportation and the advantages of various platforms, expand the development of export-oriented economy and guide enterprises "go out" in groups. At the same time, the high-quality resources should also be introduced to enhance the proportion of foreign trade. Second, grasp the development opportunity of "The Belt and Road" and the Yangtze River Economic Zone, make overall planning and integration of the province's resources, enhance "cooperation effect" in the province, fully mobilize the transformation upgrading demand in various regions, fields and enterprises in the province, gradually form the multi-point cooperation with countries and regions along the "The Belt and Road", and form multiple economy growth poles with characteristics and outstanding advantages, and construct the new pattern of "one main, two subs and multi polarities". [4] Third, take full advantage of middle section of the Yangtze River, promote the linkage of land and sea, open to both east and west, and strive to build the important node integrating Yangtze River Economic Zone and "The Belt and Road", thus to create the heartland of Hubei into opening up highland.

V. CONCLUSION

The strategic opportunity of "The Belt and Road" is conducive to promote Hubei to form the new opening up layout, participate in international capacity cooperation and create regional innovative template; Hubei is an important transportation hub of the country, with solid industrial base, strong scientific and technological strength, rich cultural background and great market potential, and sufficient development atmosphere. The advantage is especially obvious in participation in "The Belt and Road" construction after approval of the third batch of free trade zone. However, there are problems in Hubei such as unbalance opening to the east and west, weak ability of transnational management of enterprises and other problems. Therefore, Hubei needs to further improve its communication mechanism with countries and regions along "The Belt and Road", improve the open economic system, and strive to build Hubei into a new opening economic highland by upholding the concept of shared development and coordinated development.

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