

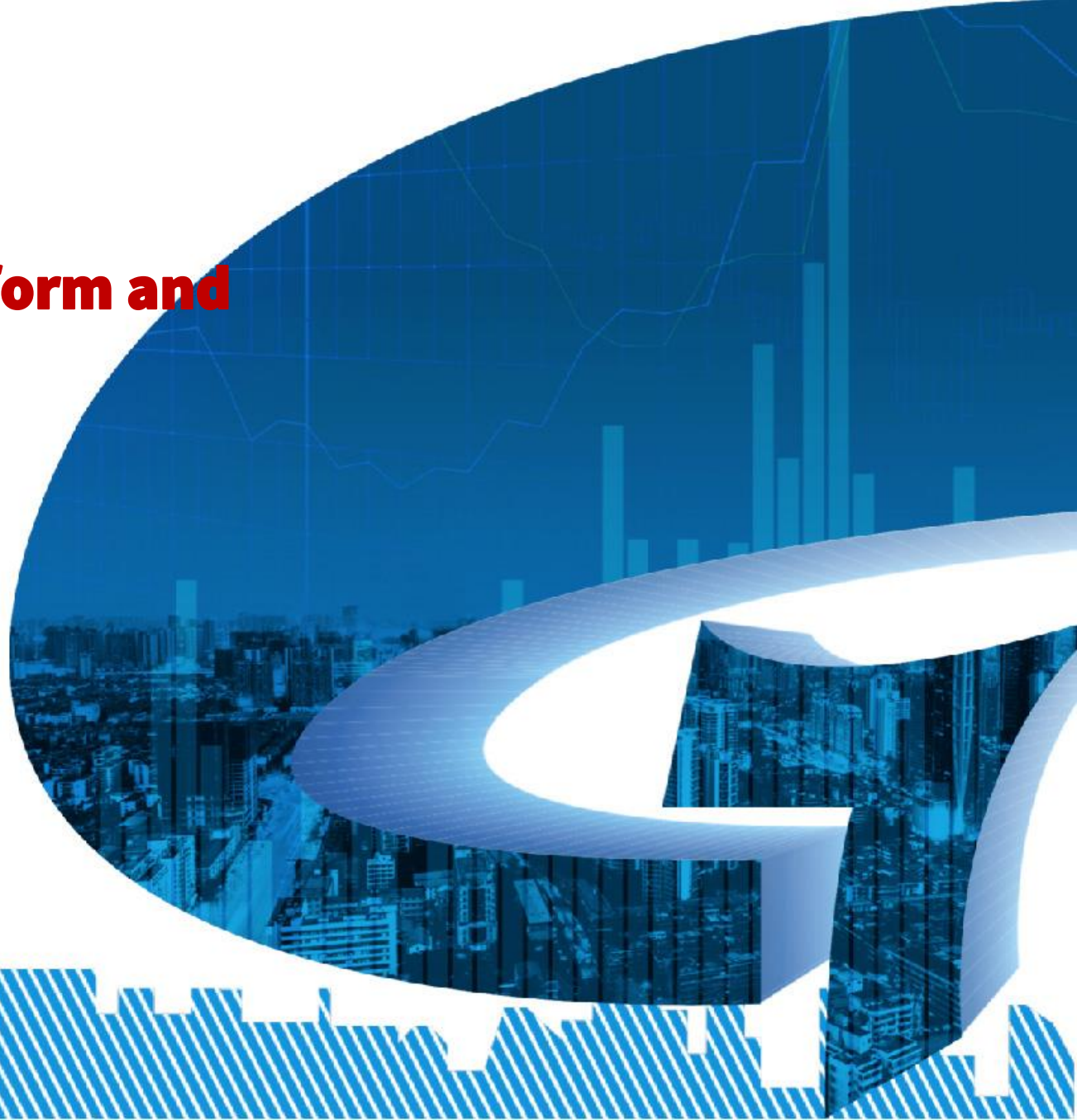


China's 40 Years Practices of Reform and Opening up: the Enlightenment to Industrialization in Africa

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开放

改革创新
1978-2018

1

40 Years Practices of Reform and Opening up in China

周年

纪念改革开放40周年

MARK THE 40TH ANNIVERSARY OF REFORM AND OPENING UP

坚 / 持 / 改 / 革 / 创 / 新 / 推 / 动 / 科 / 学 发 / 展

1.1 Formulate Mid and long-term development plan

Mid- to long-term Plan made great contribution to successful economic and social development.

- FYPs map strategies for key national constructions, productivity distribution and key proportions in the economy, and set targets and directions for economic vision.
- Thirteen five-year plan set up 25 quantitative indicators in Economic development, Innovation-driven development, well-being of the people, Resources and the environment, and 13 of them are obligatory.
- From comprehensive plan to series of specific plan.
- From enforcement plan to plan as guidelines.

图3 城市群空间分布示意图



1.2 Improve infrastructure system

- Highway has covered over 97% cities of more than 200,000 population. High-speed railways covered over 65% cities more than one million population.



	Length in 1979 (1000km)	Length in 2017 (1000km)
Highway	0	1364
Railway	51.7	127
High Speed railway	0	24
civil aviation airports	70	229

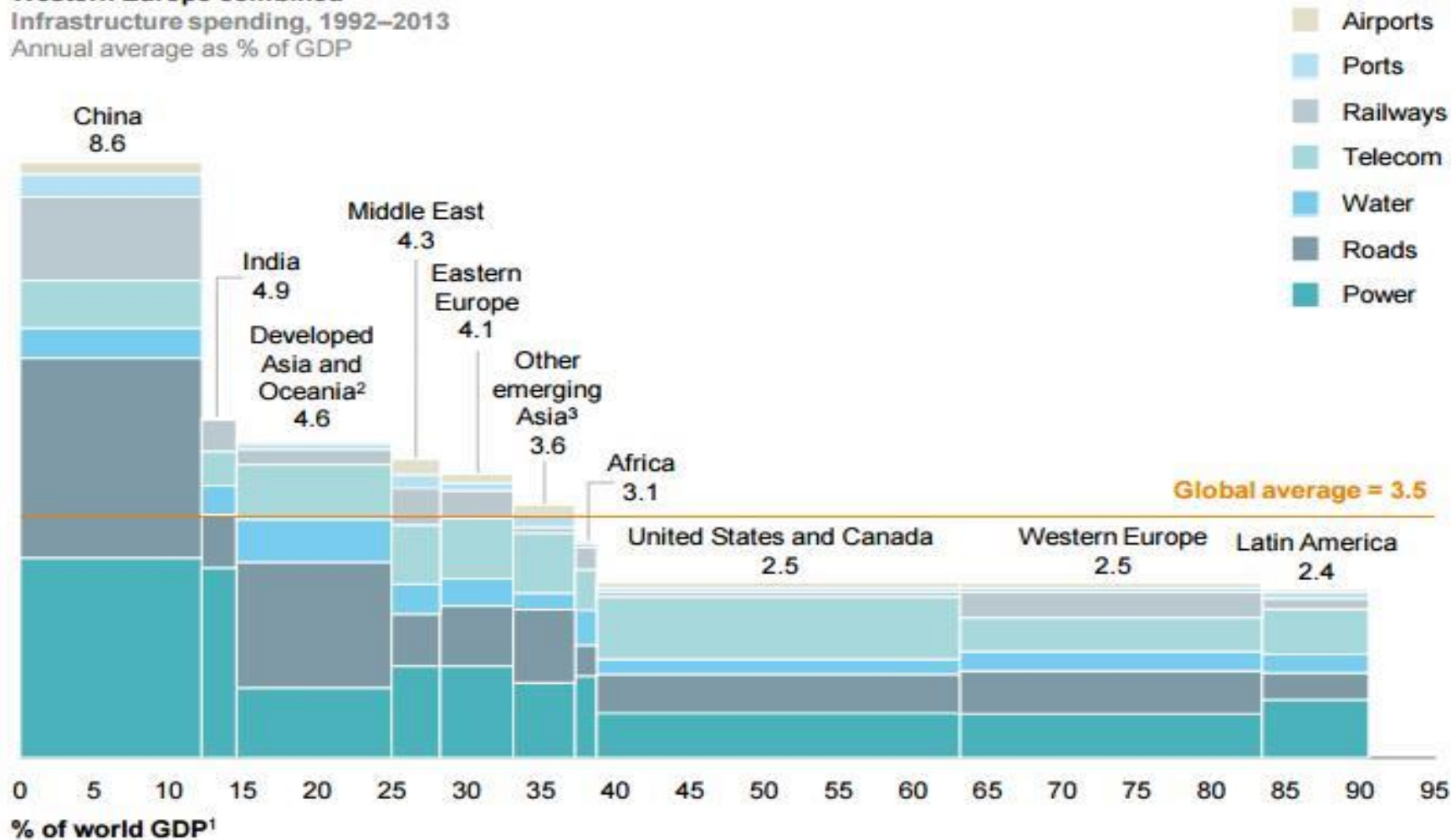
Source: MOT



1.2 Improve infrastructure system

China spends more on economic infrastructure annually than North America and Western Europe combined

Infrastructure spending, 1992–2013
 Annual average as % of GDP



Source: MGI, Bridging global infrastructure gaps, June 2016

1.3 Establish various development zones



Industrial parks

--located coastal area at beginning and
--labor intensive industries.

High-tech development zones

--located metropolis
--high value-added industries

Opening-up Pioneer area

--Located border area
--focused on transborder economic cooperation

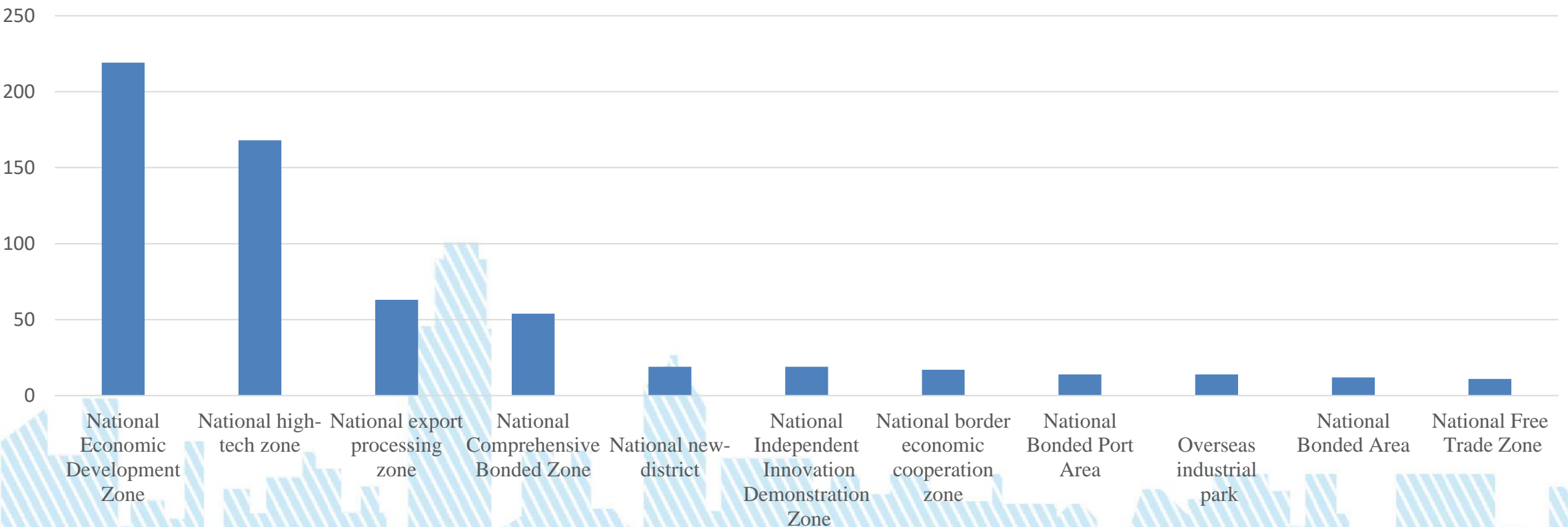
New urban area

--located in metropolitan area
--exploring new development pathway

1.3 Establish various special development zones

Various development zones have played a key role in driving national and regional growth since reform and opening up

Number of various development zones in China



1.4 Using preferential policies to attract foreign direct investment

- Formulated laws and regulations to facilitate business management.
 - Sino-foreign Joint Venture Law*
 - Sino-foreign Joint Venture Income Tax Law*
 - Foreign Enterprises Income Tax Law*
- The FDI in China is only 902 million USD in 1983, and it increased to 136.3 billion USD in 2017, 60 times as it in 1983. The total volume of FDI in China has exceed 2000 billion \$ accumulated in the past 40 years.

	1990	2000	2010	2017
China's foreign capital investment flows	110	407	1147	1363
Global share	1.70%	3.30%	8.36%	9.53%
Global ranking	11	7	2	2

1.5 Improve business environment



Economy	Ease of Doing Business rank	starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Minority
Belgium	45	33	38	112	143	60	57
China	46	28	121	14	27	73	64
Moldova	47	14	172	81	22	44	33
Serbia	48	40	11	104	55	60	83
Israel	49	45	41	78	89	60	23
Montenegro	50	90	75	134	76	12	57
Italy	51	67	104	37	23	112	72

DOING BUSINESS 2019 Training for Reform

16TH EDITION



COMPARING BUSINESS REGULATION FOR DOMESTIC FIRMS IN 190 ECONOMIES
 A World Bank Group Flagship Report

1.6 Continuing to open wider to the outside world

- Reduced tariffs and fully opened the market. In line with WTO's commitment, China's average tariff rate dropped from an average of 15.3% before the WTO accession to 10.1% in 2008, and further dropped to 7.5% since this month.
- Relaxed administrative control. Abolished the approve system for foreign trade right with registration system in 2004.
- Abolished and amended relevant laws and regulations inconsistent with the requirements of WTO. From 1999 to 2007, the Chinese central government formulated, revised and dissolved more than 3000 laws, administrative regulations and departmental regulations.
- Expanded the scope of FDI. The latest negative list of FDI released in 2018 has been reduced from 63 in 2017 to 48.
- Signed 16 free trade agreement with 24 countries and regions, and some investment agreement



2



**Enlightenment on
Industrialization in
Africa**

2.1 China experienced the same challenges Africa countries facing today

Abundant and low-cost labor with insufficient employment

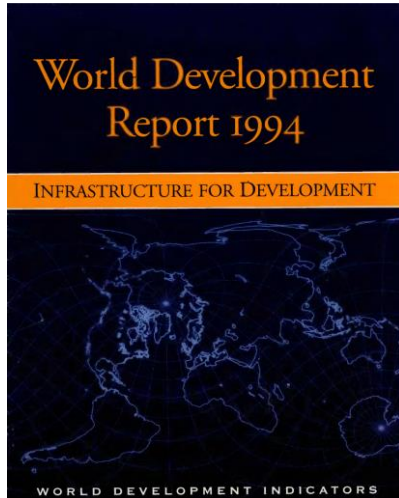
Shortage of infrastructure supply

Lack of medium-advance technologies.

Low value added goods include raw materials took big share of export

Scarce public revenue and insufficient private investment

2.2 Big gap of infrastructure is common challenges for developing world



Infrastructure can create major benefits for economic growth, poverty alleviation, and environmental sustainability. Generally speaking, for every 1% increase in infrastructure inventory, GDP will increase by 1%.

--- World Bank, *Infrastructure for Development*, 1994

According to a survey of 45 developing member countries, it is expected that in the 15 years from 2016 to 2030, these countries will need to invest 26 trillion US dollars to maintain growth, reduce poverty, and respond to climate change, with an annual average of 1.7 trillion U.S. dollars.

--- ADB, *Meeting Asia's Infrastructure Needs*, 2017

2.3 Case: Malaysia-China Industrial Parks

- First Malaysia national industrial park
- China's key project of the belt and road initiative
- A demonstration of international industrial capacity cooperation

MALAYSIA-CHINA Kuantan Industrial Park

马中关丹产业园



MCKIP

MCKIP'S BUSINESS PARTNERS

产业园的合作股东



MCKIP

Malaysia Consortium
马方股东
51%

China Consortium
中方股东
49%

IJM LAND
An IJM Company

Sime Darby
Property
Developing Sustainable Futures

Qinzhou Investment Development Co., Ltd
北部湾港集团
BEIBU GULF PORT GROUP

MAJOR INDUSTRIES CLUSTERS

园区重点产业



MCKIP

- Steel and Non-ferrous Metals Industry
钢铁和有色金属工业
- Machinery & Equipment Manufacturing
机械装备制造
- Clean Technology and Renewable Energy
清洁技术和可再生能源
- Oil & Gas and Petrochemical Industry
石油和天然气和石化工业
- Electrical & Electronic Industry
电气电子信息工业
- Research & Development
研究和发展

MCKIP1 PHASE 1 - 1st INVESTMENT PROJECT

在马中关丹产业园区的首个投资项目



710 acres Modern Integrated
Steel Mill
710英亩现代综合钢铁厂

High Carbon Steel and H-shape
Steel
高碳钢和H型钢

Total Production Output 3.5
million tonnes annually
年产量为350万吨

RM5.6 billion Investment
投资额56亿马币

2.3 Case: Malaysia-China Industrial Parks

Strong support from Malaysia government

Attractive Incentives for Investors In MCKIP by the Malaysian Government

马来西亚政府给予投资者可享有的特殊奖励配套:

- **100% CORPORATE INCOME TAX EXEMPTION FOR 10 YEARS** commencing from the year company derives statutory income for investment that produces high value-added products and provides high technology transfer, or undertake research & development activities. 长达10年(从公司取得法定收入算起)的100%所得税减免, 将给予生产高附加值产品和涉及高科技技术转让的投资, 或研发活动的投资。
- **IMPORT DUTY EXEMPTION** for raw materials, parts and components, plants, machinery and equipment 进口税豁免原料、部件及零件、厂房、机械及设备。
- **STAMP DUTY EXEMPTION** on transfer or lease of land or building used for development 印花税豁免用于发展的土地或建筑物转移租借
- All existing East Coast Economic Region's (ECER) incentives. 现有的东海岸经济特区奖励配套。

*Subject to Terms & Conditions



Elevated Diamond Interchange & Sg Ular Interchange 高架立交桥



MCKIP Main Road & Infrastructure 主要干道和基础设施

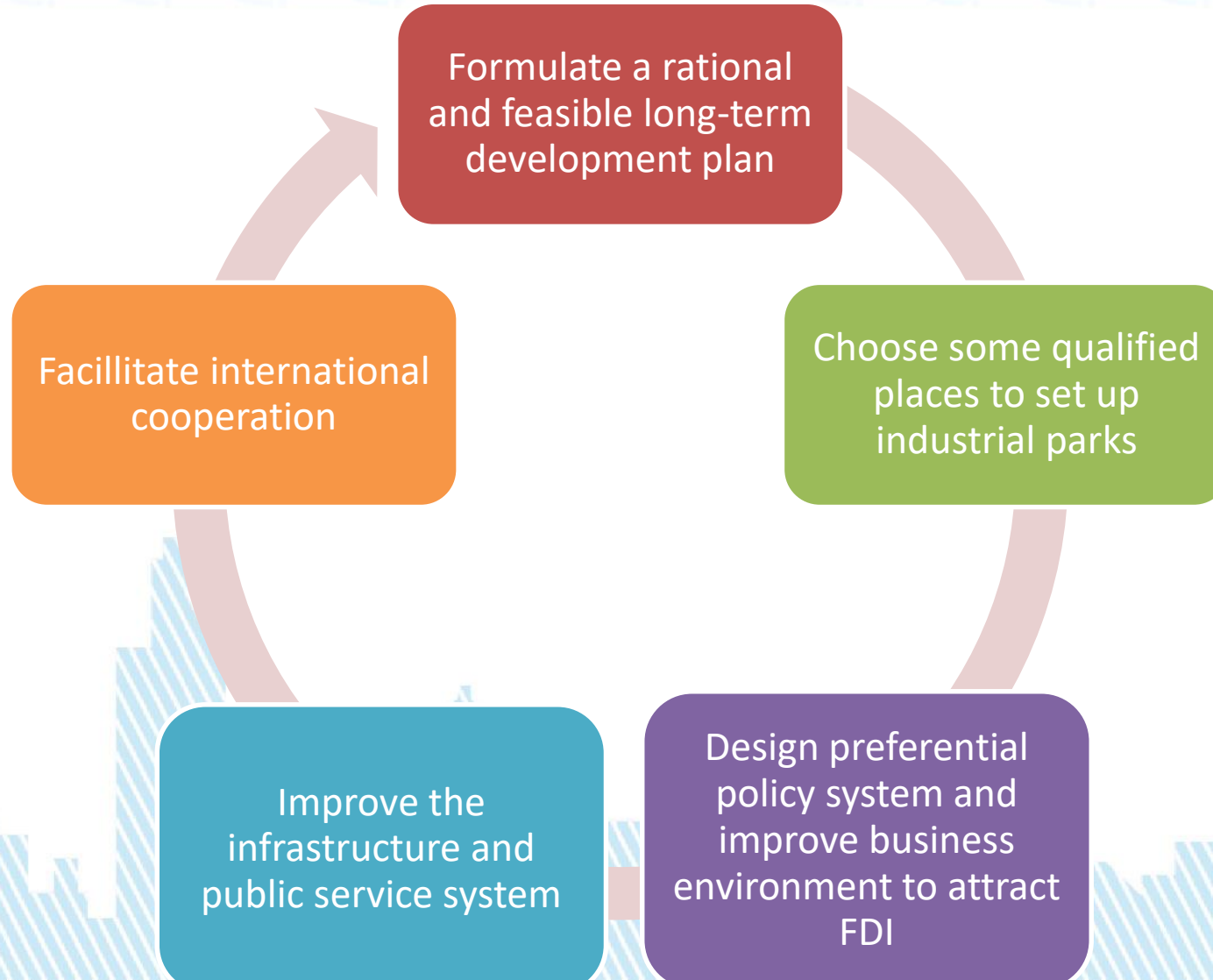


Extension of MCKIP Main Access Road to Northern Link Road
扩展北环路和主要干道



Extension of MCKIP Main Access Road to Northern Link Road
扩展北环路的主要通路

2.4 Enlightenment to industrialization in Africa countries





Thanks for your attention !

