

PRESENT SITUATION, FEATURE AND DEVELOPMENTAL IDEAS OF BORDER OPENING IN XINJIANG

Xie Xiangfang (谢香方) Li Chunhua (李春华)
(*Xinjiang Institute of Geography, the Chinese Academy of Sciences,*
Urumqi 830011, PRC)

ABSTRACT: Xinjiang, the largest province region in China, is located in the northwest of China. There are eight countries, such as Kazakhstan etc. that surround around Xinjiang. There are long land border lines and many developable passes. Under the direction of total national development strategy of coastal and border opening, considering the advanced condition of location, the new spatial frontier trade pattern of "multilevel and all-round position" has initially been formed. That is, to develop westwards market in Middle Asia, to enlarge southwards market in Pakistan and to open up northwards market in Mongolia. The great progress of border opening has been made in Xinjiang. At present, Xinjiang is catching the opportunity to adjust the industrial structure and regional allocation, enhance horizontal economic combination and cooperation, and strengthen the infrastructures construction. Therefore more solid material foundation of border opening will be formed for further enlarging.

KEY WORDS: Xinjiang, border opening, developmental ideas, frontier trade, Eurasian Continental Bridge

I. CONDITIONS OF OPENING THE FRONTIER AREA IN XINJIANG

Xinjiang is located in the northwestern part of China, its area is more than 1.6 million km² which constitutes about one-sixth of the whole country. It has the longest land border line and most surrounding countries. In the strategy of pushing forward coastal opening and border opening, especially carrying out border opening in inland, Xinjiang has many favorable conditions:

1) The particular geographical location (allocation condition) has made it become key position of exchange between the East and the West in the world. Xinjiang is located in the middle of Eurasian continent, so it is a perfect passage that connects not only Europe and East Asia but also the Atlantic and the Pacific Ocean. It could gain perfect economic benefit by passing Xinjiang than by other places for material flow, personnel flow and funds flow between the East and the West.

2) The longest border line, many developable inland passes and the Urumqi international airport are beneficial to carrying out the new frontier trade pattern of "multilevel, multichannel, multiform, multi-direction". Xinjiang is surrounded by eight countries, including India, Pakistan, Afghanistan, Tajikistan, Kirghizstan, Kazakhstan Russia and Mongolia, with 5,400 km of the frontier line. Except for no passes with Russia (the border line is 54 km long), which is separated by high mountains and no mountain pass is provided to develop, Xinjiang has more favorable conditions to exploit passes with other surrounding countries, especially with Kazakhstan, Kirghizstan, Pakistan and Mongolia. It is initially estimated that there are over twenty developable passes in Xinjiang. The development of these passes is important material foundation to open the border area and flourish the border trade.

3) Xinjiang's nationality has historical kindred with those of the surrounding countries. There are many similarities in language, culture, livelihood custom and religious belief. People-to-people exchange and the trade contact have existed for a long time. The economical structure formed in the surrounding countries also need to be made up with Xinjiang.

4) Building up the Urumqi international airport and joining up the Eurasian land bridge have made the ancient "Silk Road" brim with youthful vigor, laid a solid material foundation for opening to the outside world and enlarging exchange. Xinjiang with ancient history, set up the famous "silk Road" in the Han Dynasty, which had been the important passage by which some countries of Middle Asia, Europe and North Africa were connected with middle plain area of China during certain long historic stage, and promoted regional resources development and economic prosperity. Now Urumqi airport is one of the five international airports in China, which has eleven national airlines (including transiting airlines). As for the land transport, Middle and South Asia is also connected by Xinjiang's backbone highway. The whole Eurasian Continental Bridge line will be joined up after the railway which is located in the north of Xinjiang (the west part of Lanzhou—Xinjiang railway) is completed. That is, after going out of the Alataw Pass and into Kazakhstan, to north enter into East and North Europe, to south get into Uzbekistan.

Kirghizstan, Tajikistan and Turkmenistan, so reach these places of the Middle East, North Africa, South and West Europe.

5) Xinjiang has abundant natural resources, peculiar natural and human landscape, rich and colorful native customs, which possess great potentialities and good prospects. Xinjiang has a vast area with complex geographical structure, varied relief and rich underground and surface resources. For the mineral resources, 122 kinds of useful minerals have been discovered and 4,000 mineral deposits have been found. Among them, the reserves of 67 kinds of minerals and 434 mineral deposits have been proved. By the year 1987, the proved reserves of the following minerals occupy the first place in the country: beryllium, muscovite, potassium, feldspar, pottery clay, serpentine and bentonite, the reserves of cesium, dolomite and diabase occupy the third place in the whole country and those of natural gas, asbestos, native sulphur, chromium, lithium, etc. occupy the fourth place. Oil and coal reserves occupy the fifth place in the country. The prospective reserves detected for oil and coal resources also occupy the first place in China.

Moreover, natural and human tourism resources in Xinjiang are very abundant and human tourism resources possess remarkable regional features. It is also the central place of cultural exchange between the East and the West. Xinjiang is influenced by Buddhism culture, Confucianism culture and Islamism. The famous "Silk Road" also lie across the entire area. Ancient cities, architectures, tombs, Buddha caves, rock carving before history and Islamism mosques are spread all over Xinjiang. The nationality customs of Uygur, Mongol, Kirgiz, Tajik, Kazak are all rich and colorful, each of them has her peculiar feature. Xinjiang is also famous for "home of song and dance" and "the place of metal and stone". All these are beneficial for foreign merchant to investment, development, shopping tourism, exploration and investigation.

6) Xinjiang had good economic base, national unity and social stability, under the direction of total national development strategy of coastal opening and border opening, the specific policies were made according to regional characteristics, such as "opening in all-round position, emphatically developing westwards", "introducing investment from abroad and establishing lateral ties at home", "establishing lateral ties eastwards and going abroad westwards", "opening to two lines (border line and railway line), trading first". During more than one decade of reforming and opening, the Xinjiang's development of national economy and each item of social undertaking has been accelerated, people's life level has been improved. The agricultural production has good harvests for more than ten years in succession, it has been more than self-suff-

icent in grain and oil plant. Xinjiang has become the nationwide productive base of cotton and beet. The industrial system including various industrial departments has been built up. Compared with 1991, the 1992's social output value was 69.5 billion yuan, increased 20.6 percent; the 1992's gross national product (GNP) was 38.2 billion yuan, increased 22.4 percent; the 1992's agricultural output value was 17.2 billion yuan, increased 6.4 percent; the 1992's output of grain was 7,063,000 tons, increase 5.0 percent; the 1992's output of cotton was 668,000 tons, increased 4.4 percent; the 1992's output of beet was 3,291,000 tons, increased 28.1 percent; the 1992's industrial output value was 31.7 billion yuan, increased 13.1 percent; the output value of heavy industry was 17.1 billion yuan, increased 20.6 percent; the 1992's output value of light industry was 14.6 billion yuan, increased 5.3 percent; the 1992's pure income of every peasant was 740 yuan, increased 5.3 percent^[1]. Recently, 15,000,000 various nationality people are simultaneously enlarging opening field, enhancing economic strength and working hard to make great efforts for the target of realizing comfortable family.

II. PRESENT SITUATION AND FEATURE OF BORDER OPENING IN XINJIANG

With further development of Chinese reform and opening to the outside world and the enforcement of border opening strategy, Xinjiang promptly put forward a slogan "Opening the west door and greeting guests from the whole world". Our country's gates which had been closed for many years were opened one after another, so the previous simply pattern of long-distance importing and exporting eastwards in Xinjiang's economic contact and foreign trade was changed. Xinjiang makes a fresh start to use its geographic advantage, opens up Middle Asia market, develops land and air trading, purchasing tourism, border market for frontier inhabitant and slope down westwards. On the basis of being major developmental object for five countries in Middle Asia, the new spatial frontier trading pattern of : "multilevel and all-round position" has been formed, that is, to link southwards Parkistan market, to open up northwards Mongolia market. This makes border regions which are remote and have slower economic developmental pace in past years becom the forward position of enlarging opening and Chinese doors of moving towards the world, this push forward Xinjiang's opening to the outside, foreign economic and culture exchange to a new development stage. The 1992's total import and export value of foreign trade was US \$ 737 million, 60.4 percent higher than that of 1991, which constitutes about 41.5 percent of total import and export value of

Xinjiang^[2]. Among them the 1992's total value of border trading was US \$ 310 million, 2.24 times more than that of 1991, which has become a vital new force on Xinjiang's foreign trade.

1. Opening up Various Standard Passes According to Local Conditions

By 1992, 14 foreign trading passes had officially been approved, while in the 1980s, there were only several passes. Except for Urumqi airport, they are all situated in the border place. Among them four passes for Mongolia are Laoyemiao Pass, Wulastai Pass, Takshiken Pass and Hongshanzui Pass, seven passes for Kazakhstan are Aheitubieke Pass, Jimnai Pass, Baktu Pass, Alataw Pass, Horgass Pass, Durate Pass and Muzart Pass, the pass for Kirghizstan is the Turgart Pass, the pass for Pakistan is Kunjirap Pass. In these aforementioned passes, some passes operate all the year round, the other passes operate only in summer because of climate and transportation conditions. Though some passes still have not officially been approved to open, the economic and personnel contacts between two places have existed, such as Songbai in Zhaosu County and Bidieli in Wushi County. These frontier people forward a slogan "the more passes, the more prosperous way", The Fourth Production Constructive Corps, No. 76 Farm situated in the foot of the Gedeng Mountain is famous for producing grain, oil plant, meat and wool, stud stock, honey and rare medicinal herbs. All these products need to be marketed by being transported to Yining City across a long distance in the past, it not only brought out transport inconvenience but also increased these products' expenses, thus restricted the development of farm economy seriously. The opposite side of No. 76 Farm is Songbai Farm of Kazakhstan, which is 300 km far from Alma-Ata with the convenient communication. No. 76 Farm's many farming and stock-breeding products have strong attraction to Kazakhstan. The closed farm is brimming with youthful vigor and vitality since China and Kazakstan firstly transported goods each other in Songbai in May, 1992.

Horgas Pass and Turgart Pass are two of the largest scale passes among these 13 land route passes which were officially approved to open(not including Alataw Railway Station Pass). They have always been major trading passes between China and five countries of Middle Asia. Horgas Pass, 48 km far from Huocheng county, 660 km far from Urumqi City, reopened in 1982 and started to transport each other in 1983. The number of import and export personnel was 724 in 1984, 75,000 in 1991, 276,000 in 1992. The total amount of import and export goods was 180,000 tons in 1991, 50,500 tons in 1992, which constitutes about 40 percent of that in Xinjiang.

The Turgart Pass, 140 km far from Artux City, is located in the remote mountain with an elevation of 5,700 metres. It was an important outpost in history by which middle road of "Silk Road" (or called ancient northern road) went straight to Kirghiz glassland. Now it is the sole pass by which the south area of Xinjiang goes straight to five countries of Middle Asia. The 1991's number of import and export personnel was 83,000. The 1991's total amount of import and export goods was 110,000 tons. The value of tariff and others tax was 13,280,000 yuan.

2. Speeding up the Construction of Northern Railway in Xinjiang, Getting Through Eurasian Continental Bridge, Building and Extending Some Highways to Border Pass

Under the situation of insufficient funds, Xinjiang determined to build the west part of Lan—Xin railway (railway in north Xinjiang) which had been laid aside for several years, at the same time the major highway lines were reconstructed. The whole Eurasian Continental Bridge was joined up in 1990, so Xinjiang start to carry out passenger-cargo transportation with Kazakstan in 1991. The 1992's total amount of import and export goods was 800,000 tons, the 1992's number of import and export personnel was 70,000. The whole Continental bridge joined up not only improve transportation pattern in Xinjiang and outside Xinjiang but also advance regional economic development and border opening. Such as Bortala Mongol Autonomus Prefecture, its frontier trade spring up energetically as Eurasian Continental Bridge was built up. By 1992, there were three hundred frontier trade enterprises and 2,500 frontier trade personnel. The Alataw Pass and Bole City have become hot spots of investment construction, sightseeing tourism and developing economy trade co-operation. Now each of frontier passes is linked with highway. The highway from Qingshuihe in Huocheng county to Horgas, with 28 km long, is being reformed into the first grade highway. No. 76 Farm also raised funds by local and reformed the 20 km highway to pass into the bituminous road.

Moreover, Xinjiang also strengthen airline construction. The 1992's number of civil and international airline was 28, the total turnover amount of transportation went up to 31.5 million t. km in 1992, while in 1985 it's less than 1.04 million t. km. At the same period, the amount of passenger transportation went up to 824,000 person-time in 1992 against less than 89,000 person-time in 1985^[1].

3. Developing Frontier Trading and Foreign Economic Cooperation and Making the New Frontier Trade Pattern Through Multilevel, Various Channels and Multiforms

Now, 33 counties and cities in Xinjiang do frontier trading activity vigorously. The region along railway line and other counties also pack into the line of border opening and border development one after another under these principles of "shareing together in frontier trading, introducing investment from abroad and establishing lateral ties at home and building up trading pass together." The shopping centre and common market for frontier inhabitants are built up in Xinjiang's important cities and each of frontier passes according to the policy of border opening. For example, the trading market, with an area of 0.3 ha, has offically started to do business for inhabitants of border area in Horgas Pass, and that of Muzart Pass and Hongshanzui Pass are also being built up. In Yili area, the 1992's total amount of sales was 250 million yuan in the hand of purchasing commodity which constitutes about 25 percent of the total volume of its retail sales in social commodity. The foreign exchange income was nearly US\$ 5,000,000. The 1992's total output value of gross national product increased 13.5 percent compared with 1991, and that of the second industry increased 36.3 percent (building industry among it increased 85.1 percent), and that of the tertiary industry increased 16.5 percent^[2]. The major reason is that this region carried out this policy of border opening and prosperity frontier by foreign trading with the economic geographical location enhancing after the land bridge being built up. Now Xinjiang has developed six open cities, among them there are three developmental zones of economy and technique (Urumqi, Shihezi and Kuytun, added a industrial zone of new advanced technique in Urumqi), three cooperation zones of frontier economy (Yining, Bole and Tacheng).

4. Holding the "Urumqi Consulting Meeting" in which Declaring the Xinjiang's Regional Features and Construction Achievements

The meeting has attracted merchants and guests from all over the world. Xinjiang has held two years' "Urumqi Consulting Meeting" and made great progress in trade and economic cooperation. Xinjiang had received 11,600 shopping tourists from countries in Middle Asia, from January to October 1992 increased fourfold compared with those of 1991. The value of commodity purchased was 440 million yuan^[2].

III. THE IDEAS OF PROMOTING FURTHER DEVELOPMENT AND BORDER OPENING IN FUTURE

1. Developing and Enlarging These Frontier Trading Passes, Enhancing the Infrastructures Construction and Strengthening Handling Capability of These Passes.

The pass is the most important material foundation and prerequisite condition to open these border areas, develop frontier trading and built trade market for frontier people. There have been 13 open border passes in Xinjiang. Except for Horgas Pass and Alataw Pass, the rest have poor construction and can not fit for the needs of border opening, trading and frontier market trading, even the constructions in Horgas and Alataw Pass, there still exist a big difference compared with the planning demand. Alataw Pass (railway station) is seriously insufficient for storehouse facilities and loading capability. The cargoes imported couldn't rapidly be loaded in time and stored up properly. The Horgos Pass is also imperfect in the project of transmitting electricity and communication. For the construction of Xinjiang frontier passes the first thing is to raise the highway technique level and transportation capability in order that traveller and cargoes passing through passes could rapidly be collected and exported. The conditions of these roads to Laoyemiao Pass and Hongshanzui Pass are all very bad now; the second thing is to build up infrastructures, making planning and rationally distributing, that is, to make a good job of constructing electricity, water, storehouse, market and other service facilities; the third thing is to improve communication condition, etc.. Turgat Pass is located in the place with an elevation of 5700 metres. The climate is very cold here. This is not beneficial to function market trade for frontier inhabitants, it must be moved and rebuilt up.

Above all, much attention should be paid to the development of the Biedieli, Kalasu, Simuhala and Yilikeshi, which link the border with the Middle Asian Countries. We must create favorable condition to open Mingtiegai Pass, enhancing the economic contact with Afghanistan. We need to construct two free trade zones (Horgas and Baktu) in order to build up free trade zones relying on passes.

2. Enforcing Horizontal Economic Union and Cooperation, Strengthening Material Foundation of Border Opening

Xinjiang can provide limited foreign trade commodities for vast market of

neighbor countries. Facing the wide needs of market, it must be linked with inland provinces, especially with northwestern area to produce goods of a well-known brand and export together. For enhancing horizontal economic union and cooperation, first, it needs to introduce talents, techniques and funds from inland provinces in order to develop Xinjiang's dominant resources and export these products processed through adopting various forms of cooperation, secondly, either purchase high-quality commodities or go straight to Xinjiang from inland provinces for wholesale and retail, now that make a way into market of Middle Asia by using high-quality commodities produced in inland. The products produced outside of Heilongjiang Province were provided by 80 percent in total amount of products for exporting, but Xinjiang only constitutes about 20 percent, so this situation must be improved rapidly.

3. Adjusting Industrial Structure, Regional Allocation and Building up Productive Bases of Processing for Export

The present industrial structure and regional allocation were formed under the situation of closed inland, so caused this kind of allocation not only big or small in scale, overall, but disperse and simple, they must be adjusted according to the principle of socialist market economy and strategy of border opening. In the future what they need to distribute and what must be done for these enterprises having resources, market (especially the market of neighbor countries) and good benefit, only in this way could the backward situation be changed completely for industrial development in frontier area. In adjusting industrial structure and regional allocation, Xinjiang must do well in the planning of the following six open cities: Urumqi, Shihezi, Kuytun, Tacheng, Bole and Yining and the urban planning at Kashi, Artux cities and built up economic developing zones, forming various productive bases with special features in order to have large batch processing. The main industrial distribution like cotton textile, colthing and electron in Urumqi, food processing in Shihezi City, byproduct of ethylene, cotton knitting and cigarette in Kuytun (including Dushanzi), woolen spinning and linen spinning in Yining City, fur product in Tacheng City, native handicraft art and silk spinning in Kashi, fruit processing in Artux City, Meanwhile, each of cities need energetically to cultivate and construct this system of market, open their door widely, attract merchants from the whole world, Yining, Tacheng, Kuytun, Artux, Kashi and Urumqi cities will become the important national shopping centres. At last the whole Xinjiang will develop into the centres of shopping and tourism in Middle Asia.

4. Enhancing Investigation and Study for the Market Needs in the Neighboring Countries, Mastering Market Development and Evolution Regularity and Building up the Perfect Network System of Market Information

Because of Russian disintegration, this middle market has broken the original balanced relationships. At present all of the areas in many countries and regions of the world, especially America, Japan, South Korea, Turkey, Iran, Pakistan, Taiwan, Hong Kong, Thailand, Malaysia, Israel and Vietnam pay close attention to this region, so the market competition here is rather violent. By making use of geographical superiority, we will enter into this market and get a firm foothold, for the export of product, one method is, to triumph over the opponent by high-quality products and cheap products, the other methods are, to monopolize the market by high-quality products existing alone in our country. All of these demand us to carry out a thorough investigation and study for the market change and strategies of foreign trading in other countries, make correspondent tactics in order to strengthen initiative and reduce blindness. Only in this way can we establish ourselves in an unassailable position forever.

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