

THE DIFFERENCE OF ECONOMIC FUNCTION AND THE TRENDS OF INDUSTRIAL DEVELOPMENT IN CENTRAL CITIES ALONG THE XIJIANG RIVER

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ABSTRACT: The Xijiang River is an important link between Guangdong Province and the Guangxi Zhuang Autonomous Region, and a tie between its basin and the world. The zone which consists of 12 cities backing onto the main channel, including Guangzhou, Shenzhen, Nanning and Bose, etc., is an economic growing point and industry spreading origin of all the river basin. According to the nonagricultural population scale, these cities are divided into four grades. By analyzing seven indexes (GDP, nonagricultural population, gross values of industrial output, postal and telecommunication service scales, social commodity total volume of retail sales, resident saving balance, student sum in college), these cities are divided into four kinds of growing points, which show the different radiating function in different regions. The 12 cities, which have differed obviously in industry structure and the scale of the secondary & tertiary industry, are divided into three industry steps. By studying the difference of urban industrial function specialization in the 12 cities, the problems have been revealed in the urban industry structure developing. They are about the lower levels of the three industries, the lack of coordination with city status in the development of specialized departments, the similarity of the industry structure and the specialized departments, and so on. Based on the pattern of urban industry structure developing and the theory of regional economic step transferring, some suggestions have been discussed. They include the trends of cities' industry developing, the change and improvement of the percentage of the three industries, the adjustment and amendment of the region and industry structure, and the labor division and location of cities manufacture.

KEY WORDS: the Xijiang River; central cities; industry structure; trend of specialization

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The Xijiang River is the main waterway across east and west in Southern China. Its main course backs onto the west of Guangdong and the southwest of China, with its exit through Hong Kong, Macao and Southeastern Asia. It has a wide hinterland and convenient water transportation. Along the Xijiang River, the central cities are the cities, which spread along the Xijiang River's main course, the Zhujiang River's delta and outlet, and Bose has been selected as a representative

city in the upper reaches of the Xijiang River. They total 12 cities, including Guangzhou, Shenzhen, Zhuhai, Foshan, Jiangmen, Dongguan, Zhongshan, Zhaoqing in Guangdong and Wuzhou, Guigang, Nanning, Bose in Guangxi. All of them depend on the Xijiang River main course to form a complete city economic belt, to become a joint of the Xijiang River economic passageway, to be a power resource, which leads to economic development in the whole river basin.

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These twelve cities' land area and population are 4.5% and 11.1% of the totals in Guangdong and Guangxi. But their GDP, industry total output value and the tertiary industry output value are 39.0% , 36.7% and 55.7% of the totals in Guangdong and Guangxi. In the background of Hong Kong and Macao's returning to China, Nan-Kun(Nanning – Kunming) railway built and the second realignment project of the Xijiang River course accomplished, the adjustment and perfection of central cities' industrial structure along the Xijiang River will directly influence the developing direction and trend in the Xijiang River economy.

1 THE DIFFERENCE OF STATUS AND FUNCTION IN URBAN ECONOMY

1.1 The Grade Difference of Urban Scale

There has been a complete grade scale alignment in the central cities along the Xijiang River. According to the twelve cities' nonagricultural population scale, the cities along the river have been divided into four grades. The first grade is the largest city, Guangzhou, of which nonagricultural population is above 3 million. Guangzhou is located in the outlet where three rivers converge from north, east and west. It is the biggest inland coastal port, as well as the biggest hub of transportation and communication in Southern China. And it is the center of trade and finance, and is also the second bigger foreign trading port. Its Urban Priority Degree is 3.7 high. The second grade is the larger cities, Nanning and Shenzhen, of which nonagricultural population is above 0.5 million. Nanning is the hub of water and land communications and political-economic center in the upper reaches of the Xijiang River. As the status of customer-goods Nan – Kun railway is open to traffic. Shenzhen is a modern city, which has rapidly developed depending on Hong Kong. In the past few years, it has become a new city in Southern China. Its multiple strength is the second only less than Guangzhou's, and is in front of the tenth in the large cities of China. The third grade is the middle cities, including Zhuhai, Foshan, Jiangmen, Dongguan and Zhongshan, of which population is between

0.3 million and 0.5 million. These cities are located on the Zhujiang River delta, of which economics have connected closely with foreign economics. Their export-oriented economic structures have been formed. The forth grade is the small cities, including Zhaoqing, Wuzhou, Guigang and Bose, they are the central cities in small region. They have developed on the status of the communications hub(LIAO, 1992).

Table 1 12 cities' population scale($\times 10^4$)

City	Total population	Nonagricultural population
Guangzhou	385.4	317.0
Shenzhen	99.2	75.0
Zhuhai	62.1	38.0
Dongguan	143.7	35.0
Zhongshan	125.3	36.0
Jiangmen	48.2	31.0
Foshan	44.1	38.0
Zhaoqing	42.8	29.0
Nanning	122.8	86.3
Wuzhou	31.7	24.2
Guigang	155.9	27.7
Bose	38.7	18.8

Source: Statistical Yearbook of Guangdong, 1996; Statistical Yearbook of Guangxi, 1996

1.2 The Level Difference of Growing Point Function

By analyzing seven indexes of the twelve cities', which are GDP, nonagricultural population, gross value of industrial output, postal and telecommunications service scales, social commodity total volume of retail sales, resident saving balance, student sum in colleges, the central cities can be divided into four kinds of growing points. It will show the difference in radiating function of the cities in the construction of economic passage.

The first kind is the national multiple growing point, including Guangzhou and Shenzhen. Its industrial economic scale is large, and its urban function has developed perfectly, as well as its radiating area is wide. There was 3.85 million population in Guangzhou (1995). It is the largest city in the Xijiang River passage. Its GDP is 89.6 billion yuan. Its social commodity total volume of retail sales is 43.4 billion yuan.

Its postal and telecommunications service total is 3.6 billion yuan. Its student sum in college is almost 100 thousand. Its economic strength is the third, less than Beijing and Shanghai in China. Its per capita output value and tertiary industry proportion are the first high in countrywide (ZHU, 1996; ZUO, 1996).

Shengzhen's total population is 0.99 million. Its GDP is 79.6 billion yuan. Its social commodity total volume of retail sales is 30 billion yuan. Its postal and telecommunications service total is 3.7 billion yuan. Its several indexes have already entered in front of the tenth in national cities. These two cities are the center of communication, commodity, trade, technology and social activity in the whole of economic passage, the center of economic organization and the center of information-finance in the Xijiang River basin. Their growing point functions not only spread in the whole basin, but also are significant in nation-wide.

The second kind is the regional multiple growing point, including Nanning and Zhuhai. Its industrial economic scale is middle. But its urban function has developed well, and its radiating area is a little wide. There was 1.22 million population in Nanning(1995). Its GDP is 12.2 billion yuan. Its resident saving balance is 9.3 billion yuan. Its social commodity total volume of retail sales is 7.4 billion yuan. Zhuhai's population is 0.62 million. Its GDP is 17.4 billion yuan. Its social commodity total volume of retail sales is 6.4 billion yuan. Its resident saving balance is 9.4 billion yuan. Two cities take a heavy task to organize regional economy. Their growing point functions are significant in province-wide. Nanning mainly promotes the southern and the western Guangxi and the eastern Yunnan's economic development. And Zhuhai mainly promotes the western Guangdong and the southeastern Guangxi's economic development.

The third kind is the regional industrial growing point, including Foshan, Dongguan, Zhongshan and Jiangmen. Their industrial economic scale equals to the second kind's. The GDP is between 9.0 and 20.5 billion yuan. But their urban functions have been undeveloped relatively. The industrial radiating area is wider, and the growing point function is significant in province-wide. They have got the radiation of the two

point cores, and promoted the development from sub-class region.

The forth kind is the local growing point, including Zhaoqing, Wuzhou, Guigang and Bose. Their industrial economic scales are smaller. The urban function has not been developed, the radiating area is small, their growing point functions have local significance.

1.3 The Difference of Industry Step

A city is a regional economic complex with the secondary industry and tertiary industry as the lead. Along with the improvement and development of the function of a city, the city economy will gradually experience the developing process from the primary industry to the secondary and tertiary industry, then the latter will occupy the absolute dominant position in a larger scale. Table 2 is a list of the three industries in the 12 cities along the Xijiang River and the cities are divided into three industry steps.

Table 2 The structure of the three industries in the 12 cities

City	Primary industry (%)	Secondary industry (%)	Tertiary industry (%)
Guangzhou	2.7	45.0	52.3
Shenzhen	1.6	52.4	46.0
Zhuhai	2.3	54.1	43.6
Dongguan	12.0	54.5	33.5
Zhongshan	13.0	51.0	36.0
Jiangmen	2.0	50.2	47.8
Foshan	0.5	69.1	30.4
Zhaoqing	8.2	53.3	38.6
Nanning	6.2	38.4	55.5
Wuzhou	2.8	41.6	55.6
Guigang	33.5	35.8	30.8
Bose	21.9	39.5	38.6

The 1st step includes Guangzhou and Shenzhen, of which the secondary industry and the tertiary industry have been developed, the structure ratio is over 45%, the industry products value more than 10 billion yuan, and the proportion of primary industry below 5%. They are situated in middle & southeast areas of the Zhujiang River delta. Outside they link up the industrial spreading process of Hong Kong and the developed countries, inside they are the source of the economic creation and industrial spreading along the

Xijiang River Basin and in the South China. The 2nd step includes Zhuhai, Dongguan, Zhongshan, Jiangmen, Foshan and Nanning. Their GDP also take the secondary and tertiary industry as the main ones. The developing level of industry is higher, and the tertiary industry develops rapidly; but overall scale is smaller, and the GDP of the secondary and tertiary industry is less than 10 billion yuan. Except Nanning in the central south of Guangxi, the other cities are all situated in the Zhujiang River delta & outlet. They are the direct beneficiary of the industrial spreading in the 1st step cities and form a connecting link in the economic step transfer along the whole river basin. The 3rd step includes the 4 cities: Zhaoqing, Wuzhou, Bose and Guigang, whose industrial scale is smaller and industry is relatively backward. In Bose and Guigang the primary industry still holds an main position in the structure of GDP, being the lowest step among the cities along the river.

2 THE DIFFERENCE OF URBAN INDUSTRIAL FUNCTION SPECIALIZATION

As to the economic function of the cities along the river, industry still occupies the dominant place and the industrial specialized departments are still the foundation on which the cities depend and motivation for development. Now we try to observe the specialization degree of industrial function from the following aspects: At first, the relatively specialized departments (as we call them), i. e. the industrial departments whose Location Quotient (LQ)^① is over 1 either on the background of the total of the along-river cities or local individual. Secondly, the main specialized departments (out of the said ones), which take the lead in the structure of the total city industrial products value and whose output value is ahead of the 8th. According to the developing level of specialization, it has been analyzed the 40 industrial trades among the 12 cities. Table 3 lists the above two types of departments.

Table 3 12 cities' industrial specialized departments

City	Relatively specialized department	Main specialized department
Guangzhou	R ₂ , M ₃ , M ₂₋₄ , M ₇ , M ₉₋₁₇ , M ₁₉ , M ₂₂ , M ₂₅₋₂₇	M ₇ , M ₁₆ , M ₂₇
Shenzhen	M ₁₂ , M ₁₅ , M ₁₇ , M ₂₀	M ₂₉
Zhuhai	M ₃ , M ₁₆ , M ₁₇ , M ₂₀ , M ₂₈ , M ₂₉ , M ₃₀	M ₁₆ , M ₂₀ , M ₂₈ , M ₂₉ , M ₃₀
Dongguan	R ₃ , M ₃ , M ₅ , M ₇₋₁₃ , M ₂₀ , M ₂₉ , M ₃₀	M ₅ , M ₁₂ , M ₁₃ , M ₂₀ , M ₂₉
Zhongshan	M ₅₋₇ , M ₉ , M ₁₁ , M ₁₂ , M ₁₃ , M ₂₂ , M ₂₄ , M ₂₈	M ₅₋₇ , M ₁₂ , M ₂₄ , M ₂₈
Jiangmen	M ₂ , M ₅ , M ₆ , M ₁₀ , M ₁₈ , M ₁₉ , M ₂₁ , M ₂₄ , M ₂₅ , M ₂₈	M ₅ , M ₆ , M ₁₈ , M ₂₁ , M ₂₄ , M ₂₈
Foshan	M ₃ , M ₅ , M ₁₁ , M ₁₈ , M ₂₀ , M ₂₁ , M ₂₃ , M ₂₄ , M ₂₈ , M ₃₁ , M ₃₂	M ₅ , M ₂₀ , M ₂₁ , M ₂₃ , M ₂₄ , M ₂₈
Zhaoqing	R ₃₋₅ , R ₇ , M ₂ , M ₃ , M ₆₋₁₀ , M ₁₈ , M ₂₁ , M ₂₄₋₂₆ , M ₃₁	M ₆ , M ₇ , M ₈ , M ₂₁ , M ₂₄
Nanning	R ₈ , M ₁₋₄ , M ₁₁ , M ₁₆₋₁₉ , M ₂₅ , M ₂₆	M ₁ , M ₂ , M ₄ , M ₁₆ , M ₂₅ , M ₂₆
Wuzhou	M ₂ , M ₃ , M ₅ , M ₈ , M ₉ , M ₁₁ , M ₁₆ , M ₁₇ , M ₂₅ , M ₂₇ , M ₂₈	M ₃ , M ₅ , M ₁₆ , M ₁₇ , M ₂₅ , M ₂₇ , M ₂₈
Guigang	R ₇ , M ₁ , M ₉ , M ₁₀ , M ₁₆ , M ₂₁ , M ₂₂ , M ₃₁	M ₁ , M ₁₀ , M ₁₆ , M ₂₁ , M ₂₂ , M ₃₁
Bose	R ₁ , R ₈ , M ₁ , M ₁₀ , M ₁₁ , M ₁₃ , M ₁₆ , M ₂₆	M ₁ , M ₁₀ , M ₁₃ , M ₁₆ , M ₂₆

Note:

R₁₋₈ Excavating Industry

M₁₋₃₂ Manufacturing Industry

R₁ Coal Excavating Industry

R₂ Petroleum & Natural Gas Excavating Industry

R₃ Ferrous Metal Mineral Excavating Industry

R₄ Nonferrous Metal Mineral Excavating Industry

R₅ Nonmetal Mineral Excavating Industry

R₆ Other Mineral Excavating Industry

R₇ Wood & Bamboo Felling Industry

R₈ Water Production & Supply Industry

M₁ Food Processing Industry

M₂ Food Manufacturing Industry

M₃ Drink Manufacturing Industry

M₄ Tobacco Manufacturing Industry

M₅ Textile Industry

M₆ Clothing & Other Fiber Wares Manufacturing Industry

M₇ Leather, Wool & their Wares Manufacturing Industry

$$① LQ = \frac{X_{in}/Y_n}{\sum_{n=1}^n X_{in}/\sum_{n=1}^n Y_n}$$

X_{in} and Y_n respectively show region and an industrial value under the three background.

- M₈ Wood & Bamboo Processing Industry
- M₉ Furniture Manufacturing Industry
- M₁₀ Papermaking & Paper Products Industry
- M₁₁ Printing Industry
- M₁₂ Cultural and Educational & Sports Goods Manufacturing Industry
- M₁₃ Power, Steam & Hot Water Supply Industry
- M₁₄ Petroleum Manufacturing & Coking Industry
- M₁₅ Gas Production & Supply Industry
- M₁₆ Chemical Material Manufacturing Industry
- M₁₇ Medicine Manufacturing Industry
- M₁₈ Chemical Fiber Manufacturing Industry
- M₁₉ Rubber Products Industry
- M₂₀ Plastic Products Industry
- M₂₁ Nonmetal Mineral Products Industry
- M₂₂ Ferrous Metal Smelting & Rolling Manufacturing Industry
- M₂₃ Nonferrous Metal Smelting & Rolling Manufacturing Industry
- M₂₄ Metal Products Industry
- M₂₅ General Machine Manufacturing Industry
- M₂₆ Proper Equipment Manufacturing Industry
- M₂₇ Transport Facility Manufacturing Industry
- M₂₈ Electrical Machine & Equipment Manufacturing Industry
- M₂₉ Electron & Communication Facility Manufacturing Industry
- M₃₀ Instrument & Educational Office Machine Manufacturing Industry
- M₃₁ Other kinds of Manufacturing Industry
- M₃₂ Weapon Manufacturing Industry

2. 1 The Central Cities Being Divided into 3 Levels by the Attribute of the Specialized Departments

The 1st level consists of the cities in which technology-intensive industries hold a dominant position, i. e. Shenzhen and Zhuhai, whose Medicine Manufacture, Fine Chemical Industry, Machine Manufacture and Electric & Electronic Industry are outstanding. The 2nd level consists of the cities which rely mainly on labor-intensive and capital-intensive industry, the technology-intensive industry somewhat growing, i. e. Guangdong, Dongguan, Foshan, Zhongshan, Jiangmen and Wuzhou. The 3rd level consists of the cities that take labor-intensive & capital-intensive types as the main, i. e. Nanning, Zhaoqing, Guigang and Bose. The difference among the urban specialized departments are definite and obvious along the Xijiang River, the outlet cities, i. e. Shenzhen and Zhuhai rely on tech-intensive industry, the delta and the lower reaches cities on capital-intensive & labor-intensive lines, yet technology-intensive industry still keeps

some advantages; the middle & the upper reaches fully on labor & capital-intensive industry.

The American Fonon and some others suggest in their “The Phase Theory of the Industrial Productions Life Cycle” that the industrial departments must experience the four phases: innovation, developing, mature and recession and during the different period, belong to innovation department, prosperity department, stagnation department and decline department (ZHOU, 1993). According to the theory, we analyze the structure of specialized department. as follows: Shenzhen and Zhuhai are mainly composed of innovation department & prosperity department, e. g. Electrical Machine Industry, Electronic Industry and Medicine Industry, etc. Guangzhou and the other cities in Zhujiang Delta are mainly composed of prosperity department & stagnation department, e. g. Transport Facility Manufacturing Industry, Machine Manufacturing Industry, Medicine & Chemical Industry and Papermaking Industry, etc. The cities in the middle & upper reaches are mostly composed of stagnation department & Decline department, e. g. General Machine Manufacturing Industry, Rubber Products Industry, Printing Industry and Food Industry. The difference is obvious between the upper & lower reaches. Industrial structure sees a gradient change that drops gradually from the lower reaches to the upper reaches along the Xijiang River.

2. 2 Obvious Difference in the Quantity & Growth Degree of the Specialized Departments

Among the cities, large-scaled cities have more specialized departments than small-scaled ones. Old cities have more specialized departments than new ones, but the growth degree is super in the specialized departments of the new cities. There are more than 20 functional departments in Guangzhou, whose LQ is over 1, but only 3 functional departments in Bose & Guiguang. Though there are only 4 and 7 specialized departments each in Shenzhen and Zhuhai, they have a leading specialized department with stronger function, e. g. LQ is over 3 in Shenzhen. Electron & Communication Manufacturing Industry, and its output value

cover 52.8% of the total industrial output value. Electronic Industry covers 24.31% of the total in Zhuhai. They are the departments that have the highest output value and their key industry lines are mostly composed of the departments in innovation and development phase, which have great stamina in economic development. In Guangzhou there are too fewer specialized departments, lack of outstanding industry departments whose LQ is over 3.

2.3 Unprominent Specialized Departments in Creation, the Stagnate Departments in Major Position and Absent Deep-processing Industry

The technology-intensive industry along the Xijiang River stays at a low level and only Shenzhen, Zhuhai and Dongguan can be listed in the cities specialized in electronic industry. Light industry in the cities gives the first place to the agriculture-product processing industry, such as sugar, cigarette and alcohol. The fine processing industry holds a low proportion while the roughly processing industry a high one. The linkage between industry departments is not close, for instance, in Zhaoqing the ferrous metal mineral excavating and the nonferrous metal mineral excavating have some higher function intensity, but metal mineral melting and rolling industry still have lower developing level. The industry chain is very short.

3 THE ADJUSTMENT AND DEVELOPMENT WAY OF URBAN INDUSTRY STRUCTURE

The major problems in the industry structure development of the 12 cities are as follows: the three industries remain at low levels, the development of specialized department is not in coordination with city status. The industry structure and the specialized departments are so similar that they can not form a kind of situation including professional division & cooperation and industrial mutual supplement. To fit in with the needs of Xijiang economic corridor developing, we must adjust the urban industry structure, as well as improve and upgrade it. It includes the following: first, the change and improvement of the percentage of

the three industries, second, the adjustment and amendment of the regional and industry structure of industry department, the development of a reasonable leading industry and the establishment of a linkage between industries, as well as the transformation of the urban industry structure.

3.1 Developing the Tertiary Industry and Accelerating the Industry Structure High Graded

The developing degree and level are the main signs to judge if a city is mature or not. In the main central cities abroad, the proportion of the tertiary industry in GDP is generally over 70%. In Hong Kong and Macao, the ratio of the secondary industry and the tertiary industry structure is 2:8. Comparatively, the tertiary industry in the central cities along the Xijiang River develops at a low level, so we must speed up the process and accelerate the urban function complete the industry structure high-graded and sensible.

As the cities at the 1st step, Guangdong and Shenzhen have the highest level in economic development as a whole. The developing tendency is to adjust industry structure and make it best. In the meantime when the tertiary industry advance is to be made a super level, the emphasis should be put on the development of Finance, Insurance, Communications Consulting Service, Tourism, Entertainment, Tech-service, Software Development, Information Technology, Marine Technology, Biotechnology, Environmental Protection Technology, and so on. Bringing Guangdong into full play as the center of national trade, finance, communication & information, it rely on Shenzhen's geographic advantage by neighboring Hong Kong, so as to become close to the function of international metropolis and merge into on organic whole with Hong Kong economy.

As the cities in the 2nd step, Zhuhai, Dongguan, Jiangmen, Zhongshan, Foshan and Nanning should speed up the development of the tertiary industry based on the secondary industry, and establish some trade centers. With the advantage of opening to the outside world, capital & technology can be imported; the cities can join in the cooperation and communication with

international economy. Zhuhai should mainly develop tourism, real estate, tech-service & storage, forming the industrial structure that links up Macao economy. The 5 cities, Dongguan, Zhongshan, Jiangmen, Foshan and Nanning should tend to business service, material and supply and catering trade, increase the proportion of the tertiary industry in GDP.

As the 4 cities in the 3rd step, Zhaoqing, Wuzhou, Guigang and Bose, ought to strengthen infrastructure and service. In Zhaoqing & Wuzhou, priority should be given to transportation, post & telecommunication. Then they should enlarge the handling capacity, speed up the construction of Yu – Wu (Yulin – Wuzhou) Railway and rectifying the Xijiang Channel Project, revive inland water transport and develop business, catering trade and service. In Guigang & Bose, emphasis should be laid on the secondary industry, then they should speed up the process of industrialization, accelerate the transformation from agricultural labor to non-agriculture's and realize the urban industrialization. The tertiary industry is to be promoted on the basis of the development of the secondary industry.

3.2 Forming Rational Division of Function and Promoting the Transfer of Industry Step

The way of adjustment of urban industry structure is to reinforce special function construction, to increase the urban industry specialization degree, to foster and strengthen the leading industry. So most cities will get one or several famous specialization developments nationwide, as well as speed up the transition from science & technology to productivity. It will develop new industry and establish economic belt, which consists of leading industries of tech-intensive, capital-intensive and labor-intensive working interactively along the river (HOU, 1990).

The idea that the industry structure in the cities along the river goes with adjustment and improvement comes from the theory of industry transition between different levels. Its main path is that the prosperity and decline in economic regions are decided by the advantages or disadvantages of their industry structure. This industry structure depends on which stage their leading

specialization departments are in the industry circle, and the creative departments mostly arise in the high-level regions and move from high-level to low-level regions with the time. The movement takes place mainly in a multi-level city system.

Shenzhen should reinforce the development of its leading industry specialized in electronics and establish new creative departments so as to stay in the leading position. Guangzhou should strengthen its vehicle manufacture and chemical industry on one hand, and develop high-tech industries on the other hand such as advanced medicine and refinery chemical, and transform with new technologies the traditional industries, such as machine and paper-making. Both cities are in the high-degree regions and should emphasize in supporting new creative industries and increasing the proportion of such industries with low raw materials cost, low pollution, refinery processing and high value added. And they should upgrade their industry structures from low to middle and high grade, gradually eliminate such mature and senile industries as spinning & weaving and food processing, etc., and transmit them to low-level regions in middle & upper reaches of the Xijiang River.

The cities in the middle level region, such as Zhuhai, Dongguan, Zhongshan, Jiangmen, Foshan and Nanning, should reinforce their basic industry, for instance, electricity, machine and chemical. They will strengthen their specialization departments, for example, medicine, culture and education, and then continuously support the creative department and transform with new technologies. The department transmitted from high-degree regions will be transferred as low-degree and senile industries to the neighboring small cities. As for the cities in the low-degree regions, Zhaoqing, Wuzhou, Bose and Guigang, priority should be given to their competitive industries, which are of labor-intensive and capital-intensive. That is, they should take in the steel, metal, spinning & weaving and food department moving out from the mid & high-degree regions, support those industries with a low capital requirement such as spinning & weaving and clothing and accumulate their capital so as to establish their competitive specialization departments at a certain economic de-

gree.

4 CONCLUSION

Obviously the central cities along the Xijiang River differ in their economic functions and industry development. Due to the data limited, the authors only make a preliminary study about the major issues. And hopefully it may be of some help in making clear basic relations between the industry diversification and the interaction concerning the Xijiang River region and the Xijiang River economic corridor development. And the further regularity is to be discovered.

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