

BORDER PORT MANZHOU LI: URBAN FUNCTION AND SPACE DEVELOPMENT

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ABSTRACT: Manzhouli is the largest land port city on the Sino-Russia border, transit cargo through the land port amounted to 5.95 million tons, transit tourists were 304 500 in 2000. It stands at the joint place of China, Mongolia and Russia, faces to Siberia area of Russia, receives direct support from the Northeast China and Bohai Sea Rim Area, and possesses priorities in geographical location, land port infrastructure, water resources, coal resources, tourist resources and great potentiality in economic cooperation with Russia. The future urban function is a key port on the First Eurasia Continental Bridge. Manzhouli Port will keep its first place between China and Russia land transport, and it is forecasted that the transit amount through Manzhouli Port will go up to 10 million tons in 2005 and 20 million tons in 2010. It will be constructed to be a trade center of the peripheral area extending to Russia and Mongolia, a key export-oriented processing industrial zone supported by industries such as export processing industries, export agriculture, trade services, technology trading and the other service industries. It keeps being a well-known touring city for trade, shopping, sightseeing, vocation, local food, recreation and cultural events. To build Manzhouli Export Processing Industry Zone will improve city economic structure, and the main sectors are organic food processing, livestock products processing, garment and furniture industry. Moreover, Manzhouli Export Processing Industry Zone will eventually be upgraded to be a border free trade zone. The city functional transition will inevitably affect urban spatial restructure and its expansion. The city space transformation will develop as such: one development axis of No. 301 highway paralleling with Bin – Zhou (Harbin – Manzhouli) railway which cuts through central part of Manzhouli City, and links Zhalainuoer District with central city; three urban units including central city, Zhalainuoer District and Manzhouli Interchange Trade Zone; cohesion with Aoerjin and Cuogang pastures; regional dual-nuclei structure of Hailaer City and Manzhouli City; and the Manzhouli-Zabaykalsk Free Trade Zone.

KEY WORDS: Manzhouli; land port; city development; Sino-Russia border trade

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Manzhouli is the largest land port city in northern China, it is also one of the most important land port on the First Eurasian Continental Bridge crossing the Sino-Russia border. About 60% of the two countries' trade by land is through this port. One hundred years ago, Manzhouli came up with the Middle-East railway built by Russian at the beginning of the 20th century, and it developed from a small railway station to be a key trade port very soon. Manzhouli's first municipal institution was set up on January 1, 1936 (XIA *et al.*, 1998), when Japan occupied it. From 1949 when the People's Republic of China was found to the mid-1960s, Manzhouli City had been the key hub

connecting China to Pre-Soviet Union and the others main socialist countries such as D. P. R. Korea, Viet Nam, Romania, Bulgaria, Czechoslovakia, Poland, East Germany, and Albania etc. Exporting and importing cargos reached to the peak of 1.31 million and 2.39 million tons separately in 1959.

However, when the relationship between China and former Soviet Union turned bad in the end of the 1960s, Manzhouli City underwent a backward period until the beginning of the 1980s when the two countries' relationship was remedied. Owing to the "reform and opening door policy", Manzhouli City has achieved continuous successes since then. In 1992 Manzhouli

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City was approved to be one of the "opening border city" by the State Council. A new China-Russia Interchanging Trade Zone was built, and Manzhouli's social and economic development has made great progress. As a county level city of Hulun Buir League, the Inner Mongolia Autonomous Region, up to the year 2000, Manzhouli had developed to be a medium-sized city with a population of 184 400 and territory area of 736km². Its total GDP was 1.52 billion yuan(RMB), transit cargo through the land port amounted to 5.95 million tons, transit tourists were 304 500 (Manzhouli Statistic Bureau, 2000). After China entering World Trade Organization (WTO), there are both opportunity and challenge for Manzhouli, the city has to reorient its role and readjust its urban space development strategy in terms of the new circumstance.

1 SUPERIOR CONDITIONS FOR MANZHOU LI'S DEVELOPMENT

1.1 Geographical Location and Geopolitical Relationship

Manzhouli is one of key pass ways of the First Eurasian Continental Bridge which is from Voladivostok to Rotterdam. It is located in the hinterland of the Northeast Asia, stands at the joint place of China, Mongolia and Russia, faces to Siberia area of Russia, receives the direct support from the Northeast China and Bohai Sea Rim Area (Fig. 1). So it is the conjunction point for resources and markets from both sides of China and Russia. This predominant transport geographical location makes Manzhouli Port to be an express pass way attracting Eurasian countries trade flows, so Manzhouli Port has a strategic importance for China and the Northeast Asia as well.

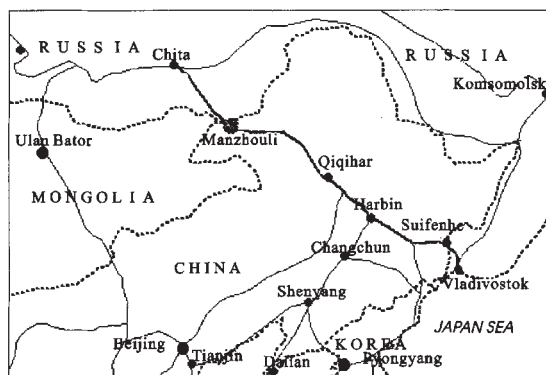


Fig. 1 Sketch map of the location of Manzhouli City and the railway networks

1.2 The Largest Land Port in Northern China

Manzhouli is the first state class railway and highway port equipped with the most advanced transshipment facilities and warehouse yards (LI *et al.*, 1997). Annual transit capacity is 5 million tons, there are 30 railway lines totally, out of them, 13 are wide lines particularly for Russian railway system, 17 are standard lines. There are special lines well connected to warehouse zone, transshipment zone, custom affair office buildings and International Passenger Station. The highway port can transit 3 million tons cargos annually, and it provides multi-function service too. In June 1986 the Manzhouli Port Management Commission was set up, to the end of 1996, two separate functional zones were built, one for custom and examination, the other for warehouse.

1.3 Water Resources and Coal Resources

Manzhouli is rich in surface water resources, which is of 15.55 billion m³ totally, 89.08% of which, namely 13.85 billion m³ water, is in Dalai Lake (Manzhouli Planning Commission, 1989). Water supply comes from precipitation, runoff water and some underground water. But the underground water is mildly alkaline and high fluorine. In addition to water resources, Manzhouli is abundant in coal resources too, where 10.1 billion tons is ascertained. Most are brown coal with $1.26 \times 10^7 - 1.59 \times 10^7$ J/kg energy, less than 15% of ash. It is well understandable that in the Far East cold area the rich coal resource plays an important role in Manzhouli's economic and social life.

1.4 Tourism Resources

Manzhouli has considerable touring resources with distinguished local style. Several touring lines are in operation, and the main products include business tour, border tour, Russia visiting, vocation tour and summer sightseeing. The key scenery spots are Dalai Lake, Erzi Lake, Smart Spring, State Border Gates, Russian commodity shopping street, shopping market, woodcut houses, the Orthodox Eastern Church, Martyrs Cemetery, the Old Stone Age relics, Ancient Korean Tombs, Jin Dynasty border defense trenches etc. (XU *et al.*, 1999). Not the less, around Dalai Lake, there are some quite unique landscapes such as catching fish bars, tying house rocks and some small ponds attracting hundreds of thousands of people to be here for summer recreation. In winter Dalai Lake is covered by thick

snow, a nice place for skiing and skating.

1.5 Great Potentiality of China and Russia Economy and Trade Cooperation

Manzhouli is neighbored on the Russia's Siberia and Far East areas, which possesses the richest natural resources in the world. Out of Russian resources, above 50% of oil, 80% of gas, 90% of motive power coal, 70% of coking coal, 80% of water, 76% of woods are distributed in these areas. However, in contrast to Chinese large number of labor forces and relatively developed manufacture industries, Russia is lack of labor forces to exploit nature resources, manufacture and processing industries are backward. Therefore, China and Russia are quite complementary in resources, labor forces and industrial structure and so on. Undoubtedly, Manzhouli plays a key role in crossing-border economic cooperation.

2 URBAN FUNCTIONS

2.1 Key Land Port in the First Eurasia Continental Bridge

Manzhouli is a key conjunction point in the First Eurasia Continental Bridge, it will become more important than ever before in regard to the regional economic integration in the Northeast Asia. In historic view, Manzhouli was born with the Middle-East railway and was enhanced by its transit functions. In terms of Eurasia railway transport networks and hinterland division, there is not any other port that can replace Manzhouli Port's role on the China-Russia border to serve regional market. However, for the reason of the complicated international politic and economic relations in this area, the First Eurasia Continental Bridge has not been fully utilized so far.

Though the First Eurasia Continental Bridge has its disadvantages in management, effectiveness and cost at present, it is unreasonable to think that the Second Eurasia Continental Bridge will replace the first. The basic reason is the hinterland division. Additionally, in a future view, the First Eurasia Continental Bridge has more transport capacity left than the other, this will produce competitiveness, and its great potentiality will be represented as economic cooperation going ahead within the Northeast Asia countries including China, Russia, Japan, D. P. R. Korea, D. R. Korea and Mongolia. Acturally, the Tumen River Delta development programme had made some progress in the 1990s; the

South Korea and North Korea began to deal with Korean Peninsula reunification at the beginning of the 21st century, and Russian economy started to increase, all these indicated a bright future in this area. Undoubtedly, the First Eurasia Continental Bridge will be a much important transport artery linking the Northeast Asia with West Europe, and Manzhouli Port will keep its first place between China and Russia land transport. It is forecasted that the transit amount through Manzhouli Port will go up to 10 million tons in 2005 and 20 million tons in 2010.

The first goal of Manzhouli City is to be a fully modernized land port city, to build a comprehensive transport network including railway, highway, airport, pipeline services. According to state traffic planning, Manzhouli Airport will be put into use before 2005, the No. 301 highway is going to be upgraded before 2010, and the Bin-Zhou railway line (from Harbin to Manzhouli) is reconstructed too. All the improvements will enlarge the transit capacity and comprehensive services of Manzhouli Port.

2.2 Trade Center in the Conjunction Area of China, Russia and Mongolia

Based on the port priorities, Manzhouli will develop to be a trade city as well as regional trade center, which mainly serve Siberia area, East Mongolia and western part of Northeast China. The role as a regional center is dominated by Manzhouli's specific geographical location, urban size, economic energy and how far its services can reach to.

In the near future, the local border trade will be more active, also it will parallel with state trade increase between China and Russia, further more, both the trade amount and trade structure can keep ahead of the other land ports to Russia. In the far future, from a strategic perspective, Manzhouli City must expand its business to more international partners such as Japan, Korea and America etc.

Obviously, port and trade are two dominant urban functions of Manzhouli. But it is very necessary to set up supporting industries such as export processing industries, export agriculture, trade services, technology trading and the other service industries, which all together sustain the city to have comprehensive functions as a trade center.

2.3 Border Tourism City

As mentioned above Manzhouli is rich in natural

and human tourism resources, Manzhouli Port is also a hub of gathering and dispersing population, which provides a very substantial tourism market. So tourism industry becomes an important urban industry.

A very import policy for tourism industry here is to establish a very distinguished local style. In a long period, border trade tourism remains dominant role, but with domestic tourist market changing and service quality improving, other tour products such as city sightseeing, vocation tour and Russia visiting tour develop very fast and may gradually take the dominant place. Manzhouli City needs to fit to ever changing of both domestic and oversee tourist market, adopt international standard and convention, foster both western and orient cultural elite, develop national-style tourism products, set up city image, upgrade tourist serving facilities. Only by this way can Manzhouli be constructed to be a well-known tourism city for trade, shopping, sightseeing, vocation, local food, recreation and cultural events.

2.4 Manzhouli Export Processing Industry Zone

According to the state data, more than 50% Chinese export and import trade is processing trade, and most industries are related with processing trade. However border trade in Manzhouli is mainly commodity exchanging trade, processing trade is just on the beginning stage, in terms of abroad and domestic experiences, it is inevitably to develop export processing industry to upgrade city economic structure.

At present time, Manzhouli is facing a very favorable circumstance to build an export processing industry zone. On April 4, 2000, the State Council approved 15 export processing zones in the whole country, these zones are given more opening privileges than ever before, they have superior priorities in tax levy policy and custom regulation. In fact, by this experiment, the state government want to learn something from "export processing industry zone" for building "free trade zone". This implies the export processing industry zone is pre-phase of free trade zone, which has strategic implication for border port city development like Manzhouli.

Manzhouli Export Processing Industry Zone will develop to be a kind of high labor and technology intensified industry zone. The main sectors are organic food processing, livestock products processing, garment and furniture industry. According to an investigation, annual importing wool by Manzhouli Port is 3000 tons, and exporting leather products are 300 thousand pieces, importing wood is 1 million cubic meters, not the less,

annual vegetable and fruits demand in nearby Russia urban markets is about 40 thousand tons. Both supply and demand sustain Manzhouli Export Processing Industry Zone to be a kind of processing and manufacture zone.

Based on the present Manzhouli Border Economic Cooperation Zone in central city, Manzhouli will enhance the export processing industry zone and hi-tech industry park, consummate free tax warehouse zone, trading zone, cultural and entertaining zone as well as citizen neighborhoods, improve official management, upgrade urban infrastructure, enlarge export processing trade. By achieving these projects, Manzhouli is expected to build Manzhouli Export Processing Industry Zone sooner, by then export processing industry will sustain urban economy, and urban function will be enhanced.

2.5 Experiment Zone for Border Free Trade

Border free trade zone is a very common economy spatial organization form in the world. After China became a member of WTO, the State will make some breakthrough in constructing free trade zone in border area, and in fact some departments have begun to study relevant international law, regulation and legislation for constructing free trade zone in China. Definitely, a number of free trade zones will be born and grow up in future. Manzhouli City has the basic conditions for free trade zone. It is good experiment location for state to set up a free trade zone here. Manzhouli City already has had the capabilities to perform on international stage, to behave as a model before the others. The present tasks are to get approval and support from state government and then to build Manzhouli Export Processing Industry Zone earlier, tighten communication and cooperation with Russia so as to prepare economic, social and political conditions to build a new border free trade zone.

3 URBAN SPACE DEVELOPMENT

3.1 One Development Axis

Manzhouli's geomorphology represents a belt shape, from west to east is 50km, from south to north is 34km. No. 301 highway paralleling with Bin-Zhou railway cuts through central part of Manzhouli City, and links Zhalainuoer District with central city tightly. Most of the central land is roughly smooth and level, it is suitable for agriculture, industry and urban construction, which compose the axis of territory development.

When the traffic infrastructures are upgraded before 2010, the developing axis will become more strong and attractive, an industrial agglomerate belt will appear along the axis, also the axis can link the different urban units to be an organic entity emitting strong gathering and dispersing effect, so it has a great significance for regional economy. Not the less, the axis is also helpful for saving land use and protecting eco-environment and improving production organizing and management.

3.2 Three Urban Units

Manzhouli City space is consisted of 3 main urban units: central city, Zhalainguo District, Manzhouli Interchange Trade Zone (*hu mao qu*). Zhalainguo District is 23km to the west of central city, Manzhouli Interchange Trade Zone is just 5km away to the east of central city. In the future, urban space development must keep the present spatial structure, new buildings must be distributed densely for saving land, the green belt between central city and Manzhouli Interchange Trade Zone remains as before, any central city's expansion to the west is controlled. In Zhalainguo District, neighborhoods reconstruction and industrial adjustment will clear some land for greening. In conclusion, separate unites distribution can save some building lands for city future, and reserve flexible space for distributing industry and infrastructure.

3.3 Cohesion with Neighbor Pastures

Manzhouli City may meet constrains from its narrow territory in future development. So it is necessary to be cohesion with the neighbor counties to form Manzhouli economic sub-region in Hulun Buir League (CHEN *et al.*, 1992), so as to realize the goal to expand city development space, to meet social and economic requirement, and to improve regional territory utilization effectiveness. In essence, Manzhouli space development strategy is to enlarge city space by regional economic cooperation and integration. At present, one feasible project is to cooperate with two pastures nearby, one is named Aoerjin, which belongs to New Barerhu Right Banner (*xin ba er hu you qi*), the other is called Cuogang administered by New Barerhu Left Banner (*xin ba er hu zuo qi*). The two pastures will become dairy and livestock products processing bases which absorb industry, funds and labor forces decentralized from central city and Zhalainguo District, by the way, this project is helpful to readjust urban industry and settle down urban unemployment. Another import project is to coordinate

with the banners mentioned above, to exploit water and fishery resources, to develop fishery and eco-agriculture bases and to protect ecology and environment around Dalai Lake.

3.4 Regional Dual-Nuclei Structure

Regional dual-nuclei structure refers to seaport, river port and land port cities in cooperation with their key hinterland cities to set up a kind of regional space development model (LU, 2002). Usually the two centers have good functional division, the port city plays a role of the regional "door" to outside world, and the inner land city is a support point for port city. Regional dual-nuclei structure not only enhances the two centers but also integrates an area as a whole, so that the regional economy becomes very strong. Hailaer City is 200km to Manzhouli City, and they link each other by railway and highway. Hailaer City is the administrative center of Hulun Buir League, there are 235 300 citizens, and bigger than Manzhouli City. In the past, the two cities have developed very intimate economic and political connections. At the beginning of the 21st century both sides are willing to upgrade the connections to a high level economic cooperation, so it is the right time to foster "dual-nuclei structure". Manzhouli City is "the front door market", Hailaer City is "the back yard workshop", by which to form a two-central-city system in Hulun Buir League.

3.5 Manzhouli-Zabaykalsk Free Trade Zone

To build a free trade zone crossing Sino-Russia border in Manzhouli has long been a focus for both local governments and scholars. Most people think this programme will motivate dual-sides trade and push regional economic cooperation in Northeast Asia ahead. In fact this project has already shown its feasibility. The existing Manzhouli Interchange Trade Zone, with an area of 11.8km², is opposite to Zabaykalsk Trade and Industry Complex in Russia side. They keep separate each other just from a border fence. This site is qualified to be a border free trade zone in accordance with the World Trade Organization regulation and international convention. By now some infrastructures have been built, and early policy and law lay good foundation to set up a new law and regulation system for the will-being free trade zone, particularly two side officials have built up a coordination mechanism, and the existing connections among clients can guarantee the free trade zone in good operation.

Obviously it is a long time programme, its final goal is to build up Manzhouli-Zabaykalsk Free Trade Zone, and whole developing process needs to involve more Russian participants. But at the initial stage, Manzhouli is compulsory to be more active than the others so as to encourage more partners. A practical initiative is to build 0.1km² of "initiative zone" for experiment, and expand it to 11.8km² in response to future market situation (JIN, 2000).

According to present economic situation and the future market demands in this area, Manzhouli-Zabaykalsk Free Trade Zone will be of very comprehensive functions including multiple trades, export processing industries, free tax storage, international banking and settling accounts, wholesale and retail, electronic business, international information services and hi-tech industry and so on.

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