

The Developments in the Construction of Development Zones and in Japanese Enterprises in Greater Shenyang

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Overview

Following the start of the Northeast revitalization policy of 2003, in Liaoning Province they have been pushing forward with the development concepts of: the "Three Major Plates" of the Central Liaoning City Cluster, the Liaodong Peninsula, and the Liaoxi area (western Liaoning Province); and the "Five Points and One Line" which places priority for development planning on five coastal zones.

Within these, in the Central Liaoning City Cluster concept, the expansion of the municipal functions of the provincial capital of Shenyang at its center-or the formation of "Greater Shenyang"-has become one of the central aims. With "Greater Shenyang" as the buzz-phrase, there comes the idea of "Four Big Development Spaces" which aims at building up development districts for the outward distribution of industry in all directions and an upgrading as an industrial city.

In the first half of this paper, I will give a summary and examination based on the "Four Big Development Spaces" concept, first regarding the city as a whole becoming a development zone, and then concerning the future situation of outward expansion in Shenyang.

In the second half, along with commenting on the problem area of 60% of investment being in real estate, and in addition to the latest developments in foreign capital inflow, I will expound on the following; the data broken down by area, time, and industry for the actual situation in making inroads into China by Japanese companies, and the developments in 2007; an analysis regarding the current status and problems of the unfolding developments on the ground; the changes to Shenyang's preferential policy for attracting Japanese foreign investment; the developments in Japanese public institutions; concrete examples of setting-up in business; and projects which will demand attention in the future.

In general, sales and gaining ground in the domestic Chinese market and supplies to already established plants are frequently mentioned as the aims of Japanese enterprises' setting-up in Shenyang. This is for the reason that the lead time for shipments is long, as Shenyang is not a coastal district and doesn't have its own port.

The greatest effect of the emergence of "Greater Shenyang" is the formation of a large consuming region of 22 million people. As there is no large consuming region in the hinterland, there are many export-oriented businesses within the foreign-funded enterprises setting up in Dalian, and the setting-up of domestic sales-oriented businesses has been limited. Yet with Shenyang set to become a large consuming region, it is thought that inroads by companies into the region will increase. Furthermore, I also bring into view the Shenyang economic region's spectacular development, via the increase in the convenience of Yingkou port under the progress in the "Five Points and One Line" project, and I have made suggestions relating to the possibility of Japanese cooperation which meets the growing scale of economic expansion and build-up of strength and diversity in Greater Shenyang.