

The Potential for Regional Economic Coordination between China and Japan: The case example of business exchange between Niigata Prefecture and Yanbian Korean Autonomous Prefecture

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Summary

The internationalization and stimulation of local industry in the regional economies of Japan has long existed as a major issue. In the meantime, although there is an impact from the financial crisis for neighboring China, that country has maintained a high economic growth rate, and the level of consumption of its people has been rising ever-increasingly. For Japan's regional economies the expansion into China of local products will bring vitality to regional economies, and without doubt contribute to the stimulation of industry.

Currently, promotion campaigns for Japanese manufactured goods in China are concentrated in major cities, such as Beijing and Shanghai, and the interest in regional cities is low. Accordingly, the competition among Japan's regions in the major cities has grown intense, and even if they invest considerable money and effort in publicity campaigns, it doesn't necessarily mean a good outcome will result. Additionally, promotional campaigns mostly take the form of the dispatch of inspection missions, participation in trade fairs and the staging of fairs for a prefecture's manufactured goods, and it has been highlighted that the signing of agreements is difficult, even with an interface of business talks. In this paper I seek a universal measure for the solution of the above problems, moving from an awareness of the issues to looking at China's regional cities, and pointing out the importance of coordinating with local firms which have sales routes in China.

In the Yanbian Korean Autonomous Prefecture in China's Jilin Province—being an area where concentrations of ethnic Koreans live—economic exchange with the ROK, from the proximity in language and culture, is actively taking place. To date the importing of ROK manufactured goods, and the selling thereof wholesale throughout China has grown into sales centers for well-known ROK manufactured goods all over the country. In recent years, people's consumption level has risen, through the spectacular economic growth, and the demand for better-quality Japanese manufactured goods, even though high-priced, has increased. The Mitsuke City Chamber of Commerce and Industry in Niigata Prefecture has seized this as an opportunity, coordinated with the local Yanbian Dayang group of companies which possesses a broad range of sales routes, established a permanent space to display Japanese manufactured goods in the prefectural capital of Yanji City, and launched expansion into China of the city's knitwear products.

In this paper I seek possibilities for international coordination in regional economies, raising a case example of such business exchange between regions in China and Japan. Moreover, in addition to having summarized the series of moves in the above-mentioned case example and having investigated the division of roles by the parties concerned, I would like to point out the future challenges. Of course, the importance of interest in the regional cities of China which I have raised in this paper, and of coordination with local firms which possess sales routes, is not the only way of thinking for solving the problems, and I anticipate many more findings.

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