

Analysis and Proposals relating to the Economic and Trade Promotion Strategies toward Russia, Japan and the ROK in Heilongjiang Province

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Summary

From China's reforms and opening-up onward (particularly after joining the WTO), Heilongjiang Province's trade with the outside world has achieved rapid growth. The province has already established trade relations with 140-plus countries and territories, and the total of external trade has increased sharply from US\$45.35 million in 1978 to US\$22.9 billion in 2008.

Out of all China's central and western provinces and autonomous regions, Heilongjiang Province's total amount of foreign trade exceeded US\$10 billion for the first time, in 2006. Then in 2008 it overcame the impact of the financial crisis, the total of external trade, breaking through the US\$20 billion mark, reached US\$22.9 billion, and ranked in eleventh place for the nation as a whole.

While the scale of Heilongjiang Province's external trade has been rapidly expanding, the economic links with Russia, Japan and the ROK—geographically-close to the province and with a relationship in regional cooperation that is deep—have been driving the province's economic growth, and the advantage of the mutual complementarity in resource and technology cooperation has become strikingly evident. In the last few years the trade between Heilongjiang Province and Russia, Japan and the ROK has exceeded 60% of the total amount of foreign trade for the province as a whole. Regarding also the investment from Russia, Japan and the ROK into Heilongjiang Province, in the year where it was largest it reached 16.8%, and the potential is great for it to enlarge further. The economic and trade cooperation with Russia, Japan and the ROK is considered to have an influence not only on Heilongjiang's opening-up to the outside world, but also on participation in future Northeast Asian regional cooperation and a further opening-up to the outside world in the border areas.

From January to August 2009, while the three countries of Russia, Japan and the ROK were also being seriously affected by the global financial crisis, the growth rate of Heilongjiang Province's trade with Russia and the share that Russia constituted within external trade as a whole both declined sharply. Heilongjiang Province's trade with the United States, Saudi Arabia and Kyrgyzstan over the same period expanded rapidly, and while it can be said that the diversification of export markets has progressed, trade with Russia has plummeted, and trade with Japan and the ROK has also decreased greatly. Consequently the trade relations with the three countries of Russia, Japan and the ROK, which had supported the external trade of Heilongjiang Province over many years, have come up against the issue of the adjustment of strategy, and it is becoming impossible to view optimistically also the situation in neighboring countries and the international environment.

This paper, based on the major role-and its significance-of Russia, Japan and the ROK in the external trade of Heilongjiang Province, and on the harshness of the external trade situation accompanying the global financial crisis, takes as an aim, from the perspective of necessity, efficiency and effectiveness, the analyzing of the state of Heilongjiang Province's implementation, and the challenges thereto, of the strategies for scientific and technological cooperation with Russia and the ROK. In addition, with an objective of advancing in extensive, comprehensive and multi-tiered fashion the furthering of economic and trade cooperation strategies with Japan and the economic and trade promotion strategies with the three countries of Russia, Japan and the ROK, it makes proposals for concrete measures toward Heilongjiang's opening-up to the outside world and the expansion of economic and trade relations with Russia, Japan and the ROK in the post-global-financial-crisis era.

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