

Research on the Development of Yunnan Port Economy Against the Belt and Road Initiative

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ABSTRACT

As the gateways and important support for China's opening up to the outside world, ports are not only bridges for foreign exchanges and economic and trade cooperation, but also important barriers for national security, carrying the important mission of a new pattern of comprehensive opening up in the new era. As a trade model, port economy has played an important role in China's economic growth, promoting bilateral diplomatic relations and laying a solid foundation for the development of China's open economy. With the advancement of the Belt and Road Initiative, Yunnan, as an important gateway to southwest China, is regarded as an important channel and bridgehead open to South Asia, Southeast Asia and the Indian Ocean Rim. This paper analyzes the current situation of Yunnan port economy against the Belt and Road Initiative, and puts forward problem oriented countermeasures and suggestions, which are of great significance to the high-quality development of Yunnan port economy, better integration into the dual cycle development pattern, and modernization of port economy.

Keywords: *Port economy, High-quality development, Infrastructure, Yunnan.*

1. INTRODUCTION

The report of the 20th National Congress of the Communist Party of China emphasizes that "high-quality development is the primary task of comprehensively building a modern socialist country". [1] As a gateway for a country to open up to the outside world, a bridge for foreign exchanges and economic and trade cooperation, the port economy plays a crucial role in building a new development pattern of domestic and international dual circulation. With its unique geographical advantages, Yunnan is an important channel between China and ASEAN countries as well as countries along "the Belt and Road". [2] The port economy plays an important role, obvious advantages, and enormous potential in the high-quality and leapfrog development of Yunnan. The development of the port economy is an important economic foundation for the demonstration zone of ethnic unity and progress, an important material guarantee for the forefront of ecological civilization construction, and an important node support for the radiation center of South Asia and Southeast Asia.

On September 16, 2021, the "National 14th Five-Year Plan for Port Development" was

officially released. The plan clearly proposes to fully implement the requirements for high-quality development of ports in the new era, with comprehensive performance evaluation of ports as the main basis, and to comprehensively promote the construction of "five types" ports of safety, efficiency, intelligence, rule of law, and green.

Ports play a pivotal role, not only as channels for the flow of goods, but also as engines of economic development and key nodes for regional coordinated development. By strengthening the port economy, efficient flow of resources, personnel, funds and other factors can be achieved, promoting the upgrading and transformation of industries in border areas. At the same time, the transformation and upgrading of ports will also provide more employment opportunities for the local area, improve the living standards of residents, and promote comprehensive economic and social development. In view of this, port economy has become a hot topic and is crucial for the overall high-quality development of China. The research on Yunnan port economy is of great significance for Yunnan to face the radiation center of South Asia and Southeast Asia, and to build a comprehensive and open pattern.[3]

2. PORTS AND PORT ECONOMY

A port is a designated gateway for foreign exchanges and a hub for international cargo transportation. Port originally referred to coastal ports designated by the state for foreign trade. [4] However, with the development of economic globalization, the meaning of ports is no longer limited to ports for economic and trade exchanges. Modern ports have evolved into important nodes that involve not only economic and trade, but also politics, diplomacy, technology, culture, tourism, and immigration. Ports play a special role as international logistics nodes to a certain extent. China's ports are classified into Class I and Class II ports based on their degree of openness. According to the transportation modes they rely on, the ports are divided into water ports, highway ports, railway ports, and air ports; According to their location, the ports are divided into border ports and inland ports. Ports are a symbol of national sovereignty and a gateway for a country to open up to the outside world. [5]

The academic community has explored the definition of port economy from multiple perspectives, including geographical spatial distribution, port industrial system, and port functions. Port economy is regarded as a new form of economy, which relies on ports and is closely related to border industries. This economic form has the ability to allocate factors on a global scale, which helps to promote the upgrading of the industrial structure in the hinterland of ports and drive the economy towards high-quality development.

3. THE CURRENT SITUATION OF YUNNAN PORT ECONOMY

Yunnan is adjacent to Myanmar, Laos, and Vietnam, with a border line of 4060 kilometers. Its border areas include 8 border states (cities), 25 border counties and cities, 110 border townships, 19 border farms, as well as 878 administrative villages and 373 frontline administrative villages (communities). In addition, there are five types of open parks, which give Yunnan a unique advantage in developing port economy. As of the end of 2022, Yunnan has a total of 21 first-class ports (4 air ports, 3 water ports, and 14 land ports), accounting for 6.7% of the 313 ports in China and ranking fourth in China. Among the 19 border land ports in Yunnan, there are 6 ports to Vietnam: Hekou (railway), Hekou (highway), Jinshui River, Dulong,

and Tianbao are classified as Class I ports, [6] Tianpeng is a Class II port; there are two ports to Laos, Mohan and Mengkang, both are classified as first-class ports; There are 11 ports to Myanmar: Wanding, Ruili, Qingshuihe, Daluo, and Tengchong Houqiao are Class I ports, while Nansan, Zhangfeng, Menglian, Cangyuan, Yingjiang, and Pianma are Class II ports. [7]

In the first quarter of 2023, the import and export freight volume of Yunnan Province's ports reached 11.377 million tons, a year-on-year increase of 68.8%, and has returned to the level of the same period before the epidemic in 2019; Meanwhile, the total import and export volume of the province reached 59.06 billion yuan, a year-on-year increase of 5.8%. [8]

Yunnan fully supports the construction of international port cities in cities such as Ruili, Mohan, and Hekou, providing policy support and development opportunities for these cities. Yunnan has formulated a three-year action plan for port economy, with a focus on promoting the construction of border industrial parks and actively attracting the transfer of industries from the east. This will provide important support for the upgrading of the industrial structure of port cities and promote the diversification and sustainability of economic development. At the same time, Yunnan is also accelerating the pilot program for the landing and processing of imported goods in border trade and mutual trade, especially expanding the import of ASEAN fruits, agricultural products and other commodities, enhancing the trade value chain of port cities, and enhancing their competitive advantages in regional trade.

4. THE CHALLENGES FACED BY THE DEVELOPMENT OF YUNNAN PORT ECONOMY

4.1 *Insufficient Port Infrastructure Construction*

Most ports in Yunnan are located in economically underdeveloped border ethnic areas. With the continuous expansion of trade scale, existing port facilities may no longer be able to meet the growing trade demand. Due to insufficient investment, some infrastructure is not perfect, and equipment is outdated, there are serious problems. The construction of the joint inspection building at the Hekou Port has a long history, but its infrastructure is relatively lagging behind,

especially in terms of insufficient international railway transportation capacity, which makes it difficult for the port's clearance speed to meet the requirements of "large in and large out, fast in and fast out". The lagging facilities at these ports result in low customs clearance efficiency, causing unnecessary delays and costs to trade and logistics. In addition, the scale of storage and freight yards at border ports is limited, and the land area is insufficient. This leads to a lack of large inspection yards and supervised warehouses, as well as outdated technology and equipment in customs clearance, customs declaration, and inspection facilities, resulting in high clearance costs, long processing times, and increased traffic congestion, which affects the efficient operation of customs clearance.

4.2 Unbalanced Development of Ports

Due to factors such as geographical location, transportation conditions, and capital allocation, some port areas have relatively backward development. Except for border ports such as Ruili, Hekou, and Mohan, which have a certain scale, their development is relatively prosperous, while other border ports have a relatively small scale, resulting in an uneven development of the port economy. There is an imbalance in the allocation of resources in port areas. Some areas may have limited development due to resource scarcity or environmental constraints, while others have abundant resources and superior environmental conditions, providing more development opportunities.

4.3 Geopolitical Instability

Geopolitical tensions often exist near the border, which may lead to conflicts and friction between neighboring countries, affecting the development and stability of the port economy. The Yunnan border is long, with dense channels and adjacent to the "Golden Triangle" region, which makes geopolitical and environmental factors complex and diverse, which may affect the normal operation of the port economy, and even cause property damage and casualties. The "Mekong River Massacre" and "Kachin State Conflict" are typical cases of unstable factors in border areas.

4.4 The Homogenization and Fierce Competition of Port Industries in Neighboring Countries

At present, the industrial development of Yunnan border ports is relatively lagging behind, especially the technology intensive port industry is still in its early stage. The main industries being developed are labor-intensive industries such as light textile processing and textile clothing. However, most of the industrial development types in neighboring countries are also labor-intensive industries, which lead to the existence of competition in similar industries and restrict the further development of port industries.

5. SUGGESTIONS AND COUNTERMEASURES

5.1 Vigorously Promoting Infrastructure Construction

It is necessary to make facilities the backbone driving economic development. The ports can actively seek support from the central and provincial governments to increase funding for border ports, in order to meet the needs of port construction and development. There is a must to vigorously promote the construction of railway and waterway ports to increase the diversity and capacity of transportation channels and improve the logistics efficiency of ports, actively develop air ports, enhance the international air transportation capacity of ports, and strengthen connections and cooperation with the international market. By utilizing technologies such as the Internet of Things, cloud computing, big data, and spatial geographic information, it is aimed to promote the intelligent construction of ports and improve their level of informatization and management efficiency. It is also necessary to develop logistics and special supervision area management systems to achieve interconnectivity between ports and electronic ports in South Asia and Southeast Asia, promote trade cooperation and smooth logistics between port areas and neighboring countries.

5.2 Strengthening Policy Support

The efficiency of customs clearance in port areas can be improved by simplifying customs procedures, accelerating the speed of goods clearance, and optimizing customs clearance services. There will be a necessity to promote the construction of information technology and

intelligent customs clearance systems to enhance the convenience and efficiency of port clearance, establish pilot development and opening up zones in Ruili, Mengla and other places, attract more Chinese and foreign enterprises and investors to settle in, promote personnel exchange and free trade, and strengthen diversified economic development in port areas. There will also be a necessity to improve local cooperation mechanisms with countries such as Laos, Vietnam, and Myanmar, promote the opening up of port areas to the outside world, and strengthen coordination with neighboring countries in policies and laws and regulations to reduce trade congestion caused by policy conflicts. At the same time, it is vital to vigorously strive for national foreign aid funding support, encourage enterprises to actively "go global", promote the construction of overseas port infrastructure, and achieve synergy and linkage with Chinese ports, promoting common prosperity of the port area and surrounding countries.

5.3 Changing Mindset and Increasing Investment in Innovation

It will be a must to encourage enterprises to continuously innovate in technology and products to promote industrial structure upgrading, optimize trade patterns, and enhance the competitiveness of products and services in domestic and foreign markets. This will not only enhance the output capacity of the port economy, but also help improve the trade deficit situation and gradually achieve the transformation and upgrading of the port economy. Transforming service models can also improve service efficiency, create a favorable business environment for enterprises, especially small and micro private enterprises, and stimulate their business vitality.

5.4 Building a Development Model of "Port + Hinterland + Industry"

It will be of great significance to optimize the development layout of ports, further improve infrastructure such as logistics, industry, warehousing, and transportation, achieve intelligent transformation, ensure coordinated development between ports and hinterland in bonded and logistics areas, and promote integrated development. At the same time, it is necessary to promote the differentiated and coordinated development of ports, highlight the functional positioning of key ports in Yunnan Province, leverage the gathering and radiation effect of import and export resources,

optimize the import and export structure of ports, actively introduce and cultivate import resource processing projects, achieve complementary advantages and industrial coordinated development among ports, and realize dislocation and differentiated development. Finally, it will be important to promote the coordinated development between ports and hinterland, strengthen the coordinated development between ports and parks, actively explore innovative cooperation models such as enclave economy and regional integration, promote the formation of a development pattern driven by ports, supported by hinterland, and interactive between border and hinterland, and comprehensively stimulate the vitality within ports.

6. CONCLUSION

In short, as the main hub for international trade and outward economic development, the port economy should coordinate the strengths of all parties, optimize the rational allocation of resources and factors, increase policy support for facility construction, and promote high-quality development of the port economy, injecting tiles into the sustained prosperity of China's foreign trade.

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