

# Xi'an Construction of New Silk Road Central Asia Industrial Park Counter Measures

Zhe Wang<sup>1</sup>, Jianjun Zhang<sup>2</sup>

<sup>1,2</sup>Xidian University, School of Economics and Management, XiFeng Road, Xinglong Section 266, China

**Abstract:** *In the framework of the New Silk Road Economic Belt, this article refers to official statistics and analyzes the socio-economic status of the five countries in Central Asia and the status quo of China and the five countries in Central Asia. It is based on the leading industries in Xi'an. It also put forward some suggestions from the aspects of government support, industry foundation, cultural exchange, and financial system support to promote Xi'an to build a Central Asian industrial park, promote the rapid economic development of Xi'an, and increase the level of China's opening to the west*

**Keywords:** The New Silk Road; Xi'an; Central Asia Industrial Park ; Strategies and Path Selection

## 1. Introduction

The proposal and construction of the "New Silk Road Economic Belt" have given the Silk Road a new meaning. Xi'an, as the starting point for the ancient Silk Road, has been given a new role. Xi'an has obvious advantages in industrial development. The construction of a new Silk Road Central Asia Industrial Park will not only help promote the rapid economic development, and will be mutually beneficial and win-win with the five Central Asian countries, but will also help improve China's opening up to the west.

## 2. Cross-regional cooperation between China and Central Asian countries

### 2.1 The status quo of economic development in Central Asian countries

Central Asia is the Central Asian region, in the international community, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are generally used to define Central Asia. All Central Asian countries are landlocked countries. As the connecting point of the Eurasian continent, the Silk Road is a key asset, and natural resources are abundant, especially oil and natural gas. The oil reserves in the Caspian Sea are second only to the Persian Gulf, and natural gas is proved. With reserves of 100 million cubic meters, in addition, the reserves of non-ferrous metals and rare metals in Central Asia rank among the top in the world [1]. The state of economic development in various countries is shown in the table below.

**Table 1:** Economic Development of Central Asian Countries in 2016

	GDP (billion US dollars)	GDP growth rate (%)	Per capita GDP (US\$/person)
Kazakhstan	1336.57	1.0	7510.08
Kyrgyzstan	65.51	3.83	1077.04
Tajikistan	69.52	6.9	795.84
Turkmenistan	361.80	6.2	6389.33
Uzbekistan	672.20	7.8	2110.65

As the largest landlocked country in the world, Kazakhstan is also the country with the highest level of economic development among the countries in Central Asia. Uzbekistan followed. Turkmenistan's economic strength ranks third, economic growth ranks second, and economic development has great potential. Kyrgyzstan and Tajikistan have equal economic development, but Kyrgyzstan has the highest economic growth rate. The industrial structure of countries in Central Asia has strong similarities, which has limited the depth of economic and trade cooperation among countries and provides a favorable basis for the economic and trade cooperation between China and Central Asian countries.

### 2.2 Economic and Trade Cooperation between China and Central Asian countries

In recent years, the trade between China and the five Central Asian countries has shown rapid growth. China has become an important trading partner and major import and export market for Central Asian countries.

Judging from the scale of trade, China -Kazakhstan and China and Turkmenistan have the largest amount of mutual trade, followed by China-Uruguay, China-Kyrgyzstan trade, and China-Tajikistan trade. Among them, Sino-Kazakh trade volume accounts for about 50% of the total trade volume between China and the five Central Asian countries. China's economic cooperation with Central Asian countries has become increasingly closer.

Judging from the trade status, China has become the main trading partner of Central Asian countries. At present, China is the largest trading partner of Turkmenistan, the second largest trading partner of Kazakhstan, Uzbekistan, and Kyrgyzstan and the third largest trading partner of Tajikistan. In contrast, the five Central Asian countries are not China's major trading partners, and their share in all foreign trade in China is not large.

### **3. Xi'an's Advantages in Building a Central Asian Industrial Park**

#### **3.1 Xi'an's advantageous industries**

##### **1) High-tech industry**

Xi'an high-tech industry is currently forming an industrial agglomeration and is focusing on the integration of industrial information and industrialization. Xi'an has developed into an important high-tech industrial base in the central and western regions, and has played an important role in promoting the development of high-tech industries throughout the province and even in the entire western region.

##### **2) Modern equipment manufacturing**

As the traditional industry of Xi'an, the automobile manufacturing industry is also an advantageous industry in Xi'an's equipment manufacturing industry. Its total output value ranks first in the equipment manufacturing industry above designated size. The main products are diversified and there are a series of spare parts. In 2016, the automobile manufacturing industry increased by 10.8%, of which new energy vehicles increased by 46.9%.

##### **3) Tourism industry**

Relying on its rich tourism resources and the upgrading of its tourism service system, Xi'an has become a characteristic economy and pillar industry in the city, forming a complete industrial system supporting six elements of travel, tourism, housing, food, shopping and entertainment. Development, with a certain scale of comprehensive reception capabilities

##### **4) Modern service industry**

The modern service industry in Xi'an focuses on finance, real estate, convention and exhibition industry, logistics, and service outsourcing. It has developed rapidly and is the largest of the five leading industries. It has become a new growth point for economic development in Xi'an.

##### **5) Culture Industry**

As a world-renowned historical and cultural city, Xi'an is not only the source of the ancient Chinese civilization, but also the capital of the 13 feudal dynasties such as Zhou, Qin, Han and Tang. It has a wide variety of cultural relics and rich and colorful folk culture. And the traditional religious culture has absolute advantages for the development of the cultural industry in Xi'an.

#### **3.2 Industrial development advantages**

##### **1) Comprehensive location advantages**

Xi'an is not only the political, economic, and cultural science and education center of the northwest region, but also the transportation hub of the northwest region. Facilitated transportation and developed communications have greatly reduced transportation, logistics and information costs, and are conducive to large-scale absorption of funds and high-quality labor in the northwest region. The factors of production, while promoting the rapid

economic development of Xi'an, have also made Xi'an become the center of economic growth in the northwest region.

##### **2) Technological resources advantages**

Xi'an colleges and universities and scientific research institutes are relatively concentrated, and the comprehensive science and education power ranks among the top cities in the country. It is an important base for China's scientific research, higher education, and high-tech industries. Numerous talents, effective exchanges of scientific and technological resources, and local transformation effects are significant, providing strong technical support and reserve forces for the construction of a Central Asian industrial park.

##### **3) Historical and cultural advantages**

Xi'an has a long history, deep cultural heritage, and numerous historical and cultural heritages, especially the Qin, Han, and Tang cultural relics. It is an important birthplace of Chinese civilization, and the famous historical and cultural heritage of China and foreign countries are numerous. Compared with other provinces and cities in China, Xi'an City has great advantages in fully tapping the historical and cultural resources such as the Qin, Han and Tang dynasties and developing the tourism industry with a prosperous history.

##### **4) Industrial clustering advantages**

Xi'an has built an industrial system based on mechanical equipment, transportation, electronic information, aerospace, biomedicine, food and beverage, and petrochemicals.

As well as the five core industrial zones of Weibei Industrial Zone, Hi-tech Zone, Economic Development Zone, Aviation Base and Aerospace Base, the five leading industries such as high-tech industry, equipment manufacturing industry, tourism industry, modern service industry, and cultural industry have been cultivated. The establishment of a sub-industrial park laid the foundation. The formation of industrial clusters is conducive to the rational allocation of resources and the formation of a complete industrial chain. At the same time, it is conducive to improving the competitiveness of key competitive industries.

#### **3.3 Key industry sector selection**

##### **1) Modern equipment manufacturing**

As an important component of modern equipment manufacturing, Xi'an's automotive manufacturing industry and the five countries in Central Asia have broad prospects for cooperation. Currently, among the five countries in Central Asia, Uzbekistan's automobile manufacturing industry is the most developed and maintains its leading position.

In recent years, major enterprises in Xi'an have actively participated in project bids in various countries in Central Asia and contracted for the construction of large-scale projects such as infrastructure, oil and gas energy, and

mineral resources. Major enterprises in Xi'an actively "go global" and export elements of equipment, capital, technology, productive services, labor services, and standards that have comparative advantages to countries in Central Asia, which can not only promote the optimization and upgrading of industries in Xi'an, at the same time it is also conducive to greater gains.

## **2) Tourism industry**

The successful cooperation between China, Kazakhstan, and Kyrgyzstan has laid the foundation for tourism cooperation. As the starting point of the ancient Silk Road and the world famous historical capital, Xi'an is both an advantage and a strong tourist industry. Xi'an should give full play to its advantages, strengthen the development of tourism cooperation projects with Central Asian countries, combine the unique tourism resources of Xi'an with the cultural traditions of Central Asian countries, and enhance Xi'an's affinity and influence in the tourism culture of Central Asia. In addition, cooperation with various countries in Central Asia to carry out various cultural and cultural exchange activities, such as large-scale cultural programs touring, re-silhouette theme activities, etc. [2], to enhance the Silk Road culture to tourists around the world, make Xi'an tourism better to the world.

## **3.4 Development path and countermeasures**

### **1) Strengthen government support**

(1) Improve industrial planning and play a guiding role. Should take advantage of the trend, based on the status quo of Xi'an economic and social development, combined with the development advantages of the various regions of the city, industry status and resource conditions, as soon as possible to formulate and improve special plans for key industries, refine industrial development goals and tasks, and promote the formation of industrial complementarity, each Specialized, division of labor cooperation, coordinated development of industrial development layout.

(2) Highlight the support role of financial funds. On the one hand, it actively seeks government bonds and central budget investment to support the construction of the Central Asian industrial park. On the other hand, for those key areas that require government support, they should learn from the successful experiences of advanced regions and increase the support for fiscal funds according to the key breakthrough principles.

### **2) Strengthen cooperation and exchanges with Central Asian countries**

(1) Strengthen cooperation with universities in Central Asian countries, conduct project joint scientific research on public relations, increase curriculum design for Central Asia, hold regular academic exchange activities at Xi'an key university, and guide the organization of young students and related staff to learn the language and specialized technology, training professionals.

(2) To establish a communication platform for cooperation

among governments, academic institutions, enterprises, and non-governmental organizations, encourage cross-border domestic and foreign companies and academic institutions to actively carry out regular dialogues and consultations, and enhance understanding of relevant policies, laws and regulations of Central Asian countries, and promote Xi'an communicates with Central Asian countries and enhances Xi'an's comprehensive service capabilities.

### **3) Consolidate industrial infrastructure**

(1) Adjust the industrial structure that Xi'an opens to the west. We will vigorously build an outward-oriented industrial base with advantages such as modern equipment manufacturing, electronic information, aerospace and aviation, and organically integrate Guanzhong urban agglomeration with the construction of an international metropolis in Xi'an and Central Asia's industrial parks. Support a group of enterprises facing Central Asia and form an industrial support that is open to the west.

(2) Developing new industries. Strengthen exchanges and cooperation among enterprises, universities and scientific research institutions, and increase the market conversion rate of scientific research results. We will upgrade the core competitiveness of high-tech industries, establish high-tech industrial bases, promote the optimization and upgrading of the industrial structure in Xi'an, and provide strong industrial support for the construction of a Central Asian industrial park.

### **4) Strengthening financial system support**

(1) Determine the financial support focus. According to the characteristics of different industries and different companies, reasonable division of labor, highlighting the focus of support. In order to ensure that enterprises receive adequate funding, enterprises are encouraged to increase their investment in resource development. Through the establishment of a special fund, policy-based financial institutions provide sufficient funds for the development of foreign-invested enterprises to enhance their ability to invest abroad [3].

(2) Promoting Chinese banks to establish and improve overseas business networks. Empirical research shows that the growth and distribution of overseas branch offices of banks is consistent with that of a country's foreign investment, with a correlation of almost 100% [4]. Commercial banks can adopt the strategy of "following customers" and enter the Central Asian market simultaneously with the key enterprises they support. This not only enhances the competitiveness of Chinese banks in Central Asia, but also enhances the service capacity of commercial banks for overseas business activities of enterprises. Realize bank-enterprise cooperation.

## **4. Conclusion**

Based on the current status of economic and social development in Central Asian countries and the status quo of cross-regional cooperation between China and Central

Asian countries, this paper starts from Xi'an's industrial development advantages and believes that Xi'an and Central Asian countries can strengthen industrial cooperation in automobile manufacturing and tourism. By further optimizing the industrial structure, strengthening the friendship cities, and strengthening the support of the financial system, we will closely link Xi'an and Central Asian countries, make better use of each other's markets, increase the speed and quality of economic development, and achieve a win-win situation.

## References

- [1] Zhang Xin. Complementary analysis of the economic advantages of the new "Silk Road" Economic belt. Dongbei University of Finance and Economics, Dalian, China.
- [2] Zhang Ying, Li Haifeng, Tian Dou, "Status and Development Path of Shaanxi Tourism Service Trade under the Background of the New Silk Road Economic Belt," Commercial Economics Research, (29),pp.138-139,2015.
- [3] Xu Mingliang, "Measures and Inspirations of the Financial System of Developed Countries to Support the Development of Innovative Industries," Zhejiang Finance,(02),pp.40-43, 2011.
- [4] Liao Yixuan, "Several Considerations on Constructing the 'Going Global' Financial Support System," New Finance,(01):pp.34-35, 2008.