

Remarks at the Governors' Forum of the second GMS  
Economic Corridor Forum

Gu Zhaoxi, vice governor of Yunnan Province, PR China

Ladies and Gentlemen, friends,

Hello everyone!

As ancient Chinese philosopher Confucius once said, how time passes, gone so many days and nights. Last year, we held the first GMS Economic Corridor forum at Kunming and with that still fresh memory today we are meeting again to discuss ways to promote our friendship and cooperation. First of all, may I take up this opportunity to brief you on what Yunnan has done in its dedication to subregional economic cooperation:

Yunnan is original resource of Mekong River, and starting point of three economic corridors, namely, Kunming to Yangon Corridor, Kunming to Bangkok Corridor and Kunming to Hanoi Corridor. Over past dozen years, within the framework of GMS program, Yunnan has conducted fruitful cooperation with GMS partners in the following areas:

--- We have established various working mechanisms. Within the framework of GMS program and Asean plus China (10 +1) cooperation, Yunnan province now works with GMS partners in bilateral mechanisms such as Yunnan-Northern Thailand working group, Yunnan-Northern Laos Working Group, and Sino-Vietnam Economic Corridor Coordination Forum. These mechanisms provided very important platform on which all parties involved with economic corridors may strengthen communications with each other.

--- Backbone communications infrastructure has been greatly improved. After ten years hard efforts, communications between Yunnan and its GMS partners has been tremendously facilitated, and three dimensional communications system involving highway, railway, water navigation and air transport has been put in place. Due to the completion of Sino-Laotian, Sino-Myanmar optical fiber transmission network and opening of Kunming international telecommunications center, Kunming is ready to serve as one of GMS information harbors.

--- There is a new upsurge of foreign trade and foreign direct investment activities involving Yunnan. Currently, GMS partners have become Yunnan's chief investment destination, major trade partners and economic cooperation partners. From 1992 to 2008, the trade between Yunnan and its GMS partners has registered an annual growth rate of more than 14 percent. Even given the background of ongoing international financial crisis, in 2008, Yunnan's total trade with GMS countries reached 2.23 billion US dollars, represents a growth rate of 3.3 percent. According to the estimate, this figure would be over 3 billion US dollars by the year of 2010.

--- Some remarkable achievements have been staged in areas of industrial cooperation. Propped up by its own resources advantageous position, Yunnan is actively engaged in cooperation in areas like hydro power, mineral mining, farming and tourism with GMS countries, and made new progresses. Yunnan is right now operating China's biggest Transboundary electrical power transmission network, transmitting electricity for Vietnam through four power routes. Yunnan also signed power purchase agreement with Thailand. Main mineral prospecting and mining enterprises of Yunnan have started cooperation projects of various kinds in GMS countries. The cooperation in agriculture area between Yunnan and GMS countries has progressed steadily and orderly. Yunnan and its GMS partners have become each other's very important tour destinations.

--- Close cooperation between Yunnan and GMS countries in social development area shows great prospect. There are several projects worth mentioning under this title: Postal Authorities from China, Thailand and Laos signed a MOU on international less-than-truck-load transport on Kunming-Bangkok highway. The human resources cooperation yields encouraging results. The project of Mekong basin diseases monitoring network helped Yunnan enhance its cooperation with GMS countries in areas of prevention and treatment of AIDS and other contagious diseases. We also strengthened cooperation to crack down smuggling and drug

trafficking, maintained regional security and stability.

In order to enrich the content of our cooperation and expand the existing areas of cooperation, promote further friendship and partnership, may I take this opportunity to put forward five following proposals:

1. Continue to improve and optimize working mechanisms. I propose to set economic corridor working groups involving governmental agencies, local leaders along the corridors. The working groups will be commissioned to coordinate transboundary, and transregional infrastructure construction, resources tapping, ecological protection and transboundary flow and distribution of production elements, and guide the economic corridor construction as a whole.

2. Explore the possibility of setting up pilot areas of regional cooperation. After dozen years of joint efforts, the infrastructure in the area has been remarkably improved and that paved the way for further cooperation. I propose to ADB, under the present guiding framework, to set up a subregional cooperation pilot zone in areas geographically joined by China, Lao PDR, Myanmar and Thailand, and open to participation also from adjacent areas of Vietnam and Cambodia. All parties come up a common development and industrial policy regarding infrastructure, environmental protection and major resource tapping projects in this pilot zone, so as to achieve regional coordination and harmonization and turn this area as an early harvest zone for GMS economic cooperation project.

3. Quicken the pace for tourism cooperation. I hope we could bring our geographical closeness and common cultural features into full play, implement the GMS development strategy and action plan for tourism. May I suggest to target Red River Valley, China-Laos-Myanmar-Thailand Quadrangle Area, Tengchong-Myitkyina route as transboundary tourism quality destinations in order to boost the forming of Greater Mekong Tourism Circular Route.

4. Strengthen cooperation in areas of environmental protection, education, public health and public security. We need to deepen existing cooperation in environmental protection,

implement well the GMS core environmental protection project and biodiversity protection corridor project and match the project with efforts in ecological recovery, poverty alleviation, forestry eco-system maintenance and bio-diversity preservation. We also need to cooperate in developing high and new industries such as bio-pharmaceutical and organic food processing aimed at tapping resources in the area. More stable, sustainable cooperation mechanism is also needed in areas of education and public health so we could provide people with better service. We have to perfect our cooperation mechanism in cracking down cross border crimes, human trafficking, drug trafficking, and maintain peace and stability in border areas.

5. We need to strengthen the efforts to exchange information. In order to start as early as possible the second phase of GMS info superhighway, Yunnan provincial government, with the support from ADB and other international financial organizations has started a project with a investment of 6 million RMB in this regard. As one component of this project, the GMS Trade and Investment Facility Data Base has been made operational since the Kunming Economic Corridor Week held in last June. I hope all governments concerned would reach consensus in this regard, and make this data base complete with information from each country about its general outline, trade policy, market news, investment opportunity, cross border facilitation, logistics, communications, and currency and so upon this data base we would quicken the flow of information, goods, capital, and people, and facilitate trade, investment and border crossing.

Fellow participants, we share the same river, ever running great Mekong. This river perfectly symbolizes our indomitable spirit to achieve common prosperity. Yunnan province will be more open, more practical in its efforts to promote the construction of GMS economic corridor. I believe, as long as we adhere to partnership, hard work, our cooperation will yield greater results.

Finally, may I wish forum a complete success.

Thank you.