

**DEVELOPMENT OF THE
BEIJING-TIANJIN-HEBEI
ECONOMIC REGION**

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Executive Summary

1. The Beijing-Tianjin-Hebei Economic Region (Jing-Jin-Ji) has benefited from strong Chinese government support and experienced rapid economic growth over the last ten years. In 2008, it accounted for 11% of total national GDP, surpassing that of the Pearl River Delta (PRD) for the first time.
2. The central government anticipates that the Jing-Jin-Ji region will follow the examples of the coastal PRD and Yangtze River Delta (YRD) regions and develop into a globally competitive region in Asia.
3. Jing-Jin-Ji region's economic growth is mainly driven by domestic investment and consumption. Public infrastructure investment has been an important driving factor for the development of this region.
4. The Beijing Olympic economy has a large spillover effect on the industrial and economic growth of the Jing-Jin-Ji region, fueling the long-term growth of this region.
5. The Jing-Jin-Ji region has spent more on research and development (R&D) and shown stronger capability in technological innovation than the other regions. The high-tech industries have shown fast growth in this region over the last few years. This has helped the Jing-Jin-Ji region to weather the global economic downturn.
6. An economy led by high-tech industry has gradually emerged in the Tianjin Binhai New Area (TBNA), with the development of aviation at the core. The rapid development of TBNA with high-tech industry taking the lead has boosted the economic growth of the Jing-Jin-Ji region despite the global economic crisis of 2008.

7. The TBNA is expected to enjoy economic leverage similar to that of Shenzhen Special Economic Zone in the PRD and Shanghai Pudong New Area in the YRD.
8. The economic influence of this region is expected to increase as there are abundant human resources and a well developed infrastructure. Nevertheless, although the outlook for the next decade is promising, water shortage could threaten the sustainability of the region's socio-economic development.
9. Also, the industrial linkages within the Jing-Jin-Ji region are loose and weak. The lack of industrial cooperation has resulted in duplicated developments and 'cut-throat' style competition.