

与昆明区域性跨境人民币金融服务中心揭牌仪式 暨滇池跨境财金货币合作大通道建设高峰论坛

Inauguration of Trail Operation of Yunnan Cross-border RMB Settlement Center
and Kunming Regional Financial Service Center for Cross-border Trades
Dianchi Summit on Construction of Thoroughfare for Financial and Monetary Cooperation



The Yunnan Cross-Border Renminbi Settlement Center was announced at the Dianchi summit on monetary cooperation.

PHOTOS BY WU JIACHUN

Kunming RMB center a step toward financial hub

Yuan cross-border settlement to boost trade with Southeast Asia and beyond

By LI YINGQING

The Kunming cross-border renminbi currency settlement center unveiled at the recent summit on monetary cooperation in the city is an important step in developing the capital of Yunnan into a pan-Asia financial services hub, according to a local official.

The center designed to facilitate foreign trade in the region will also offer strong support for Yunnan's strategy to become a regional trade and transport gateway, according to Qiu He, Party chief of Kunming, capital of the province.

"With the China-ASEAN Free Trade Area and the completion of a number of cross-border facilities, the city has seen increasing business with neighboring countries," Qiu said.

"Kunming is expecting to continue the momentum with more measures for trade and investment — offering better financial services is among them," Qiu said.

Zhang Zulin, mayor of Kunming, noted the development of a regional financial service hub is a long-term project.

Long-term plans

He said local authorities are now cooperating with the Financial Research Institute of the People's Bank of China to draft both medium and long-term plans for the city's financial development.

Although the plan is not complete, Zhang revealed that

development of Kunming into a financial hub will be implemented in three steps.

First, the renminbi settlement center will extend its business network to 25 counties and cities along the border and improve connections with local banks.

The second step will extend the center's business network to the whole province and open operations in neighboring provinces and countries.

The long-term goal is to have a modern, multifunctional financial hub doing business across the globe in cross-border currency settlement, capital funding and investment, cash flow monitoring, information consultation and service outsourcing.

While attracting foreign banks to open operations in Kunming, it will also encourage domestic banks to use Kunming as a springboard to expand their businesses in Southeast Asia and South Asia.

Participants in the recent Kunming summit representing governments, banks, the media and the academic circles in the region offered their suggestions on how Kunming can develop into a regional financial hub.

Du Jinfu, vice-governor of the People's Bank of China — the nation's central bank — said the central bank will partner with other government bodies and research institutions to study new policies, services and management measures to promote renminbi settlement in Yunnan as well as

the rest of the country.

Attention to SMEs

He suggested that the settlement center pay more attention to the small and medium-sized enterprises (SMEs).

"SMEs are now important in cross-border trade and investment and will be potential clients of the center. The center should offer more measures for them, help them reduce costs and expand businesses," he said.

Zhou Jiangong, editor-in-chief of the Chinese-language edition of the Forbes magazine, said the center should also note the emerging logistics business.

Blossoming sales?

He cited the Dounan Flower Market in Kunming.

"Called the largest flower distribution hub in China, Dounan only has annual sales worth several hundred million yuan, compared with the multi-billion euro market in the Netherlands. If the center can help solve the currency settlement problem, its sales can increase substantially."

Also of great importance is the Lusiwan Commodities Center, a development in Kunming oriented toward Southeast Asia set to attract about 90,000 firms. With the help of a renminbi settlement center, the facility is expected to develop a huge logistics network reaching into neighboring countries.

Mushtaq Khan, chief economic adviser of the State Bank



Qiu He, Party chief of Kunming



Zhang Zulin, mayor of Kunming

of Pakistan, said Kunming has the geographic advantage to become a regional hub.

But he noted coordination between governments, either central or local, is crucial for Kunming to become a real currency settlement center.

Representatives of China's major banks, including Bank of China President Li Lihui and Agricultural Bank of China President Zhang Yun, have all expressed their support to the currency settlement center, promising to open more such outlets and offering assistances in technologies and personnel training.



Foreign delegates at the Kunming forum.

Yunnan gateway plan eyes broad Asian links

Echoes of Burma Road and 'The Hump' as province strengthens its connections

By ZHAO SHIJUN

When China was under severe attack from the Japanese army 70 years ago, Yunnan was a lifeline in the nation's eight-year war against the invaders.

After coastal and central regions were occupied by the Japanese, the province was one of few places with access to the outside world offering a way for assistance from the United States and other allies to enter the country.

Weapons and other cargo were transported to Yunnan using the arduous Burma Road and "The Hump" air route over the Himalayan Mountains from India. The provincial capital Kunming became the transport hub of unoccupied China.

Yet when the war ended in 1945, the province returned to its former status as a sleepy, remote and landlocked region.

And now that is again changing.

"Since the beginning of this century, Yunnan has once again been endowed with a historical opportunity to be a frontier for opening up in China," Liu Guangxi, vice-mayor of Kunming, told the Kunming summit for regional financial and monetary cooperation last week.

After the nation's historic opening up three decades ago along the coast brought prosperity to the east, the central government began planning development of the west as the new century dawned.

"Promoting the opening up of inland and frontier regions is an important



Liu Guangxi, vice-mayor of Kunming

part of the nation's 'go-west' strategy. In Yunnan our plan is to build a gateway that links to neighboring countries and the Indian Ocean," Liu said.

Also an expert with long experience in foreign trade and economic affairs, Liu was among the first advocates of the gateway strategy in Yunnan.

Less than 1,000 km from the Indian Ocean in Myanmar, the province has the potential to be a regional transportation hub. Planes from Kunming Airport can reach most of Asia's airports within five hours.

A regional link from Yunnan has also long been envisioned by neighboring countries.

In 1995, then Prime Minister of Malaysia Mahathir Mohamad proposed a pan-Asia railway running from Malaysia to Yunnan and eventually to Mongolia.

Liu noted that today's regional cooperation — including the China-ASEAN Free Trade Area established in January 1 this year and the Greater Mekong Subregion program for joint development — can make stronger

transport and trade links "practical and feasible".

"The increasing demand for the flow of cargo, cash, tourists and information resulting from the free trade area is pushing countries to build more cross-border facilities."

He added that a number of facilities have already been built, including the mostly completed Kunming-Bangkok Expressway and the China-Myanmar Highway.

"However, how to manage and operate these cross-border facilities is still a big problem because of the complicated economic and political situations in some neighboring countries," Liu said.

Liu said the governments of Yunnan and Kunming are proposing an annual meeting in Kunming for better coordination to meet the challenges.

He added that Yunnan's gateway strategy is not only for neighboring Southeast Asia and South Asia, but also has a broader pan-Asia agenda.

With cross-border transport facilities in place, Yunnan can offer a shortcut for cargo transport between Northeast Asia and the Indian Ocean and between Central Asia and Southeast Asia.

The provincial strategy has now won confirmation from the central government.

During his visit to Yunnan in March, Chinese President Hu Jintao discussed the proposal with local officials and pointed out that "the gateway strategy should be included in the nation's 12th Five-Year Plan (2011-15)".



ACL Bank of Thailand signs an agreement with Industrial and Commercial Bank of China.