

China's Ethnic Minority Regions

1) Vast Land Rich in Natural Resources and Unbalanced at Levels of Economic Development

Although small in number, the peoples of the various minority ethnic groups inhabit 64% of the country covering 5 autonomous regions, 30 autonomous prefectures and 120 autonomous counties as well as 1,256 ethnic townships. There are plenty of natural resources in these areas. The five great natural grazing grounds of China's are located in minority areas. Minority area's wood reserves 46.57% of the national total and water resources make up 65.93% of the country's energies. Besides, there are abundant metal and mineral resources in these areas. The social and economic development of the ethnic minority areas was unbalanced for a variety of reasons.



2) Western Development Campaign and Industry Transfer from East China to Central and Western Regions- Those who adapt quickest will have a distinct competitive advantage

Being abundant in resources and positioned in crucial strategic location, the ethnic minority regions have great development potential and by the end of the 90's there was a call from the Chinese Central Government for a "Western Development Campaign". It covers 12 places including five ethnic minority autonomous regions, three ethnic minority provinces, and one municipality directly under the central government. Therefore, it is considered that the development of China's western regions coincide with the development of China's ethnic minority regions.

The China's 11th Five-Year Program (2006-2010) for the development of western regions demonstrates the value placed by the Chinese central authorities on the development of western regions. Three key economic zones and six key industries have been given the government's full support. New breakthroughs come in the fields of infrastructure construction and ecological protection including improvements to the transportation network and water facilities.

China set clear goals to move labor-intensive industry westwards. Accelerating industry transfer from east China to central and western regions will assist in improving economic growth across the impoverished areas. Recently some industries in the east coastal areas are moving to the central and western regions due to the increasing production cost, insufficient land and lack of labor in the industry intensive delta areas. They seek for business growth in central and western China through taking the advantage of cheap and sufficient land, low cost labor, abundant raw materials as well as notable achievements in infrastructure construction and environmental protection. Furthermore, a growing number of investors are turning to western China in the search for new market and business opportunities.

The western region enjoys more favorable policies and has more fields opened up to foreign investors than the rest of China. Foreign investors should grasp the opportunities.