

# Chapter 6

## Report on the Development of Emerging Special Economic Zones in Xinjiang



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**Abstract** In 2016, the “Kashgar Special Economic Zone” and the “Khorgos Economic Development Zone” actively responded to the complicated domestic and international environment, focused on the overall goal of social stability and long-term security, seized the opportunity of the Belt and Road Initiative, vigorously promoted supply-side reform and promoted stable development and reform. The prefecture (city) achieved the good situation of overall social stability and rapid economic development. This paper first expounds the developmental states of Kashgar and Khorgos SEZs in terms of economic scale, industrial structure, industrial production, foreign trade, residents’ income and level of urbanization, then analyzes the main problems they face in development, and finally proposes policies for solving problems, as reference for the further development of emerging special economic zones in Xinjiang.

**Keywords** Kashgar · Khorgos · Developmental report · Open along the border areas · Stability

The “Kashgar Special Economic Zone” (Kashgar SEZ) and the “Khorgos Economic Development Zone” (Khorgos EDZ) actively responded to the complicated domestic and international environment, focused on the overall goal of social stability and long-term security, seized the opportunity of the Belt and Road Initiative, vigorously promoted the supply-side reform and promoted stable development and reform. The prefecture (city) achieved a good situation of overall social stability and rapid economic development.

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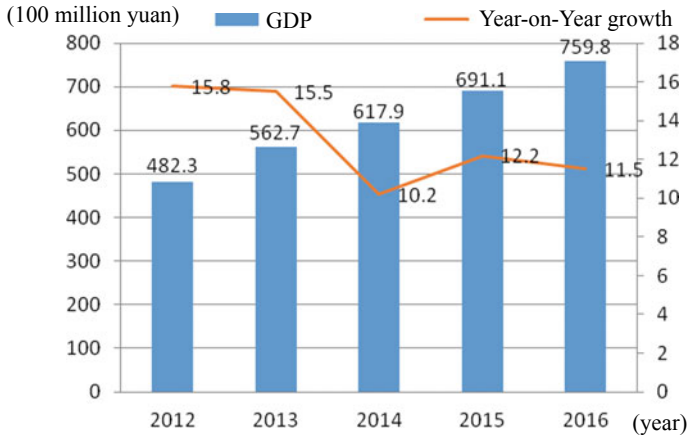
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Y. Tao and Y. Yuan (eds.), *Annual Report on the Development of China’s Special Economic Zones(2018)*, Research Series on the Chinese Dream and China’s Development Path, [https://doi.org/10.1007/978-981-13-9837-7\\_6](https://doi.org/10.1007/978-981-13-9837-7_6)



**Fig. 1** The GDP of Kashgar and its year-on-year growth from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

## 1 Overall Development of the Kashgar SEZ

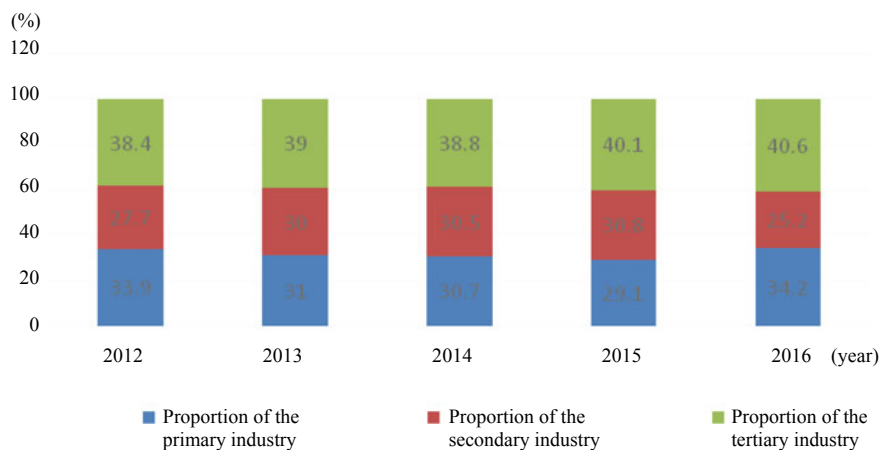
### 1.1 The Steady Growth of the GDP, Slowing Growth Rate

Under the “new normal” of the national economy, opportunities and challenges coexist. Kashgar firmly takes the policy advantage of the Belt and Road, actively responds to the complicated domestic and international environment and realizes rapid economic development. In 2016, the GDP of Kashgar was 75.98 billion yuan, an increase of 11.5% over the previous year. The per capita GDP was 16,860 yuan, with a year-on-year increase of 11.2%.

Kashgar’s GDP growth rate is faster than the national average (6.7%) and the Xinjiang Uygur Autonomous Region (7.6%), but compared with 2015, Kashgar’s GDP growth rate is slowing and lower than the growth rate in 2012 and 2013. From this point of view, in case of a general slowdown of the nationwide GDP growth rate, the GDP of Kashgar would also be adversely affected. The economic development of Kashgar from 2012 to 2016 is shown in Fig. 1.

### 1.2 Slow Upgrading of Industrial Structure and Lower Proportion of the Secondary Industry

In 2016, the industrial structure of Kashgar Prefecture was slightly adjusted. The growth rates of the secondary and tertiary industries were 12.7% and 15.3%, respectively, accounting for 25.2% and 40.6% of the GDP of Kashgar, respectively. The



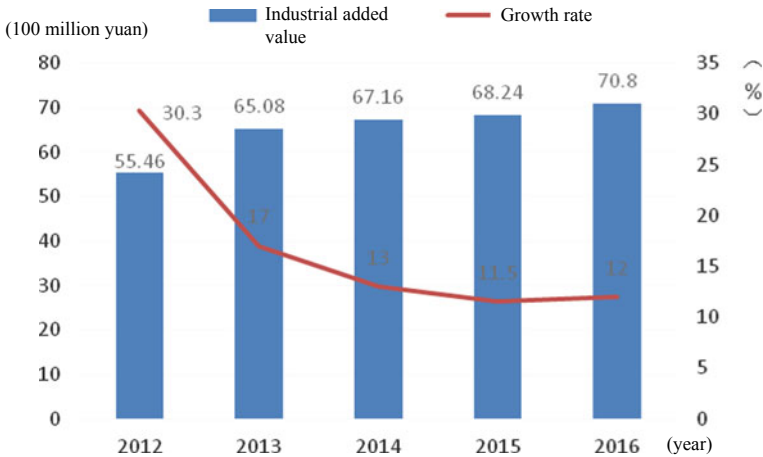
**Fig. 2** Proportions of the three types of industries in Kashgar from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

proportion of the secondary industry declined for the first time since 2013. The growth rate of the primary industry was 6.5% and its added value showed a year-on-year increase and accounted for 34.2% in the GDP of Kashgar, the highest since 2012.

Since 2012, the three types of industries have similar proportions in Kashgar. Due to the unique natural geographical environment of Kashgar, melons, vegetables, corn and nuts have won the favor of consumers with excellent quality. Therefore, the GDP of the primary industry accounts for a high proportion. This is one of the reasons for the slow upgrading of the industrial structure in Kashgar. The proportions of the three types of industries in Kashgar from 2012 to 2016 are shown in Fig. 2.

### ***1.3 A Slight Rebound of Industrial Production and the Slowing Growth in the Construction Industry***

In 2016, the industrial added value of Kashgar reached 7.08 billion yuan, an increase of 12% over the previous year, and the growth rate was slightly higher than that of the previous year. Among them, the added value of industrial enterprises above the designated size was 2.93 billion yuan, which increased by 9.4%; and the added value of industrial enterprises below the designated size was 4.15 billion yuan, increasing by 14%. There were 2,099 industrial enterprises, an increase of 124 over the previous year. They were mainly industrial enterprises below the designated size, 1,937 in number, seeing an increase of 72 over the previous year; and there were only a few industrial enterprises above the designated size, 162 in number, with an increase of 52 over the previous year.



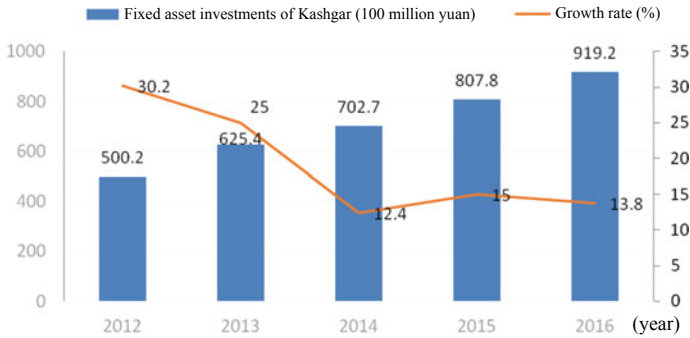
**Fig. 3** Industrial added value of Kashgar and its growth rate from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

In 2016, the construction industry in Kashgar achieved an added value of 12.06 billion yuan, realizing an increase of 13.1%, and the growth rate slowed down compared with the previous year. Sixty construction enterprises have the qualification for general and specialized project contracting, with a total output value of 6.94 billion yuan. The industrial added value of Kashgar from 2012 to 2016 is shown in Fig. 3.

#### ***1.4 The Slowing Growth of Fixed Asset Investments and the Increasing Investments in the Primary Industry***

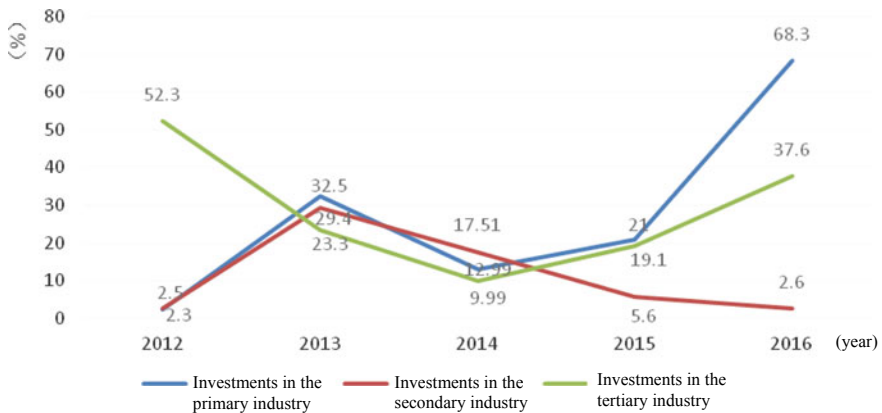
In 2016, Kashgar completed the fixed asset investment of 91.92 billion yuan (excluding farmers), an increase of 13.8% over the previous year. As shown in Fig. 4, the growth rate of fixed asset investments in Kashgar was slowing down.

In 2016, the construction industry completed the fixed asset investment of 3,430.08 million yuan, witnessing a year-on-year increase of 2,227.06%; the real estate industry completed the fixed asset investment of 26,878.09 million yuan, with an increase of 0.21% over the previous year; the residents' service, repair and other service sectors completed the fixed asset investment of 394.74 million yuan, seeing a year-on-year decrease of 4.5%; and investments in public administration, social security and social organizations amounted to 9,075.67 million yuan, with an increase of 47.8% over the previous year. However, investments in the financial sector was relatively low, only 4.8 million yuan, decreasing by 86.1% year on year; but investments in the culture, sports and entertainment industry had increased significantly, amounting to 1,691.70 million yuan, realizing an increase of 24.54% over the previous year.

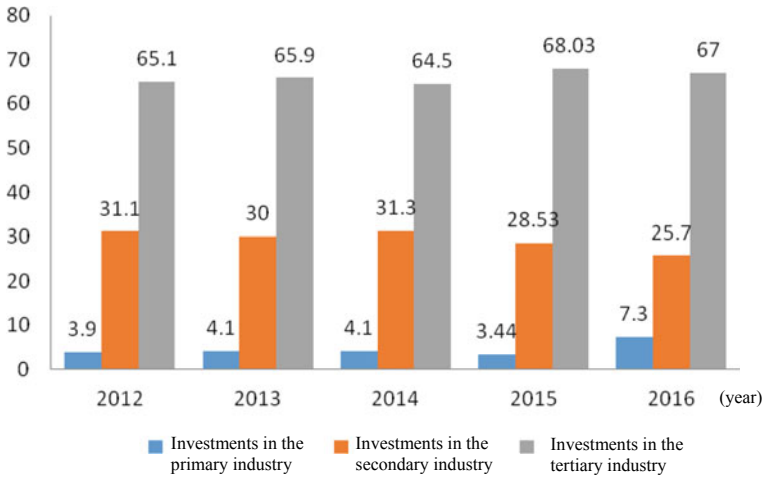


**Fig. 4** Fixed asset investments of Kashgar and its growth rate from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

In 2016, the growth rate of investments in the primary industry of Kashgar increased sharply. The investment was 6.73 billion yuan, with an increase of 68.3% over the previous year. The development of the secondary industry was slow. The total amount of investments was 23.64 billion yuan, which increased by only 2.6% over the previous year and showed a declining trend. Among them, the industry completed an investment of 20.209 billion yuan, decreasing by 11.75%. The tertiary industry completed an investment of 61.55 billion yuan, realizing an increase of 37.6%, which greatly increased compared with the previous year. The annual investment in manufacturing, an important part of the secondary industry, was 13,602.04 million yuan, witnessing a decrease of 6.29% compared with the previous year (Fig. 5).



**Fig. 5** Investment growth of the three types of industries in Kashgar from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)



**Fig. 6** Change in the proportion of investments of the three types of industries in Kashgar from 2012 to 2016 (%). *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

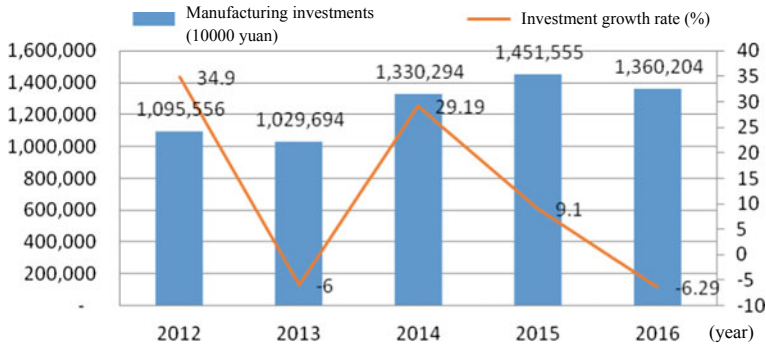
With regard to the proportion of investments in the three types of industries, the proportion of investments in the primary industry was the lowest, but it increased by about 4 percentage points in 2016 compared with the previous year; the proportion of investments in the tertiary industry was the highest, but it was about 1 percentage point lower than the previous year; and the proportion of investments in the secondary industry continued to decline, which was about 3 percentage points less than the previous year (Fig. 6).

With respect to the development of manufacturing and real estate, in 2016, the investments in manufacturing of Kashgar were 13,602.04 million yuan, which decreased by 6.29% over the previous year. As shown in Fig. 7, the growth rate continued to decline in 2016.

The investments in the development of real estate reached 1.94 billion yuan, with an increase of 12.4% year on year. Specifically, the construction area of houses was 2.684 million square meters, 9.1% less than the previous year; and the amount of investments in residential houses were 810 million yuan, falling by 12.5% year on year.

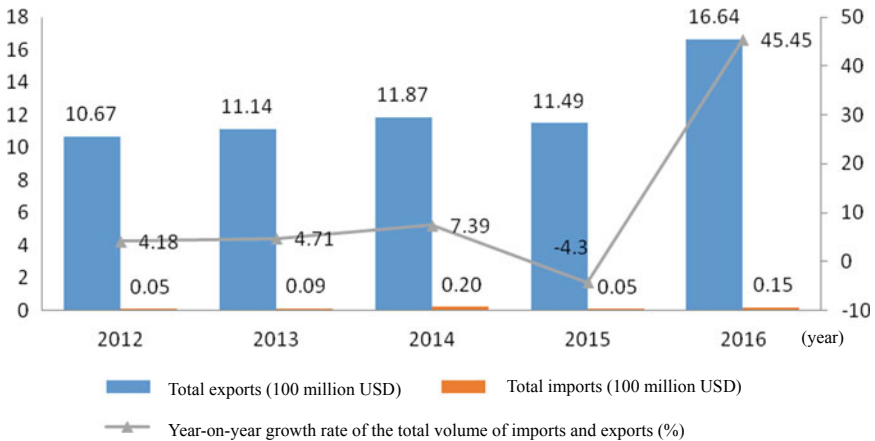
### 1.5 Increasing Foreign Trade and Favorable Geographic Advantage

In 2016, Kashgar realized a total volume of imports and exports of US\$1.678 billion, an increase of 45.45% over the previous year. The exports were US\$1.664 billion, witnessing an increase of 44.79%; and the imports were US\$14.846 million, an



**Fig. 7** Manufacturing investments of Kashgar and their growth rate from 2012 to 2016. *Data source:* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

increase of 194.6%. The annual trade surplus was US\$1.663 billion, witnessing an increase of US\$519 million over the previous year. Since the establishment of the special zone in Kashgar in 2010, the total volume of imports and exports achieved rapid growth for the first time, which fully reflects the stimulating effect of the Belt and Road policy and gives full play to the geographic advantage of Kashgar (Fig. 8).



**Fig. 8** Total volume of imports and exports of Kashgar and the growth rate from 2012 to 2016. *Data source:* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

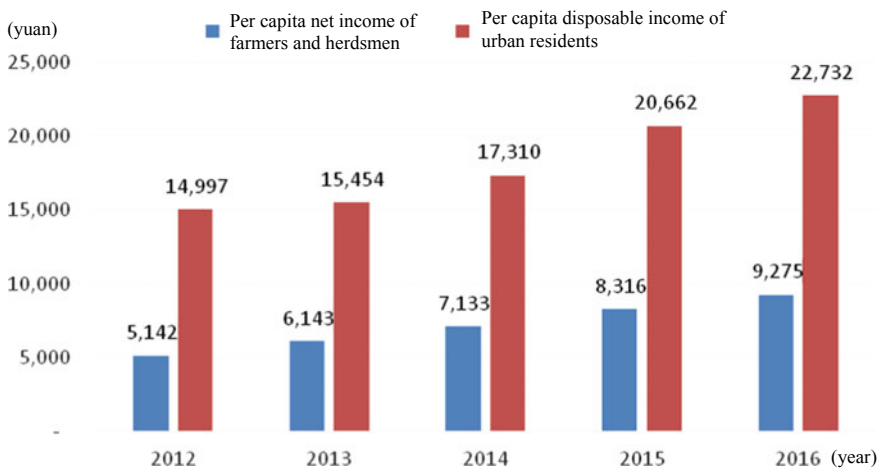
### 1.6 The Steady Growth of Residents' Income and Consumption

In 2016, the per capita net income of farmers and herdsmen in Kashgar was 9,275 yuan, with an increase of 13.9% over the previous year. Specifically, the per capita net wage income, the per capita net income of family operations, and the per capita net transfer income were 1,457 yuan, 7,397 yuan and 421 yuan, respectively; and the growth rates were 11.4%, 10.6% and 102.4%, respectively.

The per capita disposable income of local urban residents was 22,732 yuan, realizing a year-on-year increase of 10%. Among these, the net property income, net operating income, net transfer income, and wage income were 665 yuan, 1,312 yuan, 6,518 yuan and 14,237 yuan, respectively; and the year-on-year growth rates were 3.1%, 5.9%, 11.4% and 10.1%, respectively (Fig. 9).

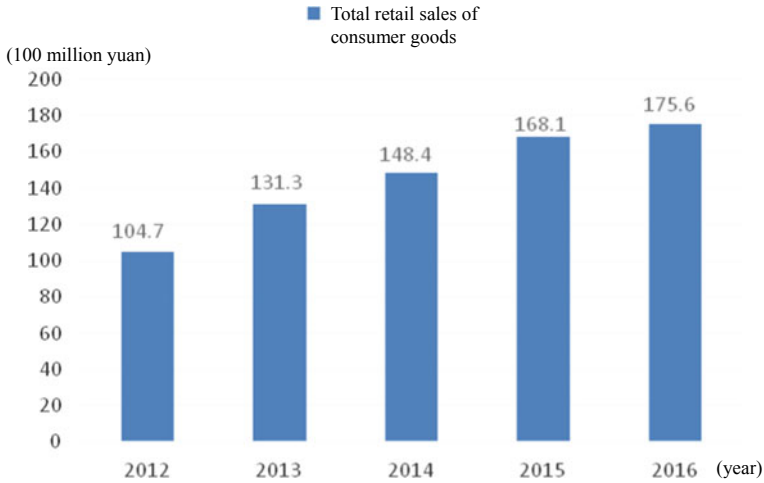
The per capita disposable income of local rural residents was 7,918 yuan, witnessing a year-on-year increase of 10%. Among these, the net property income, net operating income, net transfer income, and wage income were 62 yuan, 3,871 yuan, 1,580 yuan and 2,405 yuan, respectively; and the growth rates were 5.3%, 7.6%, 16.9% and 9.7%, respectively.

In 2016, as shown in Fig. 10, the total retail sales of consumer goods in Kashgar were 17.56 billion yuan. According to the pattern of consumption, the catering revenue and retail sales of goods were 2.754 billion yuan and 14.803 billion yuan, respectively. According to the places of business operations, the rural retail sales and urban retail sales were 4.32 billion yuan and 13.24 billion yuan, respectively.



**Fig. 9** Residents' income of Kashgar from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)





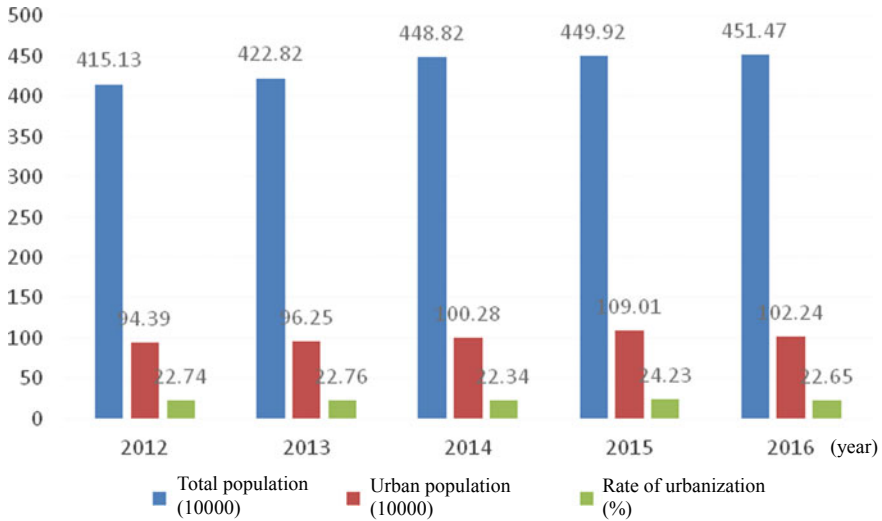
**Fig. 10** Total retail sales of consumer goods in Kashgar from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)

### 1.7 Low Level of the Rate of Urbanization

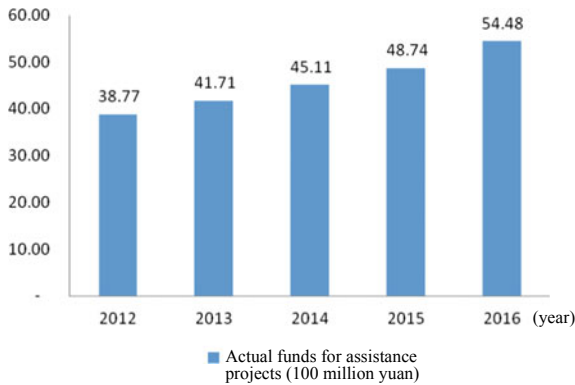
By the end of 2016, the total population of Kashgar was 4.5147 million, and the total number of households was 1.1237 million. The urban population was 1.0224 million and accounted for only 22.6% of the total population. The rural population was 3.4923 million and accounted for 77.35% of the total population. The level of urbanization in Kashgar is measured by the proportion of urban population to the total population in this paper. As shown in Fig. 11, since 2012, the rate of urbanization of Kashgar fluctuates around 20%, which is much less than the national rate of urbanization, 57.35%, in 2016.

### 1.8 Steady Increase of Partner Assistance Funds

According to the 2016 *Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture*, in 2016, the assistance funds from four provinces and cities were fully in place, with a total amount of 5.448 billion yuan for 408 projects of partner assistance. As shown in Fig. 12, the funds for assistance projects continue to grow, and the four provinces and cities actively extend their assistance to the economic development of the Kashgar SEZ, reflecting the idea of “greater contribution to society from the wealthy” and the spirit of “mutual help and mutual assistance”. The situation of assistance of partner provinces and cities in 2016 and the accumulated assistance from 2010 to 2016 are shown in Table 1.



**Fig. 11** Kashgar’s level of urbanization from 2012 to 2016. *Data source* Statistical Communiqué on the National Economic and Social Development of the Kashgar Prefecture (2012–2016), [www.kashi.gov.cn](http://www.kashi.gov.cn)



**Fig. 12** Actual funds for assistance projects from four provinces and cities from 2012 to 2016

## 2 Overall Development of the Khorgos EDZ

In 2016, the Khorgos Economic Development Zone (“Khorgos EDZ”) achieved a GDP of 3.905 billion yuan, witnessing an increase of 22.6% over the previous year, including 0.65 billion yuan for the primary industry, 1.528 billion yuan for the secondary industry, and 1.727 billion yuan for the tertiary industry. The per capita GDP was 44,782 yuan.

**Table 1** Assistance from partner provinces and cities

Provinces or cities for partner assistance	Number of assistance projects in 2016	Actual assistance funds in 2016 (100 million yuan)	Total assistance funds from 2010 to 2016 (100 million yuan)	Total number of assistance projects from 2010 to 2016
Shandong Province	140	11.64	61.05	579
Shanghai City	147	22.71	115.05	733
Guangdong Province	55	9.96	50.36	300
Shenzhen City	66	10.17	43.6	291
Total	408	54.48	270.06	1,903

The total value of industrial output was 0.394 billion yuan, with an increase of 0.055 billion yuan year on year, and the growth rate was 16.2%; the value of industrial sales was 0.279 billion yuan, seeing a decrease of 0.053 billion yuan, about 16.1% less than the previous year; and the industrial added value was 0.128 billion yuan, witnessing an increase of 0.038 billion yuan, and the growth rate was 42.7%.

## ***2.1 Stable Growth of Fixed Asset Investments and Accelerating Growth Rate***

In 2016, the Khorghos EDZ (City) completed the fixed asset investment of 3.211 billion yuan, with an increase of 0.666 billion yuan year on year, and the growth rate was 26.2%. Among them, the investment in construction projects was 2.306 billion yuan, which increased by 0.387 billion yuan year on year, and the growth rate was 20.2%; and the real estate investment was 0.905 billion yuan, realizing an increase of 0.279 billion yuan year on year, and the growth rate was 44.6%. As shown in Fig. 13, from 2012 to 2016, the fixed asset investments of the Khorghos EDZ (City) increased steadily, but the growth rate fluctuated widely, and the growth rate was fast in 2016.

## ***2.2 Decrease in Foreign Trade, Increase in Exportations***

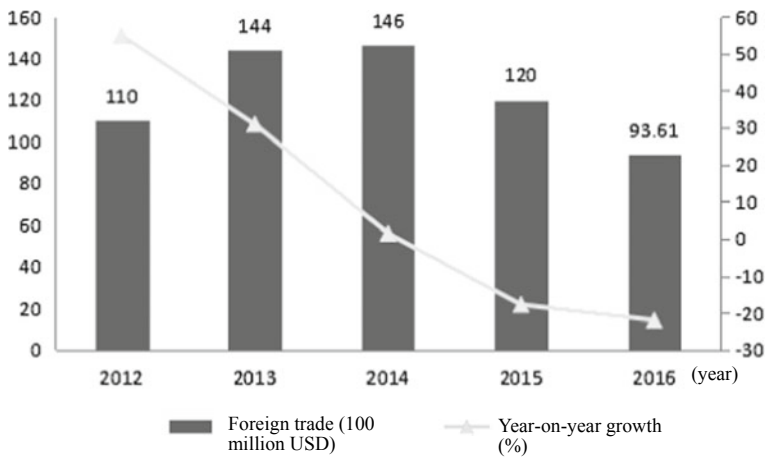
The foreign trade of Khorghos in 2016 reached US\$9.361 billion, seeing a year-on-year decrease of US\$2.639 billion, about 22.0% less than the previous year. Among them, the importations accounted for a large proportion and totaled US\$6.518 billion, which was 27.6% less than the previous year; and the exportations were US\$2.843 billion, about 5.2% less than the previous year.

In 2016, the total volume of imports and exports of Khorghos City was US\$1.166 billion, seeing an increase of US\$0.498 billion over the previous year, including the

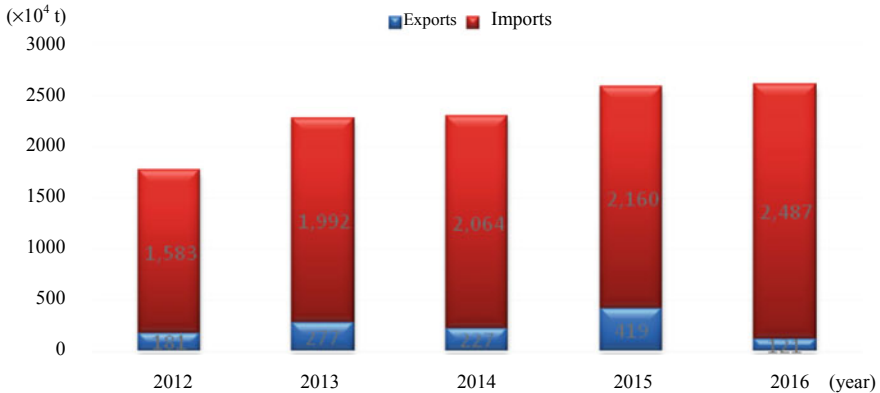


**Fig. 13** Total fixed asset investments of the Khorghos EDZ (City) and its growth rate from 2012 to 2016. *Data source* The 2016 Statistical Communiqué on the National Economic and Social Development of the Khorghos EDZ (City)

exports for a value of US\$1.10 billion, which increased by US\$0.533 billion year on year, with a growth rate of 94.0%; and the imports for a value of US\$0.066 billion, which decreased by US\$0.035 billion year on year, with a decline of 34.7% (Fig. 14).



**Fig. 14** Foreign trade developmental trend of Khorghos City from 2012 to 2016. *Data source* 2016 Statistical Communiqué on the National Economic and Social Development of the Khorghos EDZ (City)



**Fig. 15** The volume of foreign trade of Khorgos City from 2012 to 2016. *Data source* 2016 Statistical Communiqué on the National Economic and Social Development of the Khorgos EDZ (City)

### 2.3 Slight Increase in the Volume of Foreign Trade and a Significant Growth of Cooperation Centers

In 2016, the volume of foreign trade achieved an increase of 290,000 tons, which was 1.1% more than the previous year, totaling 26.08 million tons. Among those, the exports were 1.21 million tons and the imports were 24.87 million tons. Specifically, the volume of freight through highway ports was 410,000 tons, with a decrease of 8.2%; the freight volume through railway ports was 820,000 tons, witnessing a decrease of 10.4%; the volume of freight of cooperation centers was 50,000 tons, seeing an increase of 37.5%; and the volume of freight through pipelines was 24.8 million tons, with an increase of 15.2% (Fig. 15).

## 3 Main Problems for Emerging SEZs in Xinjiang

### 3.1 Deepening the Counter-Terrorism Campaign

Since the launch of the special campaign against terrorism, the social security in Xinjiang has greatly improved and the satisfaction and sense of security of the people of all ethnic groups have been widely enhanced. This provides a safe and stable precondition for the economic development of the region. However, terrorists appear intermittently and the “stability issue” still exists and seriously hinders the economic development.

Moreover, the “stability issue” in Xinjiang should not be confined solely within Xinjiang, but attention should also be paid to the relations with neighboring countries.

International terrorist activities should not be underestimated. According to a news report of India's *Economic Express* on September 21, 2017, Pakistan's Defense Minister Khurram Dastgir had filed a charge against India and accused India of indulging in terrorist activities and trying to undermine the economic corridor constructed by China and Pakistan with an investment of US\$50 billion.

### ***3.2 Popularizing Bilingual Education***

In Kashgar, the population of Han Chinese accounted for about 6.3% in 2016, and the Uyghur population was as high as 92.2%. There are 31 other ethnic groups, such as the Tajik. This makes it inconvenient to communicate among the different ethnic groups, and ethnic integration is often premised on the proficiency of language. Although most schools in urban areas of Kashgar have adopted bilingual education and there are no barriers in exchanges and trade between the city and tourists, but bilingual education is not popular and not widespread enough.

### ***3.3 Slow Progress in the Optimization of the Industrial Structure***

In 2016, the primary industry, secondary industry, and tertiary industry accounted for 34.2%, 25.2%, and 40.6% of Kashgar's GDP, respectively. Although with the preferential policies and various supporting policies of the special economic zones, the foreign trade in Kashgar has gradually expanded, the financial system has gradually improved, and the tourism industry is being diversified. However, due to a weak foundation, backward technology and a lack of a strong labor force, the economic development of Kashgar fails to achieve effective allocation of resources.

Kashgar has abundant production of cotton, melons, dried fruits, corn, etc. It is the raw material base for large-scale processing and production in Xinjiang. However, its distinctive fruit, corn, cotton and other raw materials are not supported by a processing industry in Kashgar; in other words, the primary industry of Kashgar remains at the stage of primary agricultural products. The industrial chain is short and fails to extend to the high value-added industries. There are no connections between the primary industry and the secondary industry, and no coordinated development of industries.

### ***3.4 The Low Level of Urban and Rural Integration***

By the end of 2016, the urban population of Kashgar was 1.0224 million, accounting for 22.6% of the total population; and the rural population was 3.4923 million, accounting for 77.35% of the total population. Since 2012, the rate of urbanization

of Kashgar has fluctuated around 20%, which is much lower than the national average of 57.35% in 2016. It is difficult to form the pattern of development of “driving rural areas forward by urban areas and promoting urban areas by rural areas” and the urban-rural relationship of “reciprocal support, complementary advantages and common development”. If no attention is paid to the integration of urban and rural development in the initial stage of the construction of the Kashgar SEZ, it will inevitably widen the gap between urban and rural areas in the process of development, hinder the free flow of resources and production factors between urban and rural areas, make it difficult to integrate living standards, ideas and lifestyles between urban and rural areas, and that ultimately leads to difficulty in achieving the sustained, coordinated and healthy development of the urban and rural economy.

### ***3.5 Underdeveloped Logistics Restricting Economic Development***

On the one hand, the logistics-related infrastructure in Kashgar is extremely underdeveloped, and road transportation has to become the main mode of transportation between China and Pakistan. The capacity for road transportation is limited and it is greatly affected by natural disasters such as landslides and mudslides, which seriously impair the efficiency of transportation. On the other hand, Kashgar has not yet formed a scientific system for the management of logistics, the logistics information service network is imperfect, and the corresponding hardware and software equipment are backward, which further results in the inefficiency of the processing of logistics information. There are few logistics professionals, and except for a few large enterprises in Kashgar, the others are scattered small enterprises or self-employed households, so it is difficult to integrate logistics resources and enlarge the scale of the logistics industry, and the long-term development of trade and logistics in Kashgar is affected.

## **4 Policy Suggestions for Promoting the Development of SEZs in Xinjiang**

### ***4.1 Awareness of Difficulty in Counter Terrorism and Responsibilities for Maintaining Stability***

First of all, it is necessary to clarify that Xinjiang’s fight against the three forces of separatism, extremism and terrorism is complicated, arduous and even long-term; their destructive power and influence should not be underestimated and we should keep alert. Then, we should fully mobilize the power of the masses, firmly rely on the masses and lay a solid foundation for winning the counter-terrorism campaign.

To be specific, we must innovate working methods of the masses, do well in propaganda, and mobilize the participation of the masses through measures of reward and punishment. Finally, we should give importance to villagers' groups in maintaining stability, actively deploy village-level stability forces, make full use of the strength of party branches and grass-roots party members, and implement specific policies.

#### ***4.2 Popularizing Bilingual Education and Promoting Ethnic Integration***

Bilingual education should not be confined solely to urban areas. It is necessary to strengthen the training of bilingual teachers, give preferential policies to attract bilingual teachers to remote villages for popularizing the Chinese language and build a foundation for promoting ethnic exchanges. All ethnic groups have their own distinctive culture and religious beliefs, and the realization of cultural integration of all ethnic groups and the understanding and tolerance of different cultures of different ethnic groups are the prerequisite for the harmonious and stable development of a society. Therefore, we must actively carry out various forms of national unity propaganda and education, organize activities that are conducive to the exchange of ethnic culture, and make the idea of national unity become deeply rooted in the minds of the people.

#### ***4.3 Increasing the Added Value of Agricultural Products and Promoting Industrial Optimization and Upgrading***

Kashgar is now being assisted by four provinces and cities, including Shenzhen, Guangdong, Shanghai and Shandong. In addition to receiving assistance funds, it should seize the opportunities, learn their economic development experience, improve its production capacity of processing and manufacturing, realize the transformation from production and sales of low-grade agricultural products to high value-added products, extend the industrial chain, enhance the linkage and coordination of industries, and allow for the most efficient allocation of resources.

The rural population in Kashgar is relatively large, accounting for about 70% of the total. It had best fully mobilize the enthusiasm of the majority of farmers for economic development. First, it must provide subsidies for certified seeds and for the planting of rice, wheat, melons and other varieties, and properly provide the knowledge of planting and education about it so as to ensure the utilization and yield of high-quality land. Second, it should strengthen the training of the members of the rural labor force, absorb the local labor force, raise the income of farmers, rely on agricultural products and rural labor, and realize the specialized development of distinctive industries.



#### ***4.4 Improving Urban-Rural Integration and Achieving Coordinated Development***

Urban and rural integration should focus on the integration of space, economy, society, the ecological environment and development. Against the background of the Belt and Road Initiative, to effectively promote the urban and rural integration of Kashgar, we must first comply with the national development plan, seize the period of opportunity of the construction of new urbanization, rely on the national policies and assistance from partner provinces and cities, form a growth mechanism appropriate for Kashgar, promote agricultural modernization, information and industrialization in Kashgar as early as possible and lay a solid foundation for the development of urban and rural integration. Second, we should focus on promoting the construction of rural infrastructures, implement the land contract management system, improve the rate of utilization of rural land, and give importance to rural ecological environmental protection while developing. Finally, relevant policies should be formulated in accordance with the specific conditions of the counties and towns of Kashgar.

#### ***4.5 Accelerating the Construction of Infrastructures and Establishing a Comprehensive Logistics System***

The construction of infrastructure is inseparable from the support of national policies. Since the establishment of the SEZ in 2010, especially the adoption of the Belt and Road strategy, national policies have been supporting the construction of infrastructures in Kashgar, which has made remarkable achievements. The “13th Five-Year Plan” also points out that by 2020, Kashgar will have comprehensively improves its system of public transportation and will have created a “bus city” to better meet the needs of its citizens.

The establishment of the logistics system requires a long-term plan, and it cannot be built in a day. First, with the city of Kashgar as the center, the large-scale storage base should be constructed, covering infrastructure facilities such as information systems, inspection and all-around services, and selecting logistics facilities with abundant resources and a superior location as the logistics nodes. Second, it should increase publicity efforts, use preferential policies to attract investments, attract experienced logistics enterprises to settle down, and build an industrial park of logistics where logistics enterprises cluster. Third, it should focus on attracting and retaining logistics professionals, localizing the world’s advanced management technologies and promoting the high-speed and efficient operation of logistics. Finally, it must enhance the logistics advantages and strategic position of Kashgar, rely on the existing railway, highway, aviation and other infrastructures, radiate surrounding cities such as Shache, Zepu, Yecheng and Bachu, with the city of Kashgar as the center, and form a multi-faceted and multi-layer logistics and transportation system.

#### **4.6 Strengthening the Strategy of Talent Training and Implementing the Plan for the Introduction of Talents**

Talents are one of the driving forces of economic development. Against the background of accelerated economic development, it is imperative for emerging SEZs in Xinjiang to develop and introduce talents. They should increase the breadth and depth of talent introduction, provide effective preferential policies, and address all aspects of concerns for the introduction of talents. On the one hand, talent development should formulate a comprehensive and integrated strategy. The government and enterprises should jointly set up talent development funds to cover finance, the internet, e-commerce and other fields, with the focus on local talents and college students. On the other hand, they should implement the mechanism of overseeing to ensure that talent development funds are effectively used and that the talent output targets can be achieved.

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