

GUIZHOU

Guizhou is one of China's least developed provinces, and is land-locked. On most indices it ranks as China's second poorest province. Over 90% of its land area is mountainous, and the population is just over 37 million. 49 non-Han ethnic groups make up 36% of the population. Between 60% and 70% of the population is said to be illiterate. Guizhou has been a mayor recipient of CIDA's ODA funds. Labour costs in Guizhou are relatively low (average monthly wage RMB 400) but there are low skills levels among the labour force.

Guizhou is rich in natural resources. Coal reserves stand at over 50bn tons, the fifth largest in China and the largest reserves in Southern China. Reserves of 110 different types of minerals have been located in Guizhou, 74 of which are of sufficient quantity for exploitation. Major reserves include silica, optical crystals, phosphorus, aluminium, zinc, mercury, bauxite, antimony, manganese and gold. Guizhou is second only to Yunnan in its tobacco production, but ranks sixth in terms of cigarette manufacture. The authorities are developing the province's hydropower potential as a major engine for growth, mainly for the domestic market. Guizhou has good potential for development as a tourist destination: it is unspoilt and underdeveloped, with unique karst limestone landscapes and diverse minority peoples.

In 2002, Guizhou's GDP growth rate was 7.8%. Urban dwellers' disposable income rose to RMB5,122 (up 5.1%), rural average incomes rose to RMB1,375 (up 7.9%). Fixed asset investment in 2000 reached RMB 38bn (up 13.8%) and totalled RMB 158.3bn in the period 1996-2000. There has been a major focus on improving transport links in recent years, with Guiyang serving as the hub for both local and provincial routes. New motorway links to Chongqing and Xingzai (in Guangxi) are planned. Many major inter-provincial railway lines pass through the province, providing vital communications arteries for future economic development. Five new local airports are planned to facilitate travel within Guizhou.

Guizhou has adjusted its industrial priorities. Heavy and light industry and tertiary industry are being promoted over agriculture. The role of private enterprise is increasingly important, though its absolute contribution is comparatively small. Guizhou has been slow to absorb and use foreign capital. Investment mainly comes from domestic investors from coastal areas: in the period, 1996-2000, total investment in 8,000 plus projects reached RMB 12bn. Guizhou has two national, and two provincial grade, development zones.

The province hopes to attract new foreign investment in the following fields: power generation, machinery, science and technology, restructuring of former defence-related industries, electronics, metallurgical industry and non-ferrous metals, chemicals, light industry, textiles, agriculture, forestry, and tourism.