

YUNNAN

Yunnan is one of China's five southern border provinces, neighbouring Vietnam, Laos and Burma. It has an astonishingly diverse topography, climate and ethnic mix. Snow covers alpine mountains in the northwest and tropical plants grow in the high hills and valleys of the south. Three of the world's great rivers, the Salween (Nujiang), Mekong (Lancang) and Yangtze pass through Yunnan from Tibet. The total population is over 41 million, with an ethnic minority population of over 13 million. Kunming is the capital city, with a population of around 3.5 million.

Despite its natural wealth and beauty, however, many families are living in poverty. The national government has identified many of China's "national poor counties" in Yunnan Province. There is great disparity in wealth and access to services between urban and remote rural dwellers. Despite China's rapid economic development, the provision of adequate education and health services to very remote villages becomes more difficult to support each year. Its proximity to the Golden Triangle has led to problems with HIV/AIDS and drug abuse, thought to be the worst levels in China.

The main features of Yunnan's economy are:

Minerals. Yunnan's reserves of aluminium, lead, zinc and tin are the largest in China. There are also major reserves of copper and nickel. Yunnan is an important production base of tin, copper, lead, zinc and phosphorus, an area which is open to foreign investment.

Energy resources. Yunnan has over 600 rivers and lakes providing an annual water supply of 222 billion cubic meters. Projected hydropower reserves stand at 103 million kW with an exploitable capacity of 90 million kW, capable of generating 349 kW of electricity annually. There is potentially a major market (both domestic and abroad) for Yunnan's electricity.

Tourism resources. Yunnan has a huge variety of tourist attractions.

Biological resources. Yunnan boasts the widest variety of plant life in China. Of the approximately 30,000 species of higher plants in China, Yunnan has over 17,000. Key industries based on this plant life include tea and Chinese medicines.

Yunnan has made major strides in recent years to improve its transport links, post and telecommunications, electricity transmission and other infrastructure. In addition to Kunming International Airport, Yunnan has eight local airports boasting advanced telecommunication and navigation facilities. Xishuangbanna airport is slated for development as the province's second international airport. There are railway lines linking Kunming with Vietnam, Guiyang, Chengdu and Nanning (Guangxi). Future plans include rail lines to Thailand, Myanmar and Tibet in addition to the Kunming-Meijiang railway that is now under construction. The road network (almost 80,000km, much of it over difficult terrain) has been much improved in recent years and connects the province to Sichuan, Guizhou, Guangxi, Tibet and neighbouring countries. There are 6 main river systems in Yunnan, and the Mekong connects the province to four neighbouring countries. China, Laos, Myanmar and Thailand signed an agreement in April 2000 to allow both passenger and cargo transportation free passage on the river. This provides convenient access for Yunnan's produce to downstream countries. Closer economic links and co-operation in fields such as environmental protection are promoted through the Mekong Commission.

In 2002, Yunnan's GDP rose up to 8%, Urban residents have an average income of RMB6,419 (+8.6%); rural per capita income was RMB1,488 (+4%). There was continuing price deflation. In

2000, total import and export volume was US\$1.8bn (+9.3%). Key exports were tobacco, non-ferrous metals, phosphorus and chemical products; major imports were chemical fertilisers, PVC film, telecommunications and construction equipment.

Yunnan presents trade opportunities to Canadian exporters mainly in the transportation, education and energy sectors. Bombardier has supplied 10 of its CRJ 200 regional jets to Yunnan Airlines and the Ottawa-based IntelCan has been actively pursuing Wenshan, Honghe and Xishuanbanna regional Airport projects. Yunnan has been working with Montreal to implement a CIDA-aided Sustainable City Initiative(CDN\$ 2 million).