

The Prospects of International Cities in China*

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1. Preface

This is an age in which the "global imperatives" of production, trade, and investment are leading to an increasing integration and globalization of economic activity (McGee 1998). The important reasons for economic globalization include: (1) the rapid development of high technologies such as telecommunication, computerization, containerization, aeronautics and astronautics, as well as bioengineering; (2) the increasing importance of capital together with the decreasing importance of raw materials during economic development; (3) the formation of new international division of labor and the stronger control of transnational corporations on world economy.

In the meanwhile great changes have

happened to the primary carrier of world economical activity--global urban system. The great changes were reflected by the outward-oriented trend of urban functions and the emergence of world cities or international cities.

Since 1980's two trends was obviously developing in the world--economic globalization and urban internationalization. China, with its reform, opening-up policy, and rapid economic growth, keeps pace with these two trends (Yeung 1999).

"International City" is a term with far-ranging extension and has no international putative standard or definition to date. However, the conception of "The World Cities" appeared much earlier. It can be traced back to the book of *Cities in Evolution*, written by Patrick Geddes in 1915. In 1966 Peter Hall focused in analyzing the characteristics, regional structure and city planning of seven world cities. Invoking wide debate and

* The author thanks the National Natural Science Foundation of China for financial support (project No. 49771032).

adoption, the "World City" was firstly advanced by John Friedmann in early 1980's under the background of economic globalization. Compared with the old conception, it involves some new contents (Friedmann and Wolff, 1982; Friedmann, 1986; Sassen, 1994; Knox and Taylor, 1995; Lo and Yeung, 1996; Friedmann, 1998). "International City" and "Global City" are always mixed up with "World City" in use. Despite the different academic definitions of these terms, there should not be any dispute about the fact that they are all conceptions about urban functions.

If we make an analogue of urban functional hierarchy in the world with a pyramid, the International Cities are the few elite on the top. It is suggested that the highest level international cities should be called "World City" or "Global City". They are comprehensive key cities with global control and coordination functions in new international division of labor, such as New York, London, and Tokyo. The second class international cities are either key cities with international comprehensive functions across different countries or cities with important international functions specialized in politics, economics, and culture, etc. This class of cities including most of the important cities except the above three has been referred in the research of Friedmann (1986,1998), Sassen (1991) and Shachar (1994) .

Many scholars have presented some

similar opinions on what characteristics or conditions an international city or world city should own (Hall, 1998; Friedmann, 1982). Until now, International City is still a term of academic discussion. Its quantitative criteria has not been defined by any authorized international organization. What kinds of cities can be called international cities is still empirically orientated and qualitative. Even the same writer can put forward a different list of world cities during different periods. The purpose of this article is to discuss China's international cities under such background.

2. International Cities: the Necessity and Possibility in China

Many scholars who studied "World City" in the 1980's paid little attention to former socialistic countries such as China. As a matter of fact, no city in China can be called international city with the exception of Hong Kong. Hong Kong is returned to China in 1997, and can be regarded as a second class international city. However, in 1990's, China began a period of "International City Craze". About forty cities have ever set their development goal as becoming an "International City" in one or two decades (Xu, 1995)[1]. Although this "craze" is a little dramatic, to some extent, it reflects China's strong desire of processing

"International City". Part of the reasons is based on the desire of rapid economy development driven by international cities; in the meanwhile, international cities will represent comprehensive economic power of China and enable China to take part in the international production division and competition.

China has also owned some advantages of developing international city, which is listed below:

1) China's Rapid Increasing Economic Scale and Comprehensive Power Since its Reform and Opening-up

Excluding Singapore and Hong Kong, the other twenty-eight world cities pointed by Friedmann (1995: 24) locate in the world's seventeen largest economic entities in 1997 (Table 1). It shows that an international city is related to the economic scale of its country. Only China, Russia and India have no international cities in Friedmann's division scheme. It is roughly estimated that China has kept an average economic development speed of more than 10 percent per year for 13 years since 1983. Although influenced by Asian financial crisis in recent years, it still maintains a rather high growth rate. According to the World Bank data (World Bank 1999), China's annual average GDP growth rate is 10.2 percent from 1980 to 1990 and is 11.9 percent from 1990 to 1997, both ranking the top in the world

during that periods. In 1997 China became the seventh largest economic entity and in 1998 it rose to the sixth by exceeding Italy. By calculating GNP in Purchase Power Price (PPP), China is the second largest economic entity in the world. Recent research (Liu, 1999) shows that it has little possibility for China to keep an annual growth rate of over 10 percent again in the future. National economy will enter a long period of second-high growth with growth rate in the range of 6 to 10 percent, which is still a rapid growth. The increase of China's comprehensive power provides the economic foundation of forming China's international cities.

2) The Rapid Integration of Chinas Economy With the World Economy

A countrys proportion of imports and exports to its GDP can roughly reflect its degree of openness to international markets. Compared with the rapid growth of Chinas GDP, the foreign trade value increases even faster (Table 2). The highest proportion of imports and exports to GDP was 43.6 % in 1994(Fig.1), which is much higher than that of America. China is now making effort to join WTO. It is believed that once China joins, the open degree of Chinas economy and its role in world economy will be further increased.

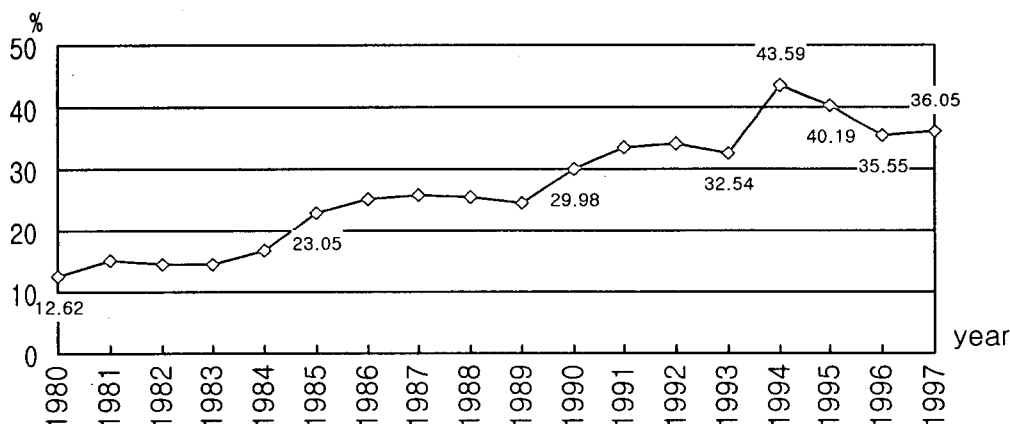
Table 1. National Economic Scale of Countries(1997) and Their World Cities

Country	GNP* (Billion US\$)	Rank*	PPP estimates of GNP(Billion US\$)	Rank*	World Cities**
U. S. A	7690.1	1	7690.1	1	New York, Miami, Los Angeles, San Francisco, Seattle, Houston, Chicago, Boston
Japan	4,772.3	2	2,950.7	3	Tokyo, Osaka-Kobe
Germany	2,319.5	3	1,748.3	4	Frankfurt, Munich, Rhine-Ruhr
France	1,526.0	4	1,280.3	6	Paris, Lyon
U. K.	1,220.2	5	1,208.9	7	London
Italy	1,155.4	6	1,152.1	8	Milano
China	1,055.4	7	4,382.5	2	(Hong Kong)
Brazil	773.4	8	1,019.9	9	Sao Paulo
Canada	583.9	9	661.6	12	Vancouver, Toronto, Montreal
Spain	570.1	10	617.6	15	Madrid, Barcelona
Korea, Rep. of	485.2	11	621.1	13	Seoul
Russian Fed.	403.5	12	618.4	14	
Netherlands	402.7	13	332.8	20	Amsterdam
Australia	380.0	14	373.2	18	Sydney
India	373.9	15	1587.0	5	
Mexico	348.6	16	770.3	10	Mexico City
Switzerland	313.5	17	186.2	29	Zurich

Note: The GNP of China does not include that of Hong Kong, Macao and Taiwan

Source: *from World Development Report 1998/1999, by The World Bank, 1998

**from Friedmann (1995)



Source : Data from China statistical yearbook 1998, P.55 and P.620.

Figure 1. The Proportion of Chinas Imports and Exports to Its GNP(1980 - 1997)

Table 2. Comparison on the Annual Growth Rate of GDP and Exports of Goods and Services between China and Other Countries

	GDP		Average Annual Growth Rate (%)	
	1980-90	1990-97	1980-90	1990-97
China	10.2	11.9	11.5	15.8
U. S. A	2.9	2.5	4.7	7.0
Japan	4.0	1.4	2.9	9.2
Germany	2.2	-	-	-
France	2.4	1.3	3.7	3.5
U. K.	3.2	1.9	3.9	5.3
Italy	2.4	1.1	4.1	8.1
Korea, Rep. Of	9.5	7.2	12.0	15.7
Hong Kong	6.9	5.3	14.4	11.1
Singapore	6.6	8.5	10.8	13.3
Malaysia	5.2	8.7	10.9	14.0
Thailand	1.0	3.3	3.5	11.5
Indonesia	6.1	7.5	2.9	9.2

Source: World Development Report 1998/1999, by The World Bank,1999;

3) The Great Unevenness of China's Economy Makes International Cities Easy to Appear in the Coasta Region

China is one of the countries with the biggest regional differences on natural, social and economic conditions in the world (Zhou 1986). China's coastal region possesses better physical and human resources than the interior. Historically, Chinese regional development has been extremely uneven. Although there exists disputation about whether regional inequality in post-Mao China is convergence or divergence since the launch of the economic reform in 1978 (Wei,1999), the unarguable fact is that China's regional economic inequality is still great (Fig. 2, Table 3). According to the World

Bank statistic criteria, China's GNP per capita in 1997 is \$860. But if viewing from province level, there are 10 provinces in the eastern coastal region whose GDP per capita exceed \$1000, with Beijing over \$2000 and Shanghai over \$3000, which is ten times more than the lowest GDP per capita of Guizhou Province. The economic inequality between China's urban and rural areas is also great, with GDP per capita of metropolises much higher than the average level in rural areas and provinces (Table 4). Because of the great uneven economy, the coastal region and several coastal metropolis can reach or easily reach rather high development level and become international cities with the background of low economic development level on the whole.

Table 3. The GDP Per Capita of Each Province in China (1997)

Provincial Unit	RMB*	US\$a**	US\$b***	Provincial Unite	RMB*	US\$a**	US\$b***
1. Shanghai	23,063	2,782	3,322	17. Neimeng	4,706	568	678
2. Beijing	14,598	1,761	2,103	18. Hunan	4,630	559	667
3. Tianjin	13,016	1,570	1,875	19. Chingqing	4,438	535	639
4. Zhejiang	10,458	1,262	1,506	20. Henan	4,413	532	636
5. Guangdong	10,375	1,252	1,493	21. Anhui	4,358	526	628
6. Jiangsu	9,346	1,127	1,346	22. Guangxi	4,350	525	627
7. Fujian	9,142	1,103	1,317	23. Jiangxi	4,133	499	595
8. Liaoning	8,434	1,017	1,215	24. Qinghai	4,074	491	587
9. Shandong	8,570	913	1,090	25. Yunnan	4,016	484	578
10. Heilongjiang	7,221	871	1,040	26. Ningxia	3,980	480	573
11. Xinjiang	6,113	737	880	27. Sichuan	3,938	475	567
12. Hebei	6,059	731	873	28. Shanxi	3,714	448	535
13. Hubei	5,875	709	846	29. Gansu	3,133	378	451
14. Hainan	5,516	665	794	30. Xizang	3,104	374	447
15. Jilin	5,506	664	793	31. Gizhou	2,199	265	317
16. Shanxi	4,712	568	679				

Source: * RMB is compiled from the data of China Statistical Yearbook 1998; ** US\$ a is converted 1 US\$ =8.2898 RMB(used by China Bank); *** US\$ b is converted 1 US\$=6.943RMB(used by World Bank)

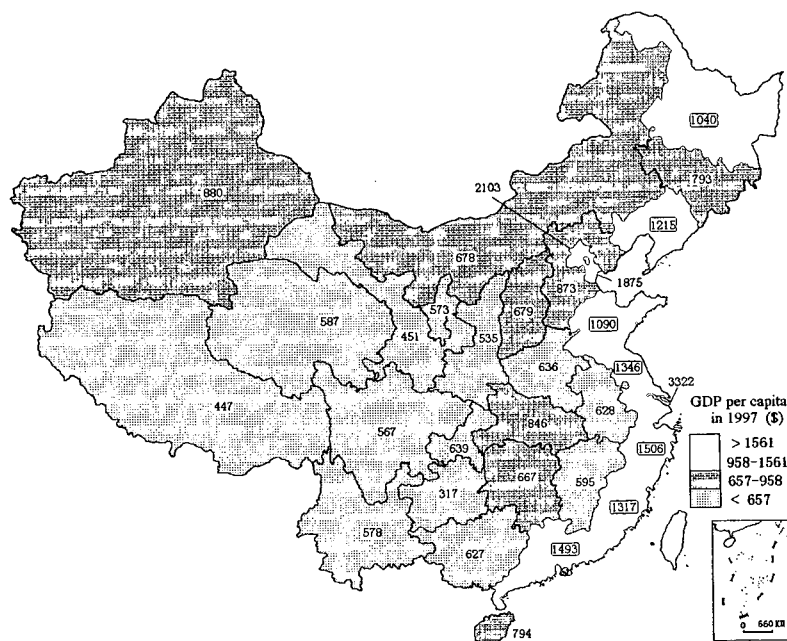


Figure 2. The GDP Per Capita of Each Province in China (1997)

Table 4. The Comparison between GDP Per Capita of Several Coastal Provinces and That of Some Cities in the Province

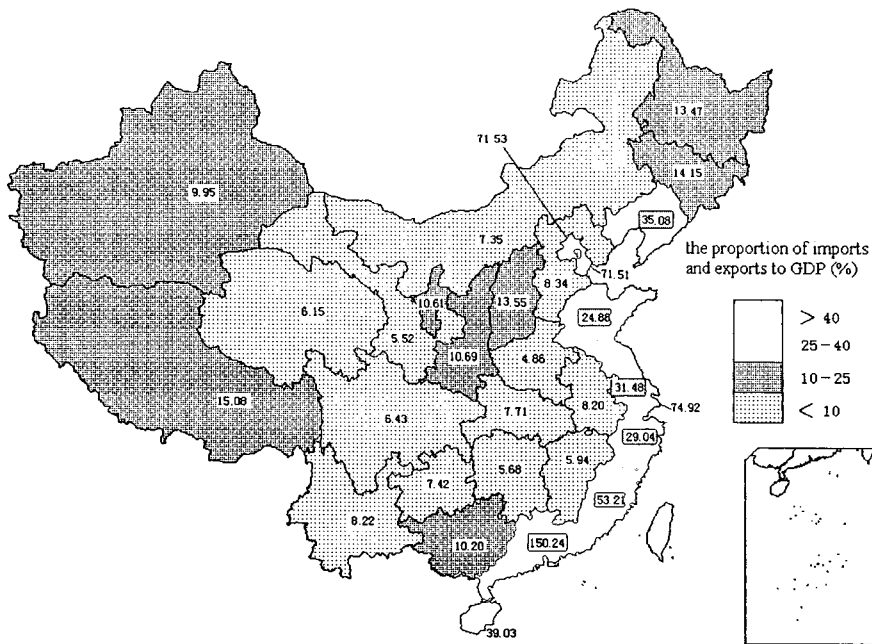
GDP per Capita			GDP per Capita		
	US\$ b(1997)*	US\$ b(1996)**		US\$ b(1997)*	US\$ b(1996)**
Guangdong	1,493		Liaoning	1,215	
Shenzhen		13,236	Dalian		2,881
Zhuhai		6,866	Anshan		2,191
Guangzhou		3,799	Shenyang		1,998
Zhejiang	1,506		ShanDong	1,090	
Hangzhou		3,944	Qingdao		2,522
Ningbo		3,652	Jinan		2,246
Jiangsu	1,346		Fujian	1,317	
Nanjing		2,732	Xiamen		5,439
Wuxi		3,528	Fuzhou		3,101
Suzhou		2,304			

Source : *Column 1997 is compiled from the data of China Statistical Yearbook 1998; P62 and P.107; **Column 1996 is compiled from the data of Urban Statistical Yearbook of China 1997; P.51-70 and P.151-170, US\$ b is converted 1 US\$=6.943RMB(used by World Bank)

3. China's Future International Cities will Definitely First Emerge in Eastern Coastal Provinces

International cities will first appear in eastern coast not only because the economic development level of coastal areas is much higher than the interior, but also because they keep the most closely contact with the world economic system.. Fredmann divided the spatial system of the world economy into three levels, that is, Core, Semi-periphery and Periphery (Fredmann 1982). China, or at least Chinas eastern coastal region is entering the level of Semi-periphery. Fig. 3 shows the proportion of imports and exports to each provinces GDP in 1997, which reflects the degree of

openness of their economy. Obviously, Guangdong (150.24%), Shanghai (74.92%), Beijing (71.53), Tianjin (71.51%), and Fujian (53.21%) take the first five places, whose proportions are higher than the average value of all provinces plus half of the standard deviation ($25.35+31.08/2=41.1\%$). The next five provinces are Hainan (39.03%), Liaoning (35.08%), Jiangsu (31.48%), Zhejiang (29.04%) and Shandong (24.88%), whose proportions are higher than the average value of all provinces. All the above ten provinces locate in eastern coastal region. Except Hainan province, a newly established province in 1988 in a relatively low economic development level, the other 9 coastal provinces are the regions with the highest GDP per capita and with the most advanced



Source: Based on the data from China statistical yearbook, 1998, p.635.

Figure 3. The Proportion of Imports and Exports to GDP in China's Each Province(1997)

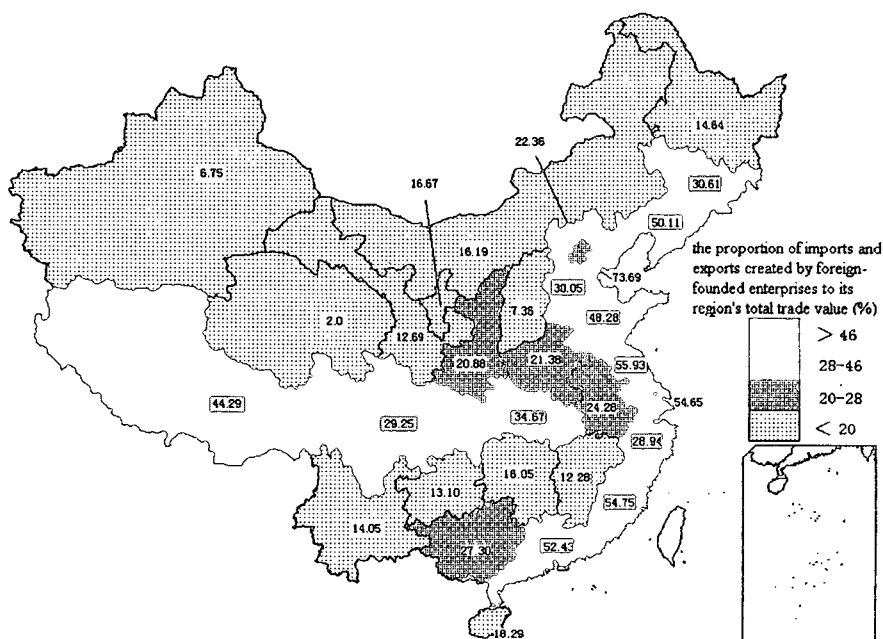
economic level in China.

Under the reform and opening-up policies, foreign capital is the main driving force of China's economic development (Hu, 1996). The growth of local economy as well as that of trade in coastal provinces are directly related to their advantages of absorbing foreign capitals. With respect to the proportion of imports and exports created by foreign-funded enterprises to the whole provinces foreign trade value, it is clear that more than half of the foreign trade is created by foreign-funded enterprises in provinces such as Tianjin (73.69%), Jiangsu (55.39%), Shanghai (54.65%), Fujian (54.75%), and Guangdong (52.43%). This kind of trade in the coastal provinces occupies 96 percent

of total trade value created by all foreign-funded enterprises in China and accounts for 45 percent of the whole country's foreign trade value. It can be concluded that the foreign-funded enterprises in coastal regions serve as the bridge to integrate China's economy with the world system. China's first group of future international cities will certainly emerge from the eastern coastal region.

4. Which Cities in China will become International Cities?

As Friedmann and Wolff (1982) pointed out, for a world city, a more fundamental question is in what specific ways these urban regions are becoming integrated with the global



Source: Based on the data from China statistical yearbook, 1998, p.636.

Figure 4. The Proportion of Imports and Exports Created by Foreign-founded Enterprises to Its Region's Total Foreign Trade Value (1997)

system of economy relations. Two aspects need to be considered: 1 the form and strength of the city integration (e.g. to what extent it serves as a headquarters location for transnational corporations; the extent to which it has become a safe place for the investment of surplus capital, as in real estate; its importance as a producer of commodities for the world market ; its role as an ideological center; or its relative strength as a world market); 2 the spatial dominance assigned by capital to the city (e.g. whether its financial and/or market control is primarily global in scope, or whether it is less than global,

extending over a multinational region of the world, or articulating a national economy with the world system.. Friedmann has once pointed out in his thesis that , the question is an empirical one: how and to what extent are China's major cities tied into the international capitalist economy and therefore subject to its influence? Only further research can provide answers to this question. Although the relevant data fully fit for Friedmann's indexes could not be found now, some similar indexes are already enough to be used for judging which cities in China will firstly become international cities.

1) The distribution of the 500 largest foreign-funded industrial corporations in Chinese cities

China's 500 largest foreign-funded industrial corporations in 1995 locating in eastern, middle and western region are 443, 46 and 11 respectively. The cities where these corporations chose to locate reflects a certain degree of its

relationship to the world capital market and commodity production market. Shanghai takes the first place (69 corporations), then Tianjin (35), Guangzhou (26), Beijing (23), Shenzhen (23) follow. It is noted that the first 23 cities gather in coastal regions such as Pearl River Delta, Yangtze Delta, Beijing-Tianjin, Fujian, Shandong and Liaoning etc.

Table 5. The Distribution of the 500 Largest Foreign-funded Industrial Corporations in Chinese Cities (1995)

Rank	City	Number	Rank	City	Number	Rank	City	Number
1	Shanghai	69	9	Xiamen	14	17	Jiangmen	10
2	Tianjin	35	10	Fuzhou	13	18	Zhongshan	7
3	Guangzhou	26	11	Dalian	12	19	Zhaoqin	7
4	Beijing	23	12	Hangzhou	12	20	Qingdao	7
5	Shenzhen	23	13	Shuzhou	12	21	Nanjing	6
6	Zhuhai	20	14	Nantong	10	22	Weihai	5
7	Foshan	18	15	Dongguan	10	23	Shantou	4
8	Wuxi	16	16	Huizhou	10	24	Loyang	4

Source : Compiled by the Foreign Capital Department of the Ministry of Foreign Economic Relations and Trade / International Commercial Newspaper (1996), The 500 largest foreign-funded industrial corporations in China Beijing: the Publishing House of Economic Daily.

2) The Distribution of the 500 Corporations with the Largest Imports and Exports in Chinese Cities

The 500 corporations with the largest imports and exports in 1995 have the closest relationship with the world market. They also have the best prospect of growing up into transnational corporations. Table 6, summarizing the distribution of the headquarters of these corporations,

shows Beijing (73), Shanghai (44), and Guangzhou (41) in the top three. The numbers in eastern, middle and western region are 389, 74 and 32 respectively (five corporations data are missed).

3) The Distribution of Foreign Telecom Companies and Foreign Computer Companies Setting Offices in Chinese Cities

It is reported, 151 among the 500

Table 6. The Distribution of the 500 Largest Imports and Exports Value Corporations in Chinese Cities (1995)

Rank	City	Number	Rank	City	Number	Rank	City	Number
1	Beijing	73	9	Ningbo	14	17	Chengdu	8
2	Shanghai	44	10	Changsha	13	18	Harbin	7
3	Guangzhou	41	11	Fuzhou	12	19	Chongqing	7
4	Qingdao	23	12	Wuhan	10	20	Nanjing	7
5	Nanjing	20	13	Hefei	10	21	Suzhou	7
6	Hangzhou	20	14	Shenzhen	9	22	Shantou	6
7	Dalian	19	15	Shijiazhuang	9	23	Kunming	6
8	Tianjin	14	16	Xiamen	9	24	Changchun	6

Source : Compiled by the Foreign Capital Department of the Ministry of Foreign Economic Relations and Trade / International Commercial Newspaper (1996), The 500 largest foreign-funded industrial corporations in China Beijing; the Publishing House of Economic Daily

largest transnational corporations in the world have invested and set up factories in Beijing by the end of 1998 (Beijing Youth Daily, Feb.4, 1999). In the first half year of 1998, the headquarter of Northern Asian Center of Motorola Company was established in Beijing. Chevron, one of the ten largest oil enterprises moved its Asian Headquarter from California to Beijing at the beginning of 1999. Beijing government has given various policies to encourage transnational corporations to set up their regional headquarters

in Beijing (Beijing Youth Daily, March.15, 1999). Similar reports can often be found in Shanghai and Guangdong. It is an obvious trend that more and more transnational corporations come to China to expand their business. From the distribution of the location of those transnational corporations, we may have a general idea about how China's urban system has been related to the world economic globalization.

Table 7. Distribution of Foreign Telecom Companies Setting Offices in China

Enterprise Number	Office Number in							
	Beijing	Shanghai	Guangzhou	Tianjin	Nanjing	Shenzhen	Chendu	Shenyang
52	43	9	4	1	2	1	1	1
	Xian	Harbin	Zhuhai	Taicang	Total			
	1	1	1	1	66			

Source: <http://www.itc.com.cn/foreign/telecominChina/telecom.htm>

Table 8. Distribution of Foreign Computer Companies Setting Offices in China

Country	Enterprise Number	Office Number in								
		Beijing	Shanghai	Guangzhou	Tianjin	Shenzhen	Fuzhou	Chendu	Shenyang	Haikou
Australia	4	4								
Canada	6	6								
France	5	5	1			1				
Germany	4	2	3				1			1
Italy	1	1								
Japan	9	9								
U. S. A.	51	35	14	18	2	5		8	2	
Total	80	62	18	18	2	6	1	8	2	1

Source: <http://www.itc.com.cn/foreign/software/computer-list.htm>

4) The Distribution of Foreign-funded Financial Institutions in China

In the process of establishing international cities, advanced financial system is a decisive link. In order to promote the openness of finance actively and safely, in 1999, the president of the Peoples Bank of China announced to cancel the restriction on regions where foreign-funded banks can set up their business branches. It is also guaranteed continuous perfection of regulations on foreign-funded banks to manage Chinese Yuan (RMB). By the end of 1997, there have been 731 foreign-funded financial institutions (representatives and branches) locating in 29 cities (Table 9). Among them, 700 are in eastern coastal regions. Beijing (243) and Shanghai (215) host 63 percent. The next two are Guangzhou (61) and Shenzhen (54).

Table 7, Table 8 and Table 9 unanimously show that Beijing has the strongest attraction on foreign-funded companies and banks, which justify that international economic activities has the trend of gathering toward the political center in developing countries (Browning, 1958, Friedmann, 1978) .

5) Cities that Actually Used Most Foreign Capitals

China has already become the second largest country in the world that absorbs foreign capitals for several years. Table 10 lists the cities that actually used most foreign capital from 1985 to 1996, which means that those cities are the safest places for international surplus capitals to invest. Shanghai, Shenzhen, Tianjin, Beijing, Guangzhou rank in the top.

Table 9. Distribution of Foreign Financial Institutes
(Representatives and Branches) in China(1997)

Country	Beijing	Shanghai	Guangzhou	Shenzhen	Dalian	Tianjin	Xiamen	Chendu	Qingdao	Fuzhou	Wuhan	Shenyang	Ningbo	Zhuhai	Chongqing	Others	Total
Japan	38	53	13	9	17	7	1	2	2	1	4	1	0	0	1	6	155
Hong Kong	17	23	7	21	2	2	4	0	2	5	1	1	0	1	2	5	93
U. S. A.	39	30	9	3	1	3	3	0	0	0	0	0	1	0	1	0	90
U. K.	21	21	6	4	3	3	2	3	2	0	1	1	1	1	0	5	74
France	12	8	5	5	2	3	1	1	0	0	2	0	0	0	0	0	39
Korea Rep.	11	13	0	0	1	4	0	0	1	0	0	1	0	0	0	0	31
Germany	13	13	3	1	0	0	0	0	0	0	0	0	0	0	0	0	30
Netherlands	6	7	2	2	1	1	1	0	0	0	1	1	0	0	0	1	23
Thailand	5	5	1	1	0	0	1	1	0	0	0	0	0	0	0	8	22
Switzerland	9	6	3	0	0	1	0	0	0	0	0	0	1	0	0	1	21
Singapore	7	4	1	1	0	1	2	2	1	1	0	0	0	0	0	0	20
Australia	9	4	3	0	0	0	0	1	0	0	0	0	0	0	0	0	17
Canada	8	2	4	1	0	0	0	1	0	0	0	0	0	0	1	0	17
Others	48	26	4	6	0	0	4	0	1	2	0	0	2	3	0	3	99
Total	243	215	61	54	27	25	19	11	9	9	9	5	5	5	5	29	731

Source: Based on China Financial Yearbook 1998 P.746-777

Table 10. Amount of Foreign Capital Actually Used by City (1985-1996)
(Million US\$)

Rank	City	Amount	Rank	City	Amount	Rank	City	Amount
1	Shanghai	26,052	9	Dongguan	3,898	17	Foshan	2,357
2	Shenzhen	10,654	10	Shenyang	3,436	18	Huizhou	2,221
3	Tianjin	9,265	11	Shuzhou	3,258	19	Zhongshan	2,218
4	Beijing	7,920	12	Zhuhai	3,214	20	Chongqing	2,171
5	Guangzhou	7,655	13	Haikou	3,150	21	Daqing	1,938
6	Xiamen	6,156	14	Fuzhou	3,005	22	Wuxi	1,914
7	Dalian	5,699	15	Wuhan	2,935	23	Yantai	1,855
8	Suzhou	3,938	16	Qingdao	2,692	24	Nanjing	1,855

Source: Based on the data from Urban Statistical Yearbook of China 1985-1997

6) Cities with the Largest Amount of International Flight and Foreign Tourists

International airlines link global urban system as a network and play an important role in personnel exchange. International cities are the

hinges of the network. Table 11 lists the ten cities with the largest amount of international airlines. It is obvious that Beijing and Shanghai not only have the most frequented but also most worldwide contact with the world. Guangzhou and Xiamen are primarily contact with Southeastern

Asia and Japan, Dalian and Qingdao with Northeastern Asia, Shenyang and Tianjin with Northeastern Asia and Russia, Kunming with Southeastern Asia, and Xian with Japan.

Table 12 shows the cities with the largest amount of foreign tourists (not

including those from Hong kong, Macao, and Taiwan), which, from another perspective, reflects the degree of openness to the world. Furthermore, foreign tourists coming to China are now increasing in high speed, with Beijing and Shanghai in the top.

Table 11. The Number of International Flights Taking off from Chinas Main Cities Per Week and Their Main Directions

City	Number of flight	Main contact cities
Beijing	361	*Seoul 25, *Sincapore23, *Osaka24, *Los Angeles21, *San Francisco17, *Frankfurt15, *Tokyo14, *Bangkok14, *Sydney13, *New York10, *Paris 9, *Vancouver 9, *London 8, Moscow 8
Shanghai	290	*Osaka46, *Los Angeles23, *Tokyo22, *San Francisco17, *Sincapore16, *Seoul14, *Sydney14, *New York11, Nagoya11, Fukuoka 11, *Frankfurt 10, *Bangkok 10, *Paris 8
Guangzhou	73	Kuala Lumpur 12, *Singapore 10, *Bangkok 8, Jakarta 6, *Osaka 5, Ho Chi Minh City 5, *Los Angeles 4, *Amsterdam3
Dalian	40	*Osaka 14, Fukuoka 8, *Tokyo7, *Seoul 4
Qingdao	40	*Osaka 19,*Seoul 14, *Singapore 2, Macao2
Xiamen	34	Macao14, *Singapore 9, *Manila 8, Kuala Lumpur2
Shenyang	28	*Seoul 11, Irkutsk 8, *Osaka 2, Moscow 2
Kunming	28	*Bangkok 13, *Singapore 6, Rangoon 2
Tianjin	23	*Seoul 6, Novosibirsk 5, Nagoya3, Irkutsk 3
XiAn	22	Nagoya 9, Hiroshima 4, Fukuoka 3, Niigata 2

Source: Collect based on Statistical Data on Civil Aviation of China 1998, P.23 - 34, not including the flights from Chinas mainland to Hong Kong.

*World City designated by Friedmann (1986, 1998)

Table 12. Foreign Tourists by Major City Visited

10,000 person, times)

City	Total		City	Total		City	Total	
	1995	1990		1995	1990		1995	1990
1 Beijing	166.52	63.75	9 Suzhou	18.27	8.07	17 Zhuhai	9.01	1.08
2 Shanghai	107.54	46.06	10 Tianjin	16.27	3.55	18 Shenyang	8.67	2.63
3 Guangzhou	48.96	32.45	11 Qingdao	13.02	2.23	19 Chongqing	8.49	1.87
4 XiAn	38.32	15.40	12 Nanjing	12.77	7.29	20 Chengdu	7.73	4.42
5 Shenzhen	35.32	9.32	13 Xiamen	11.49	4.17	21 Chengde	7.08	0.87
6 Kunming	30.46	4.98	14 Dalian	10.56	3.58	22 Shantou	5.82	5.88
7 Guilin	28.50	14.77	15 Wuxi	9.68	3.85	23 Urumqi	5.67	3.26
8 Hangzhou	24.94	8.66	16 Wuhan	9.68	2.29	24 Changsha	5.11	0.76

Source: China Statistic Yearbook 1996, P605.

Table 13. Imports and Exports Value of China's Main Customs and Their Main Contact Directions (1997)

(US\$ 100Million)

Customs	Total Imports and Exports	As % of Whole Country	Major Directions of Imports	Major Directions of Exports
Shanghai	586.82	18.05	Japan, E.E.M.U., North America	Japan, North America, E.E.M.U.
Shenzhen	564.13	17.36	Japan, Taiwan, Southeast Asia	Hong Kong, North America, E.E.M.U., Japan
Guangzhou	543.06	16.71	Taiwan, Japan, E.E.M.U., North America	Hong Kong, North America, E.E.M.U., Japan
Tianjin	214.03	6.58	Japan, North America, Korea, E.E.M.U.	Japan, E.E.M.U., North America, Korea,
Qingdao	207.32	6.41	Korea, North America, Japan	Japan, Korea, North America, E.E.M.U.
Dalian	170.16	5.23	Japan, North America, Korea, E.E.M.U.	Japan, Korea, E.E.M.U., North America
Shantou	134.54	4.14	Korea, Japan, Southeast Asia, Taiwan	Hong Kong
Nanjing	131.82	4.06	Japan, E.E.M.U., North America, Korea	Japan, E.E.M.U., North America, Hong Kong,
Xiamen	122.79	3.38	Taiwan, Korea, Japan, Southeast Asia, E.E.M.U.	Hong Kong, Japan, North America, E.E.M.U.
Gongbei	99.07	3.05	Japan, Hong Kong-Macao, Taiwan	Hong Kong, North America, Japan, E.E.M.U.

Sources: Data be collected from China Custom

7) Custom with Most Cargoes Imported and Exported

Ninety percent of imports and exports in the world are transported by sea. The rest are made up by airline and road. There are totally 40 bureau-level customs in China. Those cities where the customs locate can be generally regarded as the gateway cities where China make import and export trades with the world. Table 13 lists the 10 customs that have the biggest imports and exports.

To collect the indexes mentioned above (see Table 14), it is easy to find the top cities in China's urban system. Beijing, Shanghai, Guangzhou, whose internationalization degree is far higher than other cities in China, are ranked

in the first level. They are the key cities that have the greatest possibilities to become international cities in the most recent future. Shenzhen, Tianjin, Qingdao, Dalian, Nanjing are also the large cities with high internationalization degree.

5. Some Spatial Relationship of the Formation of China's International Cities

Friedmann has discussed the spatial dynamics of world city formation in the Asia-Pacific Region (Friedmann, 1998). The four main characters that he mentioned, influencing the future of world cities exist more or less in China. I want to make a simple explanation on some spatial relationship that China's international cities will form.

Table 14. The Collection of Internationalization Indexes of Some Cities

Appraisal index	Cites in the top six
Foreign-funded industrial enterprises	1 Shanghai, 2 Tianjin, 3 Guangzhou, 4 Beijing, 5 Shenzhen, 6 Zhuhai
Enterprises with largest import and export value	1 Beijing, 2 Shanghai, 3 Guangzhou, 4 Qingdao, 5 Nanjing, 6 Hangzhou
Offices of foreign-funded telecom enterprises	1 Beijing, 2 Shanghai, 3 Guangzhou, 4 Nanjing
Offices of foreign-funded computer enterprises	1 Beijing, 2 Shanghai, 3 Guangzhou, 4 Chendu, 5 Shenzhen
Foreign-funded financial institutions	1 Beijing, 2 Shanghai, 3 Guangzhou, 4 Shenzhen, 5 Dalian, 6 Tianjin
Foreign capital Actually used	1 Shanghai, 2 Shenzhen, 3 Tianjin, 4 Beijing, 5 Guangzhou, 6 Qingdao,
International flights	1 Beijing, 2 Shanghai, 3 Guangzhou, 4 Dalian, 5 Qingdao, 6 Xiamen
Foreign travelers	1 Beijing, 2 Shanghai, 3 Guangzhou, 4 XiAn, 5 Shenzhen, 6 Kunming
imports and exports through custom	1 Shanghai, 2 Shenzhen, 3 Guangzhou, 4 Tianjin, 5 Qingdao, 6 Dalian,

1) The China's International Cities Cannot Form without the Surrounding Metropolitan Interlocking Region

The concept of Metropolitan Interlocking Region (MIR) was firstly put forward by the author (Zhou, 1986) while discussing the concept of urban in China and the statistic standards of urban population in 1986. While discussing Desakota Region, which was advanced by McGee in the international conferences in Hawaii in 1988, I further clarified the basic conditions for Hong Kong - Guangzhou - Macao in the Pearl River Delta, Nanjing - Shanghai - Hangzhou in the Yangtze Delta, Beijing - Tianjin - Tangshan region, Shenyang - Dalian in central and southern Liaoning Province to form the MIR (Zhou, 1991). From 1994 to 1996 Chinas urban geographers simultaneously studied these four regions after basically establishing the statistic standards of Chinas metropolitan

areas. The conclusions of the studies are:

(i) The MIR is Chinas core economic area and is equivalent to the Megalopolis with Chinese characters. The five conditions it must process are 1) there are two or more especially large cities with the population of over one million as growth poles and at least one of them has a relatively high opening-up degree with the main characters of international cities. 2) There are large seaports with handled freight over 100 million tons per year and international airports. 3) There is a development corridor formed by various modern transportation methods; the growth poles at various levels in the region must have convenient road communications with the passage. 4) There are a lot of middle and small cities in the region and metropolitan areas are connected by the development corridor with the total population of 25 million and

population density up to 700 persons per square kilometer. 5) There are close social and economic interactions between each metropolitan area, central cities and outlying counties that combine the Metropolitan Interlocking Region.

(ii) In the Pearl River Delta and Yangtze Delta of the southern China, metropolitan areas are already mature. They are connected by each other and combine the spatial formation of enormous scale MIR. However, in the Beijing - Tianjin - Tangshan region and in the Shenyang - Dalian region of Liaoning Province, metropolitan areas have not well developed yet and the collection among them is rather weak. Pearl River Delta including Hong Kong and Macao is the MIR with the highest economic development level at present in China. Yangtze Delta is the largest MIR in China. Beijing - Tianjin - Tangshan Region and Shenyang - Dalian Region own the basic conditions to develop the MIR and is now in the process of formation.

Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Dalian, Nanjing mentioned above are all the core cities or the second or third important cities in the MIR. Therefore, future international cities in China will be urban agglomerations represented by core metropolises in the MIR, somewhat similar with Rhine-Ruhr and Randstad.

2) China's International City will Form Basically in the Order from South to North.

Guangzhou is the only foreign trading port that has kept being prosperous for 2000 years (Li and Xu, 1994). As the primate city in the south of China, it has never been challenged. Before the reform and opening-up, China's foreign trade volume is very small, but Guangzhou was the important economic gateway for China. After the reform and opening-up, Shenzhen was specified as Special Economic Zone. With the political nature of the border between Hong Kong and Shenzhen changing from hostile to friendly, Shenzhen becomes the largest gateway city that established the economic relationship between China and Hong Kong as well as other countries in the world and replaced Guangzhou's international functions. After Hong Kong returned to China in 1997, Hong Kong actually has become the largest gateway city in Chinese economic system. The international functions of Shenzhen and Guangzhou will be somewhat weakened (Zhou, 1998). In the future, with Hong Kong's build-up area developing towards Shenzhen and the supplementary relationship between Hong Kong and Shenzhen being strengthened, Shenzhen will become a component of Hong Kong's urban area. Furthermore, 90 percent of cargo exported from

Guangzhou and Shenzhen is from Guangdong and its largest export direction is Hong Kong. With the existence of these spatial relationships, Guangzhou and Shenzhen will not become international cities independently. They must seek support from Hong Kong to go to the world. Hong Kong - Guangzhou - Shenzhen should realize the supplement of advantages between each other. It is also applicable to add other cities in Pearl River Delta such as Macao and Zhuhai. The influence of this area will far exceed that of present Hong Kong.

3) Shanghai Should Correctly Deal with the Cooperation and Competition with Hong Kong when Becoming International City

Shanghai was the financial center of the Far East before the second world war and had a splendid history of being the third largest financial center in the world (Hu, 1996; Pang, 1996). After that, Shanghai did not catch up with the developing pace of the world and lagged far behind. Since 1990, with the development of Pudong New Region as the turning point, Shanghai has begun its process of becoming international city again and has made the strategic target of building one of international economic, financial and trading centers and becoming an international economic central city (Shanghai City, 1995). Facing the

severe challenges from international cities of the Far East such as Tokyo, Seoul, Singapore, Hong Kong and Taipei etc, Shanghai's developing space is very limited. From my point of view, the first challenge is not from abroad, but from Hong Kong. There is a large gap in the economic level between Shanghai and Hong Kong (Yao, 1995; Deng and Jiang 1998). In 1997 Hong Kong's economic scale (164.4 billion dollars) is 16 percent of that of mainland, and is 3.3 times as much as that of Shanghai (49.5 billion dollars). GNP per capita of Hong Kong (25280 dollars) is 7.6 times as much as that of Shanghai (3322 dollars). Bank saving and loan value of Hong Kong (770 billion dollars) is ten times as much as that of Shanghai (77.2 billion dollars). The two cities also have a larger difference on cargo and traveler transportation through air and containerized transportation through sea. Supported by its unique advantages of macroeconomic location, Shanghai certainly has a higher economic growth rate and a higher opening-up speed than Hong Kong under the condition of continuing reform and opening-up. If the development speed of the whole country is low, the rapid increase of Shanghai must restrict Hong Kong's development because they both have the same hinterland. None of us want to see the decrease of Hong Kong's position. In order to keep the

continuous prosper of Hong Kong, and at the same time, not to

4) Beijing's Becoming International Cities is Largely Dependent on Taking the Advantages of Cooperating with Tianjin.

There are many advantages for Beijing to build international cities: Beijing is the political and cultural center of the country and is also the center of Chinese culture in the world. It owns good international functions on multinational political affairs and business in the Asia-Pacific Region. It is the largest international tourism center in China. It is also the city with the densest education, scientific technology and talents in China and has a great potential of developing high technological industries. But there are still many factors that impede Beijing to become an international city--relatively low comprehensive economic power, infrastructure far behind the need, scarce water resource, bad urban environmental quality, not having seacoast and lack of large volume sea transportation conditions.

Before 1980s under planned economy system, Beijing developed unusually. Its overall economic power is stronger than Tianjin and became China's second largest industrial city and economic center. After 1980s, under market economy system, Tianjin's

location and resource advantages are fully played. In a short period of time, Tianjin's many indexes such as gross industrial output, industrial benefits, actually used foreign capital, and foreign-funded industrial enterprises exceed Beijing. Tianjin has historically been Beijing's outside port and the economic center in the North China. It is very explicit that each city has its unique urban functions. At present, Tianjin's seaport, gateway location in the North and Northwest China, cheap land and sea coast, long history of industrial and commercial tradition are just what Beijing lacks to develop international cities. Only when Beijing and Tianjin realize the importance of coordination and mutually forge ahead towards international cities is it possible to accomplish their own development goals.

5) It will be a Long Time for Shenyang and Dalian to Jointly Build International Cities

The middle southern area of Liaoning province is the metropolitan interlocking region in the most north China. Its present development has a relatively grim situation. Although Dalian is very outstanding in urban construction and opening-up, its urban overall scale and power is relatively small. Furthermore, the industrial structure transformation of heavy industries and the systematic

transformation of state owned large and middle enterprises are very strenuous within Dalian and its economic hinterland. The spatial relationship between Shenyang and Dalian is somewhat like Beijing and Tianjin. It is necessary for the two cities to realize the mutual benefit on urban functions and to make joint efforts towards international cities. But the distance between Shenyang and Dalian is 375 kilometers which is over two times the distance between Beijing and Tangu Port in Tianjin. Therefore it is more difficult for Shenyang and Dalian to jointly play the whole functions of international cities.

6. Conclusions

Chinas reform and open-up policies will definitely not changed. The trend of strengthening economic power and bettering the peoples living conditions will not reverse. Under the impetus of economic globalization, it should not be a long time for several cities or several MIRs in Chinas eastern coastal areas to become international cities. It is estimated that their formation order shall be Hong Kong-Shenzhen-Guangzhou (Pearl River Delta), Shanghai (Yangtze Delta), Beijing-Tianjin, and perhaps the next one is Dalian-Shenyang.

Although the suggestion of building Chinas international cities or even

world cities is an exciting slogan with positive effect, an international city is not formed artificially but forms spontaneously driven by social and economic forces. Its formation not only faces competitions from other international cities around it, but also need to be recognized by international society (Xu, 1995). For China, the most important things are to deal well with the relationship between reform, development and stabilization, and keep the rapid growth of social economy; to solve as soon as possible the system reform problem of state-owned enterprises; to build Chinas own transnational corporations and get into the world market; to upgrade the technological level and add value of export commodity; to continue opening-up and reform and strive for more investment from the developed countries in higher technological level; to greatly improve urban environmental quality and investment environment; to speed up the political system reform, punish corruption, and improve legal system; to better soft environment while improving hard environment.

Notes

- 1) Those cities that have aimed international cities as their developing targets include Shanghai, Beijing, Tianjin, Guangzhou, Dalian, Wuhan, Shenzhen (becoming comprehensive international cities), Qingdao, Haerbin, Changchun, Changsha, Nanjing, Fuzhou, Haikou (becoming economic international cities); Ningbo, Yantai, Xiamen, Xian, Sanya,

- Manzhouli, Heihe (becoming special international cities). Besides, there are others like Zhanjiang, Beihai, Zhuhai, Suzhou etc.
- 2) If using the proportion of imports and exports to GDP to express a country's degree of economic openness, China is higher than some developed countries such as the United States and Germany, which shows that this index isn't very representative. Qu Xiaosu (1997) suggested fully considerations of the value of commodity imported and exported, the value of services imported and exported, and long-term capital flow-out and flow-in to count a country's economic open degree. The format is: $(R1 \times 1/2a + R2 \times 1/2b + R3 \times 1/2c) / GDP$ where a, b, c are the values of imported and exported commodity, the value of imported and exported services, long-term capital flow-out and flow-in respectively. R1, R2, R3, are the proportion of $1/2a, 1/2b, 1/2c$ to $(1/2a + 1/2b + 1/2c)$ respectively. The calculation results show the economic open degree of China in 1993 is 19.48% and that of the U. S. is 33.33%.
- 3) Concerning China's regional inequality, I agree with Yehua Wei's opinion: inter-regional inequality rose during both Maos era and the reform period; inter-provincial inequality, however, rose during Maos era but decreased during the reform. Period.

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ABSTRACT

Since 1980's, there have been two trends that obviously developed in the world – economics globalization and urban internationalization. China, with its reform and opening-up policy and rapid economic growth, keeps pace with these two trends.

The term "International City" has no putative standard or definition. If we make an analogue of urban functional hierarchy in the world with a pyramid, the International Cities are the few elites on its top. The highest level international cities can be called "World City" or "Global City". In today's new international division of labor, they are diversified leading cities with control capacity on a world scale, like New York, London, and Tokyo. The secondary international cities are either diversified cities with influence and regulative functions on multinational scale or specialized cities on politics, economics, culture, or other aspects with worldwide impact. Judged by different criteria, there is no city that is qualified as International City with the exception of Hong Kong, which was returned to the P. R. of China in 1997.

Nevertheless, Some favorable conditions for the development of the international city still exist in China. This country is already the sixth largest economic entity in the world, and the second largest one if GNP estimated by ppp. Furthermore its import and export value make up for 40% of its GNP, indicating that China is rapidly merging into global economy. In this 1.2 billion-population country, the difference of economic levels between urban and rural, coastal and inland regions is so big that a few metropolises in the coastal region have the possibilities and potentials to develop into international cities regardless of rather low GNP per capita of the whole country.

This article will focus on analysis from several perspectives, such as the proportion of foreign trade value in GDP; the proportion of imports and

exports by foreign funded enterprises in total foreign trade value; distribution of the 500 largest foreign-funded enterprises; distribution of the 500 enterprises with largest import and export value; distribution of foreign computer and telecom companies with offices in China; the number of outward flights per week and the international tourists; the value of foreign capital used in cities and so on.

From this analysis, it is predicted that Chinese international cities will surely emerge from the eastern coastal regions and they must be the core cities of metropolitan interlocking regions that have been formed or in the process of forming. Those international cities will arise from south to north in turn : Hong Kong-Guangzhou, Shanghai, Beijing-Tianjin, and perhaps the last one is Dalian-Shenyang. The other side of this issue is that there is a long way for the coming international cities in China except Hong Kong. At least China and these core cities must continually devote to (1) improve the regional composition of foreign capital sources. (2) improve the composition of export commodities. (3) improve the investment environment (including hard and soft environment) to attract more transnational corporations to settle. (4) deepen the reform of state-owned enterprises and establish Chinese own transnational corporations to enter the world market.