The current situation & prospect of urbanization in China

Shi Yulong
shiyl@cei.gov.cn

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Outlines

1. The Current Situation of Urbanization in China
2. The Challenges of Urbanization in the Near Future
3. The China-EU Partnership on Urbanization
4. Main fields for China-EU Partnership on Urbanization
1. The Current Situation of Urbanization in China

1.1 There are more than half Chinese people live in urban area and the urbanization rate has caught the world average level.

Proportions of urban and rural population in China (1950-2050)
Source: UN, Dept. of Economic and Social Affairs, Population Division: *World Urbanization Prospects*, The 2011 Revision. Note: the data from national bureau of statistics of China was 49.95 in 2010.

中国用60年时间将城镇化率由10%提高到50%，同样的转变，在欧洲用了150年，在拉丁美洲和加勒比地区则用了210年。
图2 世界典型国家的城镇化历程

England: 1850    Germany: 1892    France: 1931
U.S: 1918    Mexico: 1959    Brazil: 1965
Japan: 1968    Korea: 1977
### Urbanization in Europe and Asia (1500-1890)

<table>
<thead>
<tr>
<th>Year</th>
<th>1500</th>
<th>1600</th>
<th>1700</th>
<th>1800</th>
<th>1890</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>21.1</td>
<td>18.8</td>
<td>23.9</td>
<td>18.9</td>
<td>34.5</td>
</tr>
<tr>
<td>France</td>
<td>4.2</td>
<td>5.9</td>
<td>9.2</td>
<td>8.8</td>
<td>25.9</td>
</tr>
<tr>
<td>Germany</td>
<td>3.2</td>
<td>4.1</td>
<td>4.8</td>
<td>5.5</td>
<td>28.2</td>
</tr>
<tr>
<td>Italy</td>
<td>14.9</td>
<td>16.8</td>
<td>14.7</td>
<td>18.3</td>
<td>21.2</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>15.8</td>
<td>24.3</td>
<td>33.6</td>
<td>28.8</td>
<td>33.4</td>
</tr>
<tr>
<td>England and Wales</td>
<td>3.1</td>
<td>5.8</td>
<td>13.3</td>
<td>20.3</td>
<td>61.9</td>
</tr>
<tr>
<td>Scotland</td>
<td>1.6</td>
<td>3</td>
<td>5.3</td>
<td>17.3</td>
<td>50.3</td>
</tr>
<tr>
<td>West Europe</td>
<td>6.1</td>
<td>7.8</td>
<td>9.9</td>
<td>10.6</td>
<td>31.3</td>
</tr>
<tr>
<td>Spain</td>
<td>3</td>
<td>14.1</td>
<td>11.5</td>
<td>8.7</td>
<td>12.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>6.1</td>
<td>11.4</td>
<td>9</td>
<td>11.1</td>
<td>26.8</td>
</tr>
<tr>
<td>China</td>
<td>3.8</td>
<td>4</td>
<td></td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Japan</td>
<td>2.9</td>
<td>4.4</td>
<td>12.3</td>
<td>16</td>
<td></td>
</tr>
</tbody>
</table>

1.2 The growth rate is relatively high in the past 3 decades since 1980’s and become more and more fast.

- 1978-2013: 1.02/per year
- 1995-2013: 1.37/per year
- 2005-2010: 1.39/per year
Average annual growth rate of the urban population of China (1950-2014)
1. The Current Situation of Urbanization in China

1.3 Chinese urban population will increased 100 million by 2020.

The National New-type Urbanization Plan (2014-2020)

-- By 2020,

Permanent urban residents should reach 60 percent of the populace, while three quarters of those residents will have hukou.

100 million migrant workers and other permanent urban residents should get city "hukou" (household registration).

Regular railways will connect all cities with more than 200,000 residents, and high-speed rail will connect those with above 500,000 residents.

Expressways will link cities with over 200,000 residents.

Civil aviation services will cover about 90 percent of China's population.
Urban and rural population in China

300 million will be added to China’s urban population by 2025—more than the population of today’s United States.

1 billion people who will live in China’s cities by 2030.

221 Chinese cities will have 1 million+ people living in them —— Europe has 35 today.
1. The Current Situation of Urbanization in China

1.4 China’s urbanization is becoming one of the hottest topics globally.
2. The Main Challenges of Urbanization in the Near Future

2.1 Urbanization of Migrant Workers

Migrant workers moving to cities make up 11.6% of entire population.

Left: No. of migrant workers moving to the cities in 2011 (10 thousand)

Right: No. of people moving between cities in 2010 (10 thousand)

2011年外出农民工和2010年城镇间流动人口
2. The Main Challenges of Urbanization in the Near Future

2.2 Tremendous demand of urban infrastructure.

5 billion square meters of road will be paved.

170 mass transit systems could be built.

40 billion square meters of floor space will be built — in 5 million buildings.

50,000 of these buildings could be skyscrapers — the equivalent to constructing up to 10 New York cities.
2. The Main Challenges of Urbanization in the Near Future

2.3 Sustainability of local fiscal system

<table>
<thead>
<tr>
<th>Year</th>
<th>Central Revenue</th>
<th>Central Expenditure</th>
<th>Local Revenue</th>
<th>Local Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>22</td>
<td>28.3</td>
<td>78</td>
<td>71.7</td>
</tr>
<tr>
<td>2010</td>
<td>51.1</td>
<td>17.8</td>
<td>82.2</td>
<td>48.9</td>
</tr>
</tbody>
</table>

[Image: Graph showing revenue and expenditure for Central and Local fiscal systems over the years 1993 and 2010.]
2. The Main Challenges of Urbanization in the Near Future

2.4 Urban ecological and environmental protection and security
2. The Main Challenges of Urbanization in the Near Future

2.5 Urban governance
3. The China-EU Partnership on Urbanization

3.1 Vice-Premier Li Keqiang speaking at High-Level Conference on EU-China Urbanization Partnership, May 3, 2012 Brussels.
3. The China-EU Partnership on Urbanization

3.2 Joint Declaration on EU-China Urbanization Partnership

1. Both sides affirm their commitment to the Commondale of the 14th EU-China Summit and joint Partnership while implementing China’s "13th Five-Year Plan".

2. The European Side appoints Directorate-General I (DG ENER) and the Chinese side appoints the Ministry of Housing and Urban-Rural Development (MOHURD) in coordination of the Partnership.

3. In support of the EU-China Summit, an annual EU-China forum to attend the country and the Joint Declaration on EU-China Urbanization Partnership will be held on both sides.

4. The Partnership is aimed at tackling challenges between stakeholders at all appropriate levels, including industry, environment, and policies relevant to the fields involved.

5. The Partnership encourages governments and businesses on both sides to provide financial, technical, and personnel support for relevant initiatives, promote multi-determined and cooperative approach.

6. The Partnership will give priority to actions undertaken by EU Member States in the field of urbanization in China and actions undertaken by China in the field of urban development in EU Member States. The initiatives adopted by both parties to feed into the Partnership shall constitute a major contribution to the smooth development of EU-China urbanization cooperation.

FOR THE EUROPEAN UNION

FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

Jose Manuel BARROSO
President of the European Commission

LI Keqiang
Vice-Premier of the State Council

[Signature]

[Signature]
3. The China-EU Partnership on Urbanization

3.3 The Partnership will highlight, inter alia, the following subjects:

1) Strategies and policies relevant to the development of urbanisation;
2) Spatial distribution of urbanisation;
3) Sustainable development of urban industrial economy;
4) Urban public services system;
5) Urban infrastructure investment and financing mechanisms;
6) Urban housing supply system and patterns;
7) Urban energy supply and demand management;
8) Urban mobility, public transport and smart transport;
9) Urban green buildings;
10) Urban ecological protection, environmental protection and treatment;
11) Protection of urban historical and cultural features and formation of urban landscape;
12) Urban governance;
13) Urban-rural integrated development;
14) Exchanges and discussions as well as personnel training on urbanisation development;
4. Main fields for China-EU Partnership on Urbanization

4.1 The “good practices” of Europe in the process of urbanization is more valuable and suitable for China, because of the national circumstances based on the resource conditions.
4. Main fields for China-EU Partnership on Urbanization

4.2 The urbanization in China is at the turning point and the cooperation in this area will make great contribution to the global sustainable development.

As the global economic environment has changed greatly since the financial crisis occurred in 2008, the fast urbanization development mode of China which driven by the large-scale supply of cheap surplus labor forces from rural areas, extensive consumption of land resources and the lower cost as a result of the non-equal public service will become unsustainable, it is inevitable that there is no other choice except on the way of sustainable development.
4. Main fields for China-EU Partnership on Urbanization

4.3 There are many successful cases of cooperation in urbanization in past years, the new cooperation will be a great opportunity for business of Europe.

——EU-China Mayors’ Forum
——EC-Link Project 中欧低碳生态城市平台项目
——EU-China emission trading scheme
——EU-China social Protection Reform Project
——EU-China Disaster risk management Project
——Satellite Cities and Metropolitan Governance Project

Sino-Germany industrial service Area (26KM², cooperated with German Fraunhof Association, German medium and small enterprises association, Italy industrial design association).
CASE: An EU-China Win-Win Business Opportunity——Eurumqi Demo Zone

The EURUMQI initiative (Energy & Urban Regeneration Using Methods Quality & Innovation) is supporting the city of Urumqi in technological innovation, low carbon urban planning and circular economy via clean energy demo zone, introducing successful EU experience and technologies. Replication in other cities in Western China is also envisaged.

Fields for investment

Energy conservation and emission reductions
- Green buildings (refurbishment, new construction)
- Energy demand management in the industrial sector
- Innovative mobility solution

Circular economy
- Green ecological industrial parks
- Circular economy industrial parks
- Resources Utilization development model
4. Main fields for China-EU Partnership on Urbanization

4.4 The potential area for China-EU partnership on urbanization

-----innovative city
-----intelligent city
-----intensive city
-----human city
-----green city
-----urban finance.
-----urban-rural integration
-----community development and urban governance
Thanks for your attention!