

SWOT Analysis on Development of the City Cluster in Hebei Coastal Area

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Abstract

Hebei Province wants to become a strong economy among all the coastal provinces. And this needs Hebei Province to develop its city cluster in coastal area. SWOT method used here to analyze the strengths, weaknesses, opportunities and threats of the city cluster in Hebei coastal area means a lot for Hebei Province to find measures to improve its coastal economy.

Keywords: Hebei Province, Coastal area, City cluster, Analysis

The development of coastal city cluster is the foundation for the improvement of coastal economy. Also it's an important measure for Hebei Province to become the strong economy among all the coastal provinces. Hebei Province has 487-kilometer-long coast line as well as many harbors which are the foundation and power to develop the coastal city cluster. The development of city cluster in the Yangtze delta and the Zhujiang delta provide good lessons for Hebei Province. SWOT method was created by Andrews who was the professor of Harvard Business School—S for Strengths, W for Weaknesses, O for Opportunities, T for Threats. SWOT is used here to analyze the strengths, weaknesses, opportunities and threats of the city cluster in Hebei coastal area to find good measures to improve its coastal economy. The measures are: develop the three big cities (Qinhuangdao City, Tangshan City and Cangzhou City) as a foundation and optimize their economic structure so that their economy can get powerful; support the development of some counties and county-class cities to become the middle-scaled cities; push some well-developed towns to become the small scaled cities.

1. SWOT Analysis on Development of the City Cluster in Hebei Coastal Area

The city cluster in Hebei coastal area are concerned with Qinhuangdao City, Tangshan City and Cangzhou City as well as 6 county-class cities and 120 towns. And Qinhuangdao City, Tangshan City and Cangzhou City will be the center of this city cluster. While the county-class cities and towns will be the foundation. This city cluster covering 35317 square meters includes 3 big cities, 6 county-class cities, 19 counties and 220 towns with the population of 17,120,000 totally. (Note 1)

1.1 Strengths of the city cluster in Hebei coastal area

1.1.1 Good location

Hebei coastal city cluster is located in Bohai Wan with many excellent harbors and fishery resources. East is the city cluster Of Western liaoning Province with Jinzhou Harbor and Dalian Harbo. The harbors provide convenient access on the sea for Hebei coastal city cluster. And the development of the city cluster in Western liaoning Province is good for Hebei coastal city cluster. North is Chengde City of Hebei Province and Neimenggu Autonomous Region with wide area and abundant natural resources, human resource and tourism resources which are also the good resources for the development of Hebei coastal city cluster. West is Beijing City and Tianjin City which are the most important cities in North China. The two cities are with many material resources, financial resources, science and technology resources and human resources which are the foundation stone providing talents and materials for Hebei coastal city cluster. Thereby the key for the development of Hebei coastal city cluster is the full use of the resources of Beijing City and Tianjin City. While the development of Chengde City, Baoding City, Langfang City, Hengshui City and Shijiazhuang City in Hebei Province will provide the engine for the economy of Hebei coastal city cluster.

1.1.2 Excellent Harbors

Hebei Province is a large-scaled coastal province with 487- kilometer coast line and excellent

harbors—Qinhuangdao Harbor, Caofeidian Harbor, Jingtang Harbor and Huanghua Harbor. And these harbors play a very important role in the transfer of China's coal from China's North to South as well as the transportation on the sea in China's North. Among these harbors Caofeidian Harbor is the best which can accommodate ships with 300,000 ton goods because it has very deep water.

1.1.3 Convenient transportation

Hebei Coastal City Cluster lies in the center of Bohai Sea Rim. Also it links the North and the Northeast of China. So its transportation is very convenient. And there are 7 railways including Beijing- Haerbin, Beijing—Qinhuangdao, Dalian—Qinhuangdao, Beijing—Shanghai, Beijing— Jiulong, Shuozhou—Huanghua. Also there are many highways and express ways, for example, Tangshan—Qinhuangdao Highway, Beijing—Tangshan Highway and Beijing—Shenyang Express way, Beijing—Shanghai Express way, Shijiazhuang—Huanghua Express way, Tangshan—Tianjin Express way, Tangshan—Chengde Express way. These railways, highways and express ways are linked together and make the transportation very convenient. With further development of transportation, Hebei Coastal City Cluster will arrive in Beijing and Tianjin in one hour—thereby called Within-one-hour Economic Rim.

1.1.4 Industry strength

The industrial structure of Hebei Coastal City Cluster are including steel, building material, energy, manufacturing and chemical industry. These five industries with good prospects are the cornerstone for the development strategy of Hebei Coastal City Cluster. For example the value that the steel industry makes is above 30% of total industrial added value. Also the harbors in Hebei Coastal City Cluster can house as many goods as 355,410,000 tons, for example, 338,050,000 tons in 2006. The value of these five industries is above 80% of total GDP in Hebei Coastal City Cluster. (Note 2)

The GDP of Hebei Coastal City Cluster in 2006 is RMB419, 600,000,000 which is 35.99% of Hebei Province. Among them Primary Industry makes value of RMB46,200,000,000 which is 11% of the total GDP of Hebei Coastal City Cluster and 28.75% of total value of Hebei's Primary Industry in 2006. Secondary Industry makes value of RMB226, 300,000,000 which is 54% of the total GDP of Hebei Coastal City Cluster and 37.01% of total value of Hebei's Secondary Industry in 2006. Tertiary Industry makes value of RMB147,100,000,000 which is 35% of the total GDP of Hebei Coastal City Cluster and 37.05% of total value of Hebei's Tertiary Industry in 2006. (Note 3)

1.2 Weaknesses of the city cluster in Hebei coastal area

1.2.1 Smaller city scale

The city cluster in Hebei coastal area are concerned with Qinhuangdao City ,Tangshan City and Cangzhou City as well as 6 county-class cities, 19 counties and 220 towns. And Qinhuangdao City ,Tangshan City and Cangzhou City are the center and the county-class cities are the second level while the counties and towns are the foundation for this city cluster system. These cities cover the key area in Hebei Coastal City Cluster. But their scale is very small. The county-class cities' ability to absorb population is very limited. And the urbanization rate is only 35% which is a little higher than the average level of 34% in Hebei Province. Also this urbanization rate is far behind Tianjin City, Liaoning Province and Shandong Province which share the same Bohai Wan. Tianjin's urbanization rate is 80%; Liaoning's is 46% and Shandong's is 46%. The population of Tangshan City is over 2,000,000 which is the largest city in Hebei Coastal city Cluster. The population of Qinhuangdao city is near to 800000 and Cangzhou City is over 500000 which are the larger cities there. As for the population of the six county-class cities, Renqiu City is the only one whose population is above 100000. The other five county-class cities 's population is 50000-100000. And the amount of towns in Hebei Coastal city cluster is as many as 220, but their scale is very small with average population of 6000. There is a strong relationship between the population scale and the industrial structure, government's revenue, land development as well as economic development. If the city scale is small, their economy development is influenced. And these cities will have difficulties to develop the industry and absorb the population. (Note 4)

1.2.2 The weakness of infrastructure

Beijing City and Tianjin City are housed by Hebei Province. While Sanhe County, Xianghe County and Dachang County of Langfang City in Hebei Province are housed by Beijing and Tianjin City. So the geographic location of Beijing City, Tianjin City and Hebei Province is integrated together. But their infrastructures are not integrated which quite affect the transportations network between these cities. While the transportation network in Yangtze River delta and Zhujiang delta is very successful. Because the convenient transportation links the cities and towns of all level within their region. As a result, the city cluster in Yangtze River delta and Zhujiang delta provide good

examples. But for Hebei Coastal City Cluster, the transfer of goods and population must go through Beijing City or Tianjin City which not only increase the transportation cost but also is not good to these cities themselves. The transportation network between cities in Hebei Coastal City Cluster is not convenient and can not get a direct access to each other. So the population and goods can not be freely transferred which is not good to the economy of Hebei Coastal City Cluster.

1.2.3 Development of the cities with harbor falls behind

The development of the cities with harbor falls behind. Qinhuangdao Harbor is ranked 6th concerning its ability to transfer goods but only 20th concerning the population and 18th concerning the economy. Jingtang Harbor and Caofeidian Harbor in Tangshan City can transfer as many goods as 50,000,000 tons in 2006. But both their population are not beyond 100,000. The goal of Huanghua Harbor is to improve its ability to transfer coals of 100,000,000 tons and other goods of 50,000,000 tons. But its population is only 480,000 in 2006. As a result these harbors have enough ability to transfer goods, but the city is too small to agglomerate industries. (Note 5)

1.3 Opportunities

1.3.1 Globalization

With globalization, the economy in the world becomes more and more close-related. And this provides opportunities for the development of Hebei Coastal City Cluster. Because the globalization will push all kinds of resources to flow in the world. And shipping is the most economic way to transfer goods. The transfer and move of the resources and goods in the world will be good to the development of harbors, then push the development of the cities with harbor, as a result the city cluster in Hebei Coastal Area will be well-developed.

1.3.2 Influence of Yangtze River Delta and Zhujiang Delta

The economy in Yangtze River Delta and Zhujiang Delta has been greatly improved because of the reform and opening policy. The development of the economy pushes the construction of cities with harbor. Thereby forms city cluster which provides talents and materials for the development of cities with harbor. Then the development of cities with harbor pushes the development of the city cluster. The city clusters in Yangtze River Delta and Zhujiang Delta are a good example for the development of Hebei Coastal City Cluster and will have a big effect on the construction of city cluster in Hebei Coastal Area.

1.3.3 Hebei government makes strategy on economy development

Hebei Government makes the strategy on the economy development. That is to push Hebei to become a strong economy among coastal provinces. And this strategy provides opportunities for the development of the cities with harbor in Hebei Coastal area. If Hebei wants to become a strong economy among coastal provinces, it is essential for the coastal cities to absorb industries, talents and capitals. At the same time the construction of coastal city cluster and cities with harbor provides a foundation for the agglomeration of industries, talents and capitals. In order to realize its aim, Hebei government makes many favorable measures to push the development of its coastal city cluster.

Also the central government makes very favorable policies for the coastal cities which will push the development of Hebei Coastal City Cluster.

1.4 Threats that Hebei Coastal City Cluster faces

1.4.1 The influence of the environmental policy

The central government makes many environmental policies to ask the enterprises to save energy, protect the environment and adjust their industrial structure. The policies bring much pressure to Hebei Coastal City Cluster.

1.4.2 Sharp competition between different areas

Beijing City and Tianjin City share the same Bohai Wan Rim with Hebei Coastal City Cluster. Their development will bring pressure for Hebei Coastal City Cluster. At the same time Liaoning coastal city cluster and Shandong coastal city cluster make a quick development. All of them have a sharp competition with Hebei Coastal City Cluster.

1.4.3 Their own position during development

Hebei Coastal City Cluster, Beijing City and Tianjin City are in the same economy rim. But Beijing and Tianjin are bigger. And they are the centered city with the advantage in talents, capitals and hi-tech industries. Also they play a key role in this region. The cities in Hebei coastal area is smaller. Among these cities, only the population of Tangshan City is above 2,000,000. While the population of Qinhuangdao City is not beyond 1,000,000 and Cangzhou not beyond 600,000. (Note 6) And these cities in Hebei coastal area are facing the threats to be

marginalized.

2. Suggestions on the development of Hebei Coastal City Cluster

The key for Hebei's aim to become a strong economy among all the coastal provinces is to make full use of the strengths, avoid the weaknesses, hold the opportunities and challenge the threats of Hebei Coastal area.

2.1 Proper programming and arrangements on the development of Hebei Coastal City Cluster

The key for the development of Hebei Coastal City Cluster is to make a proper program on the economic structure and find suitable position for harbors.

2.1.1 Proper plan and arrangements on the economic structure

The proper plan and arrangements should be made to develop Hebei Coastal City

Cluster. For one thing, the strength of harbors in Hebei Coastal City Cluster should be made full use of. And the industries concerning harbors should be developed. Also the harbor cities should be well developed. For another, take Qinhuangdao city, Tangshan City and Cangzhou City as the center; upgrade 6 county-class cities such Renqiu City, Qianan City and Huanghua City to the regional center; At the same time, develop 19 counties as the center of counties' economy; Take 220 towns as the foundation of this city cluster.

2.1.2 Find the development focus

Firstly focus on the on the development of three large cities---Qinhuangdao City, Tangshan City and Cangzhou City. They are as the center. And Qinhuangdao Harbor, Jingtang Harbor, Caofeidian Harbor, Huanghua Harbor will be the cornerstone; make a proper plan and suitable arrangements on their industry and infrastructure according to their position and division. Secondly focus on the on the development of 6 county class cities including Renqiu City, Qianan City and Huanghua City; Make them the medium level cities. Thirdly develop 19 counties as the center of counties' economy. Fourthly focus on the development of 50 towns.

2.1.3 High quality construction on harbor cities

Firstly is to build the harbor cities to a comprehensive international junction and strengthen their function and ties with other harbors, regions and countries. Secondly is developing the industries concerning harbors. Thirdly is to make the harbors, harbor area and harbor cities in one and depend on the harbors to develop industries.

2.1.4 Strengthen the coordination

There are 5 harbors in Hebei Coastal area—Qinhuangdao Harbor, Caofeidian Harbor, Jingtang Harbor, Tianjin Harbor and Huanghua Harbor. These harbors are belonging to different cities which have their own interests. So it's hard to make a good coordination between them. Thereby a good and proper plan and arrangements based on market should be made in order to make full use of their strength, avoid their weakness. Firstly is to make a good coordination on transportation net work, construction of infrastructure and of harbors not only between coastal cities but also between coastal cities and hinterland city. Secondly is to make coordination between provinces, especially Hebei Province, Beijing and Tianjin.

2.2 Improve infrastructure in Hebei Coastal City Cluster

2.2.1 Quicken the construction of transportation net in Hebei Coastal Area

The construction of transportation net in Hebei Coastal Area will improve the ability to transfer people and goods between cities and benefit to the development of Hebei Coastal Area. Express railways and express roads should be built to provide securities for the export and import of goods, and meet the demands of transferring in harbors.

2.2.2 Quicken the construction of modern logistics

The modern logistics in Hebei Coastal City Cluster is that Beijing City, Tianjin City, Tangshan City, Qinhuangdao City, Cangzhou City and etc will be the center and the neighboring cities will be the branch, while the transportation net work will be the stem. And the international logistics park whose center is Beijing City, Tianjin City, Tangshan City, Qinhuangdao City, Cangzhou City should be built.

The proper plan and arrangements should be made on the structure of Hebei Coastal City Cluster, then find the focus of development and set the suitable position of harbors. The key for the development of Hebei coastal cities is to make full use of their coastal strength, held the opportunities and challenging the threats. It also means a lot for Hebei Province since its aim is to become a strong economy among all the coastal provinces.

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Notes

Note 1. Hebei economic yearbook in 2007, P461, P471, China statistics publisher, 2007

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