

## Study on City Competitiveness of YuLin---Based on SWOT

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**Abstract.** Based on the SWOT analysis tools, the strengths, weaknesses, opportunities and challenges of Yulin's urban competitiveness are analyzed in this paper, then it concludes that in order to enhance Yulin's urban competitiveness, important strategies such as developing circular economy, expanding and strengthening pillar industries, enhancing the capability of independent innovation and innovating management system should be taken.

### Introduction

Yulin, Shaanxi Province, has always been stressed and pursued resource-dependent economic model, resulting in Yulin's abundant in natural resources but lagging far behind the resource-poor eastern coastal cities in economy, and its urban competitiveness is much lower than those of eastern and central cities of the same size. In recent years, the constant expansion of resource development, instead of making Yulin out of the underdeveloped plight, but widening the gap with the developed cities in the east, the relative competitiveness is increasingly weak.

### Analysis of the Strengths of Yulin's Urban Competitiveness

**Rich in Mineral Resources.** Yulin bears very rich mineral resources, including 8 major categories and 48 kinds; the potential value is 46 trillion Yuan, accounting for about 95% of the provincial reserves, and about one-third of the national reserves. Yulin is known as China's "Kuwait ". The total area of Yulin is 43,000 square kilometers, 54% of it contains coal, the estimated reserves are 271.4 billion tons, and the proven reserves are 166 billion tons, accounting for 1/3 of the national reserves, ranking first among the world's eight major coalfields. Yulin's oil reserves are 600 million tons, including 300 million tons of proven reserves, it is a medium-sized oilfield in China, and is a core component of the Shaanxi-Gansu-Ningxia oilfield. Yulin has already built 500 million tons of crude oil production base including Jingbian, Dingbian, Hengshan, Zizhou and has a processing capacity of 1.5 million tons in Yulian. Natural gas reserves in Yulin are 5 trillion cubic meters, which is the largest packaged gas field found in our continent. In addition, mineral reserves such as kaolin, bauxite, quartz sand, limestone are more abundant with high grade and large exploitation value.

**Formation of "Two Zones and Six Parks" Pattern.** Based on the idea of cluster development and park-style, the basic pattern of "Two Zones and Six Parks" is initially formed in Yulin. "Two Zones" refers to Yulin Economic Development Zone and Shenfu Economic Development Zone, the planning area of Yulin Economic Development Zone is 28.4 square kilometers with a infrastructure investment of over 20 billion Yuan, introducing 171 projects with a total investment of 16.5 billion; The planning area of Shenfu Economic Development Zone is 14 square kilometers, achieving a investment of 17 billion Yuan and including 168 enterprises of all types, in 2007, the GDP is 50 billion Yuan. "Six Parks" includes Yushen Coal Chemical Industry Park, Yuheng Coal Chemical Industry Park, Sui Mijia Salt Chemical Industry Park, Fugu Coal Power Energy Carriers Park, Jingbian Energy Chemical Comprehensive Utilization Park and Wubao Coal Coking Park. The six parks introduce more than 100 large and medium-sized projects at home and abroad, a lot of projects in the parks develop the circular economy to form a pattern of low energy consumption,

low emissions and re-use, and achieve good economic and environmental benefits.

**Prominence of Regional Economic Competitiveness.** In accordance with the requirements of a high starting point of “large coalfields, large coal power, large chemical, large energy load”, Yulin introduces world-class large enterprises and projects to promote capital, technology, personnel gathered to the base, the energy economy rises rapidly, promoting the spanning development of Yulin’s region, economy and society. Yulin’s economic growth rate ranks first in the province for six consecutive years, Fugu, Shenmu, Jingbian have already stepped into the national top 100 counties, Yuyang District is among the province's top ten areas. In recent years, Yulin’s fiscal revenue has a steady growth. The total fiscal revenue is 22.12 billion Yuan in 2008, which ranks second in the province. In the 12 counties of Yulin, 4 of them rank the top ten of the province in economic strength, Yulin’s regional economic competitiveness is increasingly highlighting.

### **Analysis of Weakness of Yulin’s Urban Competitiveness**

**Imbalance of Industrial Structure.** At present, Yulin’s leading or advantageous industries focus on energy, raw materials and heavy chemical, it is a resource-intensive industry. The extremely unreasonable industrial structure is mainly reflected in two aspects: on the one hand, the development of primary, secondary and tertiary industries is uneven, the proportion of secondary industry (energy chemical industry) is extremely large, while the proportion of primary and tertiary industries is very small, in 2013, the share of the added value of the primary, secondary and tertiary industries in GDP in Yulin is respectively 6.5%、78.7% and 14.8%. From the view of the proportion of these three industries in GDP, the traditional agriculture in Yulin is gradually degrading, and the development of service industry is slow, the energy chemical industry accounts for a huge proportion. On the other hand, the internal structure of the secondary industry (energy chemical industry) is single and in a development of deformity, the proportion is smaller in light industry, while very large in heavy industry, the proportion is smaller in collective and private economies, while larger in state-owned economy. Such an irrational industrial structure makes the development prospects of Yulin in crisis. If the resources are in exhaustion, Yulin's economic growth will lose its basis.

**Excessive Exploitation of Resources and Serious Environmental Damage.** By November 2012, Yulin’s coal production reached 188 million tons, Yulin’s coal industry completed a total industrial output value of 57.4 billion Yuan with an increase of 25.6%, and the taxes included in the financial part reached 11.4 billion Yuan, the contribution rate of coal industry in the total fiscal revenue reached 43%. The unavoidable issue is that the environmental problems brought by the related industries of coal mining and coal conversion are increasing prominent; they have become contradictions and problems restricting Yulin’s sustainable economic and social development. Surface subsidence, desertification, water loss, water pollution and other problems cause huge economic losses, which make Yulin become one of the districts that suffered more serious pollution and ecological damage. The report from the environmental protection department of Yulin shows that 42,000 acres farmland, 32 square kilometers land can not be cultivated or suffered serious decrease in production in Fugu and Shenmu, all of them are coal-producing counties; Coal mining makes the water tables falling, dozens of rivers are cut off, the residents in main coal producing areas are experiencing drinking water crisis.

**Backward Transportation Facilities.** Yulin is located in the northern part of Shaanxi Province, which lies in the hinterland of the loess plateau; the blocking traffic has always been Yulin’s development bottleneck. The railway in Yulin is single-track, coupled with the complicated highway, the transport costs and time costs are rapidly rising, thus forming a barrier to attracting investment and cooperation. Although the Xi-Yu highway has already opened, the problems has not been fully resolved, the sand storm in Yulin is serious with a bad environment, in addition, the inter-city highways are in lower quality, although the new airport is built, the traffic problems are still the factors restricting Yulin’s economic development, Yulin is facing challenges of infrastructure improvement focusing on transportation.

## Opportunities for the Improvement of Yulin's Urban Competitiveness

**Economic Benefits Brought by the Increasing Price of International Resources.** In recent years, the international resource prices continue to rise, which brings greater profits to the resource-rich regions, the prices of coal, crude oil and non-ferrous metal are rising in general. The reserves of coal, oil, gas, salt and other mineral resources in Yulin are huge with a fast mining speed, along with the increasing of resource prices and the amount of resource extraction, the economic benefits brought by Yulin's resource are also in a tremendous boost. In recent years, coal price is increasing fast, especially the high - quality coal, most of coal in Yulin is high - quality coal, it appreciates the fastest and has great contributions to enhance its urban competitiveness.

**Opportunities for the National Circular Economy Pilot.** In 2008, Yulin is taken into the second batch of national circular economy pilot cities, which reflects our country's attention to Yulin's Energy Chemical Base, Yulin will follow the idea of "high starting point, large-scale, new mechanism, grasping conversion" to promote the echelon development of coal, electricity, chemical industry chain, the recycling industry chain of "raw coal - power generation, raw coal - methanol, raw coal - carbon - lan - tar - chemical industry, raw coal - methanol - acetic acid, raw coal - methanol - olefins, salt - caustic soda, salt - PVC" has been initially formed. Yulin has already drawn up the implementation programs of circular economy pilot cities, thus promoting Yulin's energy chemical companies.

**Policy Support for the Transformation of Resources-based Cities.** In recent years, our country gives policy support to resources-based cities, Yulin as a new resource-based city is actively transforming, Yulin Municipal Government actively promote the deep processing in energy chemical companies, extend the industry chain, rely on industry to boost agriculture, and positively govern environment, promote the development of service industries, systematically solve the problems of rural poverty. In order to adjust the industrial structure, achieve transformation and enhance Yulin's urban competitiveness, a lot of work have been already done.

## Threats of Improving the Urban Competitiveness of Yulin

**Optimization of Industrial Structure.** The upgrading of industrial structure is an important way for backward areas to achieve great-leap-forward development, Yulin's industrial structure adjustment should be based on the region's comparative advantage, simultaneously focus on cultivating competitive advantages in key areas and industries. It should be noted that Yulin as a resource-rich region, its industrial structure is very backward and single, the high value-added manufacturing is not developed, and the tertiary industry is very backward. Therefore, the adjustment and optimization of industrial structure should avoid the simple resource exploitation, combining the resource development with manufacturing industry of the development with high value-added, develop circular economy, vigorously develop advanced manufacturing and high-tech industries, and at the time, focusing on developing the cultural and creative industries, tourism, environmental protection industry and other emerging industries as an important strategy. The diversified industries based on emerging strategic industries will become the backbone of Yulin's urban competitiveness.

**Protection and Management of Environment.** Yulin is located in the hinterland of the Mu Us Desert, its ecology is very fragile, coupled with the environmental pollution caused by the resources development in recent years, the environment of Yulin has been damaged seriously, so we must vigorously protect the environment, reverse the declining trend in ecological carrying capacity. Yulin must continue to promote the project of returning farmland to forest and grassland, explore and prove the application of dumping right, maintain the soil and water conservation achievements of the northern Shaanxi Province, protect local water resources, explore the coping strategies after the expiration of the national cultivated land compensation. A clear law should be drawn up to carry out all-round protection for the resources environment, then establish the law enforcement supervision mechanism, carry out severe sanctions on the "illegal" behavior to environment. At the same time, we should vigorously develop the circular economy, actively promote the environmental

protection, environmental management, let the idea of environmental protection sink deep into the hearts of the people, everyone should consciously protect the environment, take a road for the harmony of economy, society and ecology.

**Improvement of the Transport Facilities.** Most parts of Yulin are mountains and deserts, there are only one single track railway, one highway and one airport in Yulin, the construction of double track railway and high-speed railway in Yulin must be accelerated, although the construction costs and construction difficulties are a little bit larger, it still has a huge effect to Yulin's transportation and investment, the construction of high grade highway in Yulin should be intensified, and the current situation of traffic congestion and high transport costs should be completely changed, the construction of rural roads in rural areas should also be needed to speed up the connection between rural and urban areas, non-stop routes of Yulin airport in major nationwide cities should be increased to facilitate Yulin's business cooperation, the constant improvement of transportation facilities in Yulin is a very important condition for Yulin's rapid development and the improvement of urban competitiveness.

### Strategies for Improving Yulin's Urban Competitiveness

**Vigorously Develop the Circular Economy.** Yulin is the second batch of circular economy pilot cities designated by National Development and Reform Commission, Yulin should seize the opportunity of circular economy pilot cities, formulate the implementation program of circular economy, with our country's preference and support on circular economy projects to promote the circular economy projects. Currently, Yulin is implementing 72 program planning projects with a total investment of 9.32 billion Yuan. Among them, there are 44 industrial circular economy construction projects, 11 agricultural circular economy construction projects, 2 circular park construction projects, 6 waste comprehensive utilization projects, 6 pollution control projects, and one ecological restoration project. In the process of the implementation of circular economy program, we should build the inner-enterprises circulation with leading enterprises as the core, the industrial chain circulation with industrial parks as the core, the circulation within Yulin based on energy chemical industry as the core and the circulation within Shaanxi, Shanxi, Mongol and Ningxia economic circle based on Yulin as the core. The implementation of various forms of circular economy programs has great significance for Yulin's environmental protection, economic development and improvement of urban competitiveness.

**Expand and Strengthen Pillar Industries.** Yulin should focus on the construction of two large national coal bases of northern Shaanxi and Shendong, reasonably arrange the construction of coal productivity, build new high-yield and efficient mines, unite to transform the small and medium-sized coal mines, increase the industrial concentration; Make greater efforts to strengthen the coal seam gas exploration, extraction and utilization, and promote the sustainable development of coal seam gas industry and coal industry. Yulin should adhere to the principle of coordinated development of both oil and gas, make efforts to maintain the production in old parks, strengthen the exploration in new parks, and strive to achieve a major breakthrough and steady growth of oil and gas exploration. Implement the oil refining integration strategy, vigorously develop the petrochemical; Try by every means to seek gas source, speed up the urban gasification process and the gas use of coal and salt chemical projects, actively develop the natural gas chemical industry.

**Enhance the Capability of Independent Innovation.** Yulin must accelerate the construction of scientific and technological innovation system, widely introduce advanced technology and scientific and technological personnel, continue to increase investment in scientific and technological innovation, make efforts to reverse the pattern of relying on the consumption of resources to support economic growth, take the strengthening of scientific and technological innovation as an important driving force for base's spanning development. Further strengthen the technological innovation in key areas and key stages, and continuously improve the coal recovery rate, oil and gas recovery ratio and resource utilization efficiency, gradually master the core technologies such as MTP and Clean Carbon-Intensive Production and Resource Comprehensive Utilization Technology, introduce the mature indirect coal liquefaction technology, carry out R & D work of energy conservation and

reduction of pollutant emissions, water-preserved mining, carbon dioxide recovery technology, construct a number of landmark projects such as large coal and electricity integration, indirect coal liquefaction, coal gasification to produce methanol and MTO, coking, salt chemical and comprehensive utilization of resources to completely enhance Yulin's urban competitiveness.

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