

## Analysis of Regional Openness in Shapingba District

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**Abstract.** Open economy is an economic form that not only develops exports, but also encourages imports, pays attention to the two-way flow of factors of production, emphasizes competition and cooperation between countries or regions, pays attention to both domestic and international markets, and emphasizes the use of both domestic and international markets for economic growth. This paper first introduces the connotation of regional openness, combs the calculation system with the opening degree, internal openness, service industry development degree and open support degree as the first-class indicators, analyzes the openness of Shapingba District, and generally judges the characteristics of open economy.

### Connotation of Regional Openness

Regional openness refers to the degree of the flow of economic factors between different regions, which includes the flow of factors between different regions at home and between regions and foreign markets. Because of the spatial agglomeration of economic elements, economic activities have spatial independence, forming different "center-hinterland" and relatively independent economic regions, but each economic region and the entire region is an open whole, and exchange elements and products with each other. The measurement of internal and external exchange of factors is helpful to grasp the opening process and economic development of markets in developed and underdeveloped regions.

### Index System of Regional Openness

The purpose of measuring area openness is to investigate the degree of activity of factor flow. The elements of regional economic development include natural conditions and historical basis, population and labor force, capital, science and technology, organization and management. We will focus on the factor flow effect of investment and trade at home and abroad. Since the unified domestic market has not yet been established in China, especially the frequency of economic exchanges between the East and the West has obvious differences due to historical and institutional reasons, which has become an important reason for the uncoordinated development of China's regional economy. Therefore, regional opening includes not only opening up to the outside world, but also opening up between domestic regions.

The measurement of the degree of openness should mainly reflect the mobility of factors: natural conditions and historical basis are impossible to change in the short and medium term; science and technology, organization and management are accompanied by the flow of goods and capital embodied in the benefits; China's rich geographical and cultural differences, cultural tourism, modern business and trade characteristics. Flow and other modern service industries are attracting more and more attention at home and abroad. For less developed areas, modern service industry has become an important form of factor flow and a growth point of economic development. Therefore, we take modern service industry as an important factor of openness to analyze. Therefore, factor flow is mainly manifested in goods. The economic mobility brought about by capital and characteristic industries. On the other hand, a good economic type is supported by a balanced and healthy industrial structure. Considering that Chongqing and even most parts of the country are still in the process of industrialization, industrial development is still the key to promote economic development. The development quality of an open economy will be affected by the proportion of

industrial output value in the whole industry. Considering the availability of data, according to the index system of the statistical yearbook of Chongqing and the districts and counties, we choose four parts to form the first-level index system to measure the regional openness, which are the opening up, opening up, the development of service industry and the opening support.

## **Index Selection**

Considering the characteristics of the inland open economy, this paper mainly selects the foreign trade dependence degree and the domestic trade dependence degree as two indicators to reflect the degree and depth of the inland area opening to the outside world. The degree of dependence on foreign trade is not only an indicator of a country's economic opening to the outside world, but also a criterion of a country's connection with the international market. The degree of domestic trade dependence is mainly aimed at the inland open economy. It reflects the domestic trade situation of an inland area and is the main index of its dependence on the domestic market.

### **Opening degree**

In theory, the dependence on foreign trade can be measured by the share of total foreign trade in the total economic activity, which is a part-to-whole relationship. The traditional definition of dependence on foreign trade is that the total foreign trade is divided by the gross domestic product (GDP), which means GDP is regarded as the total economic activity, but GDP can not directly reflect the inclusion. Total volume of economic activity, including total trade volume. To solve this problem, we must consider the whole national economic system, and the input-output table just includes the total amount of a country's economic activities, is an effective tool to help solve this problem. Foreign capital is the catalyst to speed up the development of regional economy. Reasonable introduction of foreign capital is a focal point of regional economic work. The actual utilization of foreign capital is a real indicator of the utilization level of foreign capital in China. Considering the particularity of the input-output table and the high correlation between regional GDP and total economic activity. This article summarizes the following two formulas for measuring the openness of the region.

(1) Total foreign investment ratio = total actual utilization of foreign capital / fixed assets investment in the whole society

(2) Foreign trade dependence = import and export volume / area GDP

Therefore, the degree of opening to the outside world includes two two level indicators, namely, the proportion of foreign investment and the degree of dependence on foreign trade.

In the first half of 2016, Chongqing completed investment in fixed assets of 708.94 billion yuan, with an actual utilization of foreign capital of 4.35 billion US dollars. According to the exchange rate of 6.63:1 announced by the People's Bank of China, the proportion of total foreign investment in Chongqing was 4.1%. Shapingba District has invested 22.91 billion yuan in fixed assets and utilized 530 million US dollars of foreign capital. The calculation shows that the proportion of total foreign investment in Shapingba District is 15.3%, far higher than the average level of the whole city.

In the first half of 2016, Chongqing achieved a GDP of 800.8 billion yuan, with a total import and export trade of 35.11 billion US dollars. According to the above exchange rate calculation, Chongqing's dependence on foreign trade was 29.1%. Similarly, the calculation of the dependence on foreign trade of Shapingba District was 210%. It can be seen directly the importance of open economy to the development of Shapingba District. Sex. According to the statistics of the nine districts in the main city, the opening degree of the nine districts of Chongqing and the main city is summarized respectively. Detailed table One.

Table 1: Chongqing City, Calculation of opening degree of nine districts in main city  
Company: Hundreds of millions, %

Region Index	Actual utilization of domestic capital	Investment in fixed assets	Proportion of domestic investment	Total retail sales	Gross Regional Product	Dependence on domestic trade
Chongqing City	288.4	7089.4	4.1	2327.8	8000.8	29.1
Shapingba	35.2	229.1	15.4	710.4	338.3	210.0
Yuzhong District	28.3	125.9	22.5	102.9	500.6	20.6
Dadukou	10.5	72.1	14.6	7.3	72.7	10.0
Jiangbei district	18.1	187.4	9.7	235.9	366.5	64.4
Jiulongpo	4.8	346.8	1.4	124.0	509.3	24.3
Nanan District	1.6	207.9	0.8	126.3	347.2	36.4
Beibei District	11.9	324.2	3.7	61.4	211.4	29.0
Yubei District	65.0	478.2	13.6	709.7	616.3	115.2
Banan district	25.2	359.2	7.0	38.6	266.0	14.5

Notes: Data sources: Chongqing Municipal Statistical Bureau, the main city nine districts, the actual use of foreign capital, import and export trade according to the People's Bank of China announced 6.63:1 exchange rate calculation and collation.

From the table 1, it can be seen that the proportion of foreign investment and the degree of dependence on foreign trade in Shapingba District are obviously higher than the average level of the whole city, of which the proportion of foreign investment ranks third in the nine districts of the main city; the degree of dependence on foreign trade ranks first; the degree of openness of Shapingba District is at a higher level in Chongqing, and the characteristics of open economy are obvious.

### **Openness to interior**

The economic development of a country or region always relies on two markets, namely the foreign market and the domestic market. As far as the degree of dependence on foreign trade is concerned, it reflects the degree of dependence of a country's economy on foreign trade, that is, the degree of dependence of a country's economy on foreign markets. The degree of dependence on foreign markets is bound to depend on the domestic market. Considering the availability of data and borrowing indicators from statistical yearbooks, there are:

(1). The proportion of total investment in domestic capital = the actual use of domestic capital / fixed assets investment in the whole society

(2). The ratio of domestic trade = total retail sales of social consumer goods / area GDP

Therefore, the internal openness includes two two level index systems: domestic trade dependence and domestic investment proportion.

According to the statistical data of Chongqing and the nine districts of the main city, the internal openness of Chongqing and the nine districts of the main city are summarized respectively, as shown in Table 2.

Table 2: Table of openness for nine districts of Chongqing and main city  
Company: Hundreds of millions of dollars, %

Region Index	Actual utilization of domestic capital	Investment in fixed assets	Proportion of domestic investment	Total retail sales	Gross Regional Product	Dependence on domestic trade
Chongqing City	3416.2	7089.4	48.2	3504.9	8000.8	43.8
Shapingba	195.0	229.1	85.1	157.5	338.3	46.6
Yuzhong District	85.0	125.9	67.5	301.2	500.6	60.2
Dadukou	60.9	72.1	84.5	20.8	72.7	28.6
Jiangbei district	154.5	187.4	82.4	238.6	366.5	65.1
Jiulongpo	148.0	346.8	42.7	267.2	509.3	52.5
Nanan District	125.4	207.9	60.3	207.2	347.2	59.7
Beibei District	152.4	324.2	47.0	77.8	211.4	36.8
Yubei District	229.2	478.2	47.9	311.8	616.3	50.6
Banan district	291.2	359.2	81.1	158.0	266.0	59.4

Source: Chongqing, nine monthly statistics of main city

The following conclusions can be drawn from the observation table 2: firstly, for Chongqing, the inland open city, the domestic trade is still greater than the external trade; secondly, the internal liberation of Shapingba is higher than the average level of the whole city, but the characteristics of the open economy are more obvious; thirdly, the proportion of the domestic investment of Shapingba in the nine districts of the main city and the proportion of the domestic investment in Shapingba. The degree of dependence on domestic trade is at a general level, which further illustrates that Shapingba District has played an obvious role in the open economy in recent years.

### (3) Development level of service industry

The vast western region has unique natural resources and historical culture. The development of tourism and cultural industry has played a certain role in promoting the development of the local economy. The output value of the tertiary industry income in the regional national income has also increased year by year. Considering the difficulties in collecting statistical accounting data of modern service industry, it is necessary to replace the service industry with the tertiary industry in one region. The development degree of service industry is equal to the added value of service industry/GDP. The proportion of the third industry is also an important symbol to measure the level of development and the level of development of a country. With China approaching the development goal of a well-off society, the driving factors of economic growth are undergoing structural changes. In the first half of the year, the ratio of the tertiary industrial structure of Shapingba District was 0.6:41.3:58.1, showing a "three-two-one" structure. The tertiary industry has become an important support for the economic development of the whole region. The development of the service industry is higher than the level of the whole city, ranking fourth in the nine districts of the main city.

### (4) Open support degree

Most of China is still in the process of industrialization. Industrial development is still the key to promote economic development. The proportion of industrial industry in the whole industry is an important factor affecting the development quality of the open economy. It plays a supporting role in regional opening up. From Shapingba District and even the whole city, industrial products are the

main output. Therefore, the proportion of industrial industry is used to indicate the degree of open support of regional open economy, that is, the proportion of industrial industry = the output value of industrial industry above the scale / regional GDP. In the first half of this year, Shapingba District completed more than 77.2 billion yuan of industrial output value, the proportion of industrial industries as high as 228.2%, far higher than the city's average level of 136.1%, ranking second in the main city nine districts, 20 percentage points lower than Yubei District.

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