

Discuss How Can Ningxia Optimize Its Development Potential under the Belt and Road Landscape

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Abstract. This article employs policy review, case analysis of distinctive brands, and comprehensive induction to study the implementation of the "Belt and Road Initiative" decision in Ningxia since 2018, the creation of brands such as the China-Arab States Expo, and the establishment of the wine industry experimental zone. It concludes that over the past five years, Ningxia has effectively executed policies, developed competitive distinctive brands, and the experimental zone has demonstrated significant exemplary significance, achieving comprehensive development and an elevated economic status.

Keywords: China-Arab States Expo; the Belt and Road Initiative; Ningxia's geo-economic status; framework of economic cooperation; coal production ecosystem; viticulture industry; strategic development vectors.

1. Introduction

In the high-level stage of the "Belt and Road Initiative", the country has required inland ethnic regions to explore new models of open economy. Ningxia, as an autonomous region with both the role of an inland opening frontier for the "Belt and Road Initiative" and the attributes of an ethnic region, has been implementing the national decisions through a special working group since 2018. It has promoted openness through events such as the China-Arab Expo, "Wine Capital", "Western Digital Valley", and 3 wine industry pilot zones, achieving remarkable results. However, there is still a need for further in-depth research on the systematic development of the "policy - brand - industry" synergy for its economic development.

Existing studies have focused on the inland opening of the "Belt and Road Initiative", China-Arab cooperation, and Ningxia's characteristic industries: Cheng Xingyuan (2005), Jiang Jingfei (2018) respectively explored the China-Arab economic relations and the value of the China-Arab cooperation forum; Zhao Yinping (2020) et al. emphasized the need for policy and platform innovation in inland opening; Zhang Yupu (2023), Wang Ying (2021) mentioned the exploration of characteristic industries in Ningxia. However, most of the literature conducts isolated research in a single field and lacks a systematic analysis of the "policy - brand - industry" synergy in Ningxia's economic development since 2018, resulting in research gaps.

2. Location and Rationale for Hosting the China–Arab States Economic and Trade Forum in Ningxia

From September 21 to 24, 2023, the Sixth China–Arab States Expo was held in Yinchuan, Ningxia. The event's theme was *Working Together in the New Era, Seizing New Opportunities, and Sharing a Bright Future*. The Expo closely followed the "Eight Joint Actions" for pragmatic China–Arab cooperation outlined by President Xi Jinping at the China–Arab, China–Gulf, and China–Saudi Summits, as well as the five key cooperation areas identified by China's overseas groups for the next three to five years. Activities focused on priority sectors such as specialty industries, green and low-carbon development, healthcare, and the digital economy.

The purpose was to build a bridge that fosters mutual communication and support between China and Arab countries, while providing enterprises with a platform for exchange, cooperation, and

mutually beneficial outcomes. Guided by the principle of extensive consultation, joint contribution, and shared benefits under the Belt and Road Initiative, the Expo aimed to help Chinese companies and products enter the international market, promote collaboration in economics, science, and culture, and strengthen China–Arab connectivity. Ultimately, it sought to usher in a new stage of economic and trade development between China and Arab states. ^[1]

3. Content of the China–Arab States Economic and Trade Forum in Ningxia

The Forum was designed around the core goals of implementing the "Eight Joint Actions" for China–Arab pragmatic cooperation and the five priority areas of China–Gulf collaboration. During the Expo, a series of high-level events were held, including the Belt and Road Trade and Investment Promotion Conference and the China–Arab States Business Summit. To address the real development needs of enterprises on both sides, the Forum adhered to the principles of professionalism, market orientation, and internationalization. Building on the success of past exhibitions—such as the Emerging Materials Exhibition, the Branded Products Exhibition, and the Healthcare and Wellness Exhibition—the Forum introduced three new specialty pavilions: the Central State-Owned Enterprises Pavilion, the Smart Meteorology Pavilion, and the Equipment Manufacturing and Technology Pavilion. In addition, the Forum carefully planned multiple thematic conferences and supporting activities. These included trade and investment matchmaking sessions for specialty industries, the China–Arab Youth Innovation and Development Forum, the Digital Economy Forum, and the Industrial App Innovation Competition, offering participants a diverse and dynamic program.

4. Economic and Trade Relations between Arab States and China, and Emerging Prospects for Cooperation

4.1. China–Arab Economic and Trade Relations

Strategic mutual trust between China and Arab countries has continued to deepen, making the two sides reliable strategic partners. China has signed Belt and Road cooperation documents with all 22 Arab states and the Arab League, producing fruitful results in trade, energy, and other sectors.

China–Arab economic and trade cooperation has evolved alongside historical shifts. Before China's Reform and Opening, ties were largely limited to bilateral trade in a single format. Later, cooperation expanded to include goods trade, project contracting, and mutual investment, with significant growth in commodity trade. The scale of trade rose steadily from USD 12 million in the 1950s, to more than USD 100 million by the early 1960s, USD 200 million in the early 1970s, USD 1.6 billion by the early 1980s, and USD 2 billion by 1990 ^[2] From 1993 onward, China's growing demand for energy accelerated bilateral trade, with oil imports from the Middle East driving momentum. By 2000, crude oil from Arab countries accounted for more than half of China's total crude imports. Given the vast potential of Arab markets, Chinese agricultural products, consumer goods, and electromechanical equipment valued for their quality and affordability, have become increasingly popular, opening broad prospects for trade. The establishment of the China–Arab Cooperation Forum in 2004 further boosted growth. Since then, commodity trade has expanded at remarkable speed. China is now the largest trading partner of Arab states, with bilateral trade in goods reaching USD 330.24 billion in 2021, an increase of 37.6% year on year.

In terms of mutual investment, Arab countries began investing in China after the Reform and Opening. Kuwait, for instance, started offering low-interest loans in 1982. By the late 1990s, the United Arab Emirates and Kuwait had become China's largest foreign investors, with capital flowing into large-scale projects such as petrochemicals. ^[3] In the 21st century, countries like Kuwait and Tunisia increased their investments in China, focusing on petrochemicals and logistics. Investment peaked at USD 650 million in 2010 before experiencing a decline. Chinese investment in Arab countries started in the 1990s on a relatively small scale but expanded significantly after 2000. This investment has concentrated in countries such as Sudan and Algeria, primarily in oil extraction and

refining projects, while gradually extending into sectors like machinery manufacturing and automobile assembly.

4.2. New Prospects for China–Arab Cooperation

China–Arab cooperation is entering a new stage, revealing immense potential for future development across many fields. In the field of investment, growth has lagged slightly behind trade, but given China’s expanding trends in outbound investment, capital flows to Arab countries are highly likely to increase, injecting sustained momentum into their economies. On the trade front, China—already the Arab world’s largest trading partner—is projected to import as much as USD 2.5 trillion annually over the next five years. This will open new opportunities for Arab exports and further tighten supply chain linkages. At present, China is the Middle East’s largest purchaser of oil, and the China International Import Expo has become increasingly attractive to Arab countries seeking to access the Chinese market. Technology and emerging industries also offer fertile ground for collaboration. China holds a leading position in areas such as 5G, while Arab states are actively developing their own new economies. Despite ongoing pressure from the United States, Arab partners have continued to cooperate with China, suggesting vast room for joint development and a promising outlook for shared progress.

The Belt and Road Initiative is driving both sides toward high-quality development. Twenty Arab countries have already signed cooperation documents with China, with Morocco’s recent agreement standing out as a landmark. Arab countries’ significant demand for infrastructure will generate further opportunities for Chinese enterprises. Strategic alignment is also deepening, as many Arab states synchronize their development strategies with China’s long-term plans, such as “Vision 2030,” highlighting growing strategic trust. Finally, against the backdrop of unilateralism and global uncertainty, the Middle East’s pressing need for peace and development has made China’s concept of a “community with a shared future for mankind” resonate strongly in the Arab world. This shared vision not only strengthens bilateral cooperation but also broadens the space for both sides to safeguard common interests together. And as can be seen in Figure 1, the prospects for cooperation between the two sides are considerable.

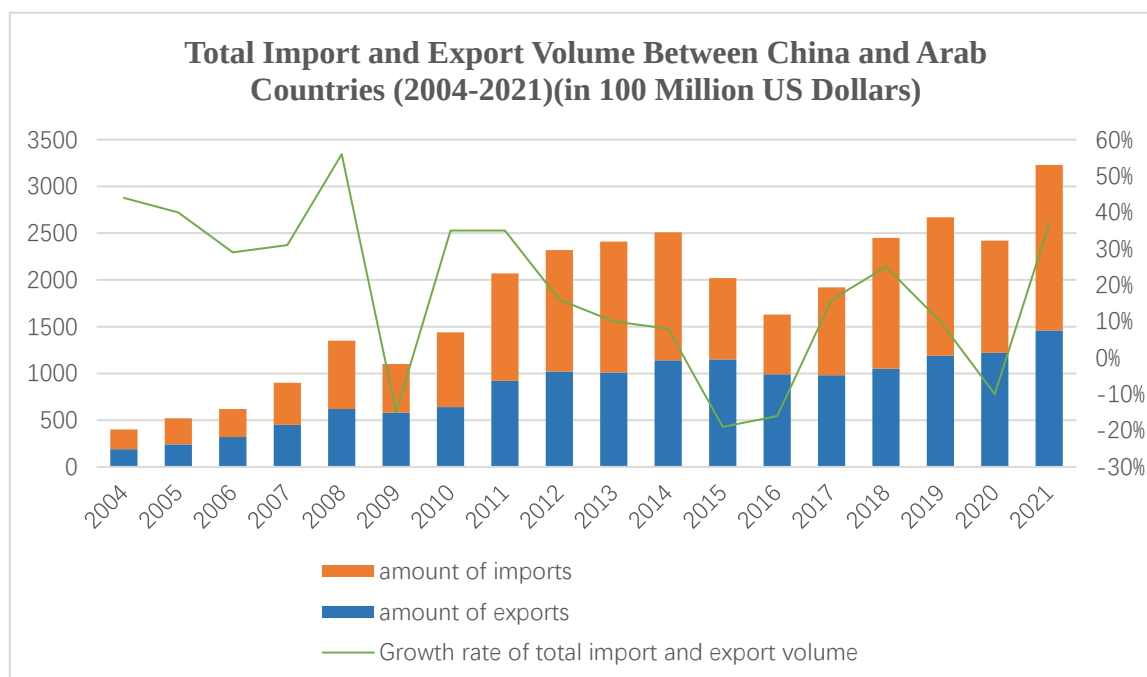


Figure 1 Source: National Bureau of Statistics.

5. Ningxia's Economic Development Advantages and Future Prospects

5.1. Ningxia's Economic Position within China

Over the past five years, since 2018, the Ningxia Hui Autonomous Region has achieved comprehensive progress across multiple sectors. General Secretary Xi Jinping has consistently shown strong concern for Ningxia's construction and development. On the occasion of the 60th anniversary of the Autonomous Region, he personally inscribed the words *"Build a Beautiful New Ningxia and Realize the Great Chinese Dream Together,"* which provided powerful spiritual encouragement for Ningxia's development journey. In 2020, he further clarified Ningxia's strategic positioning and development goals: to build "a beautiful new Ningxia with economic prosperity, ethnic unity, a sound environment, and a wealthy people," and to develop the region into "a pioneering area for ecological protection and high-quality growth along the Yellow River Basin." This articulation not only painted a clear blueprint for Ningxia's future but also provided the fundamental basis and guiding direction for advancing various initiatives.

5.2. Ningxia's Planning in the Coal Industry

Under the leadership of the Party Committee of the Autonomous Region, Ningxia successfully concluded the 13th Five-Year Plan and launched the 14th Five-Year Plan, achieving historic breakthroughs in multiple areas. Based on the region's unique characteristics, Ningxia's coal industry planning has focused on several key areas:

1. Build a Clean, Low-Carbon, Safe, and Efficient Modern Energy System. This includes measures across five aspects of the supply system, with an emphasis on green energy development, low-carbon transformation, and sustainable energy transition models.

2. Leverage National Policy Support. Ningxia has clarified its positioning as "one zone, three hubs, and four bases," thereby strengthening its strategic role in the national energy framework.

3. Promote Independent Innovation. Targets have been set for installed capacity in new energy generation, alongside baseline and adjustable goals for coal consumption. These measures not only support the achievement of carbon peaking but also create room for long-term energy development.

4. Address People's Livelihood Needs. Energy service capacity is being enhanced in areas such as urban and rural electrification. Six dedicated columns outline major projects to support the realization of development goals ^[4].

5.3. Ningxia's Development in Grape Cultivation and the Wine Industry

The eastern foothills of the Helan Mountains in Ningxia have, by virtue of their unique natural environment, become recognized worldwide as a premium wine-producing region. The area enjoys 2,851–3,106 hours of sunshine annually, with sharp temperature differences between day and night. Although rainfall is limited, the stable irrigation provided by the Yellow River ensures a reliable water supply. At the same time, the Helan Mountains act as a natural barrier, shielding vineyards from wind and sandstorms while also mitigating the cold. Combined with abundant mineral-rich soil, favorable latitude, and altitude, these conditions create an ideal environment for viticulture.

In terms of industry development, the region has introduced more than 130 grape varieties, of which nearly 20 have been scientifically identified as most suitable for cultivation. By promoting an integrated vineyard–château model, Ningxia ensures both stable supply and high-quality raw materials at the source. The region also brings together 60 leading winemakers from 23 countries for technical exchanges and collaborates with professional universities to deepen research and innovation, thereby laying a strong foundation for international market entry.

Thanks to this combination of favorable timing, geography, and human effort, the Helan Mountain East vineyards are capable of producing medium- to high-end wines with a distinctive oriental character. These wines have won widespread praise and recognition from wine professionals both in China and abroad ^[5].

5.4. Leveraging the Belt and Road Initiative for Ningxia's Development

As a key link in the ancient Silk Road, Ningxia enjoys a distinct geographical advantage, abundant natural resources, and serves as a bridge connecting China's eastern and western regions. The Ningdong Energy and Chemical Industry Base demonstrates strong growth potential, and the West–East Gas Transmission pipeline passes directly through the area. In addition, Ningxia's unique tourism resources are highly attractive to both domestic and international visitors. In terms of institutional platforms, Ningxia has been designated as an inland pilot zone for an open economy and has successfully hosted multiple sessions of the China–Arab States Expo. These initiatives have steadily deepened exchanges and cooperation with Arab countries and other regions. Moreover, Ningxia's status as an autonomous region of the Hui ethnic minority grants it a distinctive advantage in engaging with Arab states, further transforming these strengths into developmental momentum. Using the Expo as a critical vehicle, Ningxia has reaped significant benefits from participation in the Belt and Road Initiative. For example, the Fourth China–Arab States Expo attracted numerous representatives from diverse countries, resulting in a wide range of signed projects and substantial volumes of trade and investment. The organization of conferences, forums, and the establishment of cooperative institutions have also opened new pathways for Ningxia's external engagement.

To further integrate into the Belt and Road Initiative, Ningxia has continued to improve its port infrastructure, establish international freight routes, connect with the New International Land–Sea Trade Corridor in the south, and expand international freight train services. By September 2019, Ningxia's cumulative import and export value with Belt and Road countries had exceeded RMB 40 billion, growing at an average annual rate of over 5 percent. It had also established 32 overseas enterprises in participating countries, with exports to emerging markets along the Belt and Road accounting for 36 percent of its total exports. Building on this momentum, the Ningxia Autonomous Regional Government released the *2020 Work Plan for Advancing the Belt and Road Initiative and Inland Pilot Zone Development*. The plan set clear priorities for the year. First, it emphasized the improvement of open platforms by seeking the establishment of a free trade pilot zone, advancing the development of cross-border e-commerce pilot zones, and promoting overseas industrial parks. Second, it sought to unblock channels of connectivity through the construction of an international air route network, the smooth operation of international freight trains, and the expansion of the New International Land–Sea Trade Corridor. Third, it focused on developing an open economy by fostering new business models such as cross-border e-commerce, undertaking industrial transfer, participating in international trade fairs, leveraging the role of the China–Arab States Expo, and strengthening tourism cooperation. Finally, it aimed to optimize the open environment by enhancing service systems for foreign enterprises, building investment promotion platforms, and attracting and training professional talent ^[6].

6. Conclusion

Since 2018, over the past five years, the economic status of Ningxia has continued to rise. Relying on the "Belt and Road Initiative", it has actively developed inland open economy. It successfully held multiple editions of the China-Arab States Exposition, and created characteristic open brands such as the "Wine Capital" and "Western Digital Valley", as well as a national comprehensive experimental zone for the development of grape and wine industries. The strategic mutual trust between China and Arab countries has deepened. 22 Arab countries and the Arab League have all signed cooperation documents on the "Belt and Road Initiative". In 2021, the bilateral trade volume of goods reached 330.24 billion US dollars, an increase of 37.6% year-on-year. There has also been development in investment fields. Ningxia itself has economic advantages such as the planning of the coal industry, high-quality grape cultivation on the Helan Mountain East Slope, and the wine industry. It has also integrated into the "Belt and Road" by improving the layout of ports and opening up air routes. As of September 2019, the cumulative export and import volume with countries

along the route exceeded 40 billion US dollars. There are still broad development prospects in the future.

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