

PRESS RELEASE
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On the occasion of the Shanghai World Expo 2010, the Italian Government, represented by the Department for Economic Development and Cohesion of the Ministry of Economic Development, together with the Venice Expo Committee and in collaboration with the Italy–China Regional Partnership Programme of the Ministry of Foreign Affairs, organizes the seminar: “Development Trends in China and Italy: the case studies of the Guangdong Province and the metropolitan area of Venice analysed by the OECD”. The seminar will take place on September 15th at the Auditorium of the Italian Pavilion in Shanghai.

The aim is to discuss the challenges posed by territorial and urban development in Guangdong and Venice, taking into account the main evidence of two studies (Territorial Reviews) recently carried out by the Organization for the Economic Cooperation and Development (OECD).

The event will see the presence of representatives from the OECD Departments involved in collaboration activities with China. As it is well known, this International Organization represents a key actor in the debate on development policies and governance at the international level. Among other initiatives, the OECD acts both through the Territorial Development Policy Committee (TPDC), a forum for discussion and exchange of experiences on territorial trends and policies in member and non-member Countries, like China, and through the Centre for Development, which promotes the development of emerging Countries and their convergence towards OECD standards in terms of sustainable growth and endogenous development of lagging areas.

The Territorial Reviews on Guangdong and Venice analyse economic trends and assess the strategies for territorial competitiveness and cohesion implemented by local Authorities in both regions, as long as they are currently rethinking these strategies.

The case of Guangdong Province is a very interesting one. Guangdong, located in the South of China, is the most populous Chinese Province and the principle driver of the national economy over the last thirty years, also thanks to its strategic geographical location in proximity of Hong Kong and Macao. It has been the first province to implement a wide range of economic reforms after the introduction of the Open Door Policy in 1978 and it has made remarkable progress from then on to transform itself from a backward agriculture economy to a more modern economy. The Pearl River Delta, in particular, has acquired the recognition of "the

World's Factory", since it has the world's largest concentration of low and medium-value added manufacturing.

Guangdong success has been mainly built on its externally oriented model, characterized by a high ratio of trade to GDP and high foreign direct investment inflows.

However, Guangdong cannot mask the increasing challenges it is facing today. Namely, how to upgrade the economy, deal with strong internal disparities and address huge environmental challenges have become pressing issues.

The OECD Territorial Review of Guangdong provides therefore a comprehensive analysis of trends and challenges in the region, at the national and international levels. After a general overview on Guangdong's strengths in terms of geographic location, population trends, industrial and commercial policies, the study investigates the main pressing issues for the province, above all industrial upgrading, rise in productivity levels, reduction of regional disparities, limiting environmental threats originated by extraordinary urban and industrial growth. The Review then assesses the current provincial government strategy in response to those development challenges and provides useful recommendations to better exploit existing competitive advantages and address untapped potentials. In particular, it explores the opportunities for strengthening human capital, promoting regional innovation, fostering growth in lagging regions, developing a green growth strategy. The Review discusses as well strategies to improve Guangdong's governance, with a particular attention paid to coordination issues within the Pearl River Delta.

On the other hand, the Venice city-region in Italy, with a population of 2.6 million of inhabitants, includes the Provinces of Venice, Padua, and Treviso, which are integrated areas from an economic point of view. It is one of the largest economies in Italy and among the most dynamic and productive areas in Europe, with GDP per capita close to the average of OECD metropolitan regions and low official unemployment rate. Compared to the OECD metropolitan regions, the economic growth rate places in the top ten of the best performances.

Venice city-region is one of the most visited areas in the world but its economy is also based on export-oriented manufacturing. Venice represents a major tourist destination but it is also an important junction for the transportation system, with its airport that ranks third in Italy and one of the most important harbours in the Adriatic Sea, while the Province of Padua is specialized in knowledge-intensive activities and the Province of Treviso in manufactory activities.

The area has become an example of economic development; with reference to its industrial districts and thanks to the involvement of small and medium

enterprises, it has often been called “Miracle of Veneto” or model of “Third Italy”. Though it has thrived on a model of small firms and industrial clusters, it is undergoing a deep economic transformation. Venice confronts growing environmental challenges as a result of rising traffic congestion and costly infrastructure pressures, exacerbated by sprawl. Demographics are also changing, due to ageing inhabitants, immigrant settlement and the rapid depopulation of the historic city of Venice. Moreover, the region performs low scores on innovation indicators.

Therefore, key policy challenges for the region should concern how to increase innovative capacity, enhance labour market inclusion for immigrants, women, and older workers, tackle climate change and flooding risks and stimulate connectivity to create synergies in a poly-centric system.

The OECD Territorial Review of Venice then offers a comprehensive assessment of the city-region’s economy and the extent to which its land use, labour market and environmental policies embrace a metropolitan vision.

During the seminar, the Chinese and Venice’s local Authorities will have the occasion to discuss, together with other representatives of the Italian and Chinese governments, academics, chamber institutions, economic partners, on how to make better use of the recommendations suggested by the OECD in the decision-making processes regarding the development of the two areas. The seminar will be an occasion to strengthen cooperation between Italian and Chinese territories by promoting new partnerships and reciprocal exchange of experiences on territorial development, according to the wishes expressed by Guangdong Authorities during their mission in Rome last June.