

A Study on the Belt and Road Initiative and the Promotion of International Competitiveness of China's Culture Industry

Hua Jian*

Abstract: China's pioneering the Belt and Road initiative not only provides a broad space for China's culture industry to enhance international competitiveness, but also puts forward a major project. It includes: optimize and integrate strategic resources through connectivity, cultivate export-oriented cultural enterprises to promote the main body of the industry, optimize the structure of cultural trade by expanding cultural services exports, and build win-win cooperation networks through the connections between Silk Road Cities. This will both contribute to the global distribution and resource allocation of China's culture industry, and benefit the construction of mutually beneficial and cooperative international culture industry communities, so the countries and people of the Belt and Road regions can share their cultural wealth.

Keywords: The Belt and Road; China's Culture industry; International Competitiveness

1. The Establishment of a Global Culture Industry Community through Connectivity

China's pioneering the Belt and Road initiative not only provides a broad strategic horizon and development space for China's culture industry, but also puts forward a new development task. It includes: optimize and integrate

* Hua Jian, professor, Culture Industry Research Center of Shanghai Academy of Social Sciences.

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strategic resources through wide connectivity, cultivate export-oriented cultural enterprises to promote the growth of the main body of the industry, optimize the structure of cultural trade by expanding cultural services exports, and build win-win cooperation networks through connections between Silk Road Cities. This will help improve China's status in the global culture industry value chain, the cultural resource supply chain, and the cultural brand service chain, and also expand strategic resources and market space to form comparative advantages that can benefit the construction of a mutually beneficial and cooperative international culture industry community which will help the countries and people of the Belt and Road regions share their cultural wealth.

From the perspective of strategic resource allocation of global culture industry, China's pioneering initiative of the Belt and Road has the profound significance for having the potential to become the second greatest geographical event in human history by creating the means to sustain the mutual-interaction between China and the world through win-win cooperation between countries. Since the 15th century, the first great geographical discovery has been made in the history of mankind. The unprecedented productivity generated by the industrial revolution and capitalism integrates the original isolated mainland and the island into a unified world market through sea routes that cross the vast ocean. It also promotes the development of the values, market models, international labor division, culture and religion and some other aspects in Western world and spreads it to Western Europe, Australia, North America, South America and other countries and regions. After the Second World War, the Western forces, represented by the United States, further extends the international order and values to East Asia, the Middle East, South Asia, making it a globalization pattern. It leads to the

subordination of the East to the West, the land to the oceans, the countryside to the cities, and the reliance of the developing countries on the developed countries. Also, it forms the pattern that the global culture industry is monopolized by the developed countries for a long time, and the developing countries mainly serve as cultural resources and sales market of developed countries. The pattern of globalization is still working today, but it has exposed many problems and hidden deep crises. China initiated the Belt and Road initiative, involving more than 60 countries, 4 billion people and 20 trillion aggregate economic volumes. *Vision and Actions on Jointly Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road* lays out five economy roads: The prior directions of the Silk Road Economic Belt are China–Central Asia and Russia–Europe (Baltic), China–Central Asia–West Asia–Persian Gulf and Mediterranean, China–Southeast Asia, South Asia and Indian Ocean; the prior directions of the 21st Century Maritime Silk Road are coastal areas of China–South China Sea–Indian Ocean–Europe, coastal areas of China–South China Sea–South Pacific Ocean. The Belt and Road initiative, on one hand, enables China to take the initiative to promote high-quality production capacity and comparative advantages to the countries along, which beyond the unbalance development situation between development of the East and West and among regions caused by the globalization of Western countries; on the other hand, it complies with the trend of the steady rise of non-Western countries in the 21st century and their hopes for the broad integration into the global destiny community, and brings development chances to the countries and people along. The implementation of this initiative will promote the circulation and configuration with “connectivity” of culture industries, including market, capital, technology, personnel and so on, between China and countries along in a broader

space.

From the perspective of the spatial layout of global culture industries, it is a universal and general requirement to build a diverse participative, cooperative and sharing culture industry community by crossing the unbalanced development between the East and West, among regions, and between coastal and inland areas. The continued rise of non-Western countries in economics, politics and culture serves as an important foundation for the establishment of such a global culture industry community. Based on the Belt and Road initiative, China's culture industry can actively promote positive developments of the trend. According to *Cultural Times – the First Map of Global Fever of Cultural Creative Industry*, the Ernst & Young (EY) research report published in December 2015, prefaced by the Secretary General of UNESCO, the spatial distribution of the global cultural creative industry experienced profound changes between 2004 and 2013. By the end of 2013, the market scale of the global cultural creative industry had reached 2.25 trillion US dollars, and the employees reached 29.5 million. Among them, the fastest growing region is the Asia-Pacific region, the scale reached 743 billion US dollars, and employees reached 12.7 million, ranking the first in the world. The growth rate of Latin America and the Caribbean is also very rapid, with an increased scale of 124 billion US dollars, and 1.9 million employees. The scale of Africa and the Middle East reached 56 billion US dollars and employees reached 2.4 million.^[1] Among them, China, Russia, Singapore, Malaysia, Indonesia, India, Thailand, Turkey, Brazil and South Africa are precisely the important countries and regions along the Belt and Road, which shapes the circulation zone of cultural resources, the growth zone for cultural markets, and a potential zone of cultural consumption. Through connective cooperation with the countries and regions along the Belt and Road, China's culture

industry can expand into these vast markets, follow the trend of history, and form scale advantages and structural advantages.

From the perspective of the potential of the global culture industry, the countries and regions along the Belt and Road brought together the world's largest proportion of young population. They are the representatives of the cultural production and cultural consumption of the new generation, and also exert profound impact on the trends of the future global culture industry. Therefore, the young generation means the market and the future. China's culture industry should grasp the giant market opportunities in the regions with the youngest population and take the first leap in the value chain of cultural production, the brand chain of cultural service and supply chain of cultural resources based on the Belt and Road initiative. According to the Scolkovo Emerging Markets Research Institute, the population is becoming increasingly younger. In 2014, 1.8 billion people were aged from 10 to 24 globally, who are the cultural producers and consumers of the next generation. With diversified interests, they are willing to participate and pursue the balance between work and leisure. They are also extremely curious and dependent on the Internet. It is remarkable that the combination of sustained economic growth and younger population growth has spawned growing middle class consumer groups in many emerging economies. The fastest-growing economies are in Asia and Africa, with Asia containing as many as 525 million middle class cultural consumers in 2014. "The middle class in the Asia-Pacific region in 2009 accounted for 1/3 of the global middle class. By 2030 this region is expected to account for 2/3 of this group. The rapidly growing middle class in Asia's emerging economies is superimposing a global leisure center on a global scale."^[2] This makes Asia a dual base of global super-scale cultural production and cultural



Figure 1: The eastward movement trend of the world's most developed cities; 2013–2030 GDP growth^①

consumption. As the ancients said, “The Central Plains, winning the world.” Asia and the vast land of the Belt and Road region is the key area and winning region for China’s culture industry to grasp in the future.

From the perspective of the global culture industry agglomeration trend, Asia and Africa are the regions with the most rapid urbanization process and the most rapid urban development, and the city is just the main carrier of the development of culture industries. The growing availability of capital, goods, technologies, services and young people provided by the emerging urban agglomerations along the Belt and Road forms the main space and market of culture industry agglomeration. Asian cities in particular, regardless of emerging cities as a driving force for the economy, or the various professional concepts and influence, are constantly moving to a higher level of economic and technical status in the world. In the global top ten financial center ranked by the Xinhua-Dow Jones International Financial Center Development Index in 2014, Asian cities accounted for 50% of the cities. Shanghai, Beijing and Singapore’s rankings are gradually moving forward. According to the 2014 global financial

center index report by Z/Yen Group, the London-based think tank of the UK, four cities in Asia rank the world’s top 10. The results of Globalization and World-class City Research Group and GaWC, a research institution that professionally researches and classifies city levels, show that Asian cities accounted for half of the cities in the 2012 rankings of World cities. Based on the prediction of the McKinsey Global Institute, a famous consultation institution, 47 percent of the global GDP growth will be achieved in the 440 cities in emerging countries by 2025. At the same time, more than one billion people are expected to enter the global middle class and benefit from the urbanization trend.^[3] Most of these emerging cities and people are related with the countries and regions along the Belt and Road. It is particularly interesting that, in contrast with the direction of Earth’s rotation, the world’s most developed cities and large urban agglomerations are increasingly showing a trend of moving eastward, and the Asia-Pacific region will appear a number of continent-level, world-class city agglomerations, and may even have the world’s top cities by 2025. *Outlook on 2030: US Strategy in the Post-Western World*, reported by the USA Atlantic Council, said,

① <http://www.guancha.cn>, May. 9th, 2014, cited by Wang Zhan, Wang Zhen, et al.: Shanghai 2050 Development Vision [M]. Shanghai Academy of Social Sciences Press, 2016, Page 23.

“Wealth and population substantially and continuous flow from the West to the East, from the North to the South.”^[4] From the perspective of the global culture industry competition, developed countries such as the United States, European countries and Japan are still the main representatives of mature markets with the Western system, and the emerging markets along the Belt and Road are the new growth poles and resource mines with rapid development and huge space. From this starting point, together with the establishment of the connective community, China’s culture industry can grasp the future high ground with the most competitive advantage.

2. Expand China’s Export-oriented Cultural Enterprise Agglomerations

Competitive export-oriented cultural enterprises and transnational cultural corporation groups should be cultivated to improve the international competitiveness of China’s culture industry on the bases of the Belt and Road initiative. With the background of multi-polarization, economic globalization and the development of information technology, export-oriented cultural enterprises and transnational cultural corporations have increasingly become the main body of global cultural production and cultural trade. With the implementation of the Belt and Road initiative, the construction of Chinese transnational cultural corporations has entered a new strategic opportunity period, comprehensively improving their cross-country level, global consciousness and scale advantage.

Export-oriented cultural enterprises and transnational cultural corporations are the main body of cultural production and cultural trade under the background of globalization. It is the representative of a world-level cultural power country to have the competitive advantage of export-oriented cultural enterprises and transnational

cultural corporations. According to the definition of United Nations publications, transnational cultural corporations are those who invest in large amounts of cultural property assets in foreign countries and actually control and manage the assets of these corporations. They have a central decision-making system, establish global strategic objectives and business structures that are suitable for global competition, and connect the entities of subordinates by ownership. Their overseas assets, overseas employees and overseas sales account for more than 35% in the company’s overall performance. Among them, such transnational enterprises as Amazon, Disney, Time Warner and Facebook, whose main business involves the culture industry, have had a significant impact on the global culture industry. In recent years, China’s transnational enterprises have developed steadily. In 2015, China’s top 100 transnational enterprises shortlisted for the threshold of 2.667 billion *Yuan* of assets, an increase of 567 million *Yuan*, and the foreign workers reached 754,731 people and the average trans-national index reached 13.66%, of which enterprises like Poly, whose main business involves culture industry, are on the list.^[5] Practice has proved that in order to cultivate China’s export-oriented cultural enterprises and transnational cultural enterprises, there must be a development process from small to large. As their important basis, the national cultural export key enterprises and key projects are gradually expanding. The number, structure, and degree of concentration of these enterprises and projects in the relevant provinces and cities will have a direct impact on the geographical layout of the Belt and Road and the international competitiveness of China’s culture industry. Between 2005 and 2016 there were 353 national key cultural export enterprises with the highest degree of concentration being in Beijing (70), Shanghai (35), Guangdong (24), Jiangsu (23) and Zhejiang (18). Also there were 140 key national

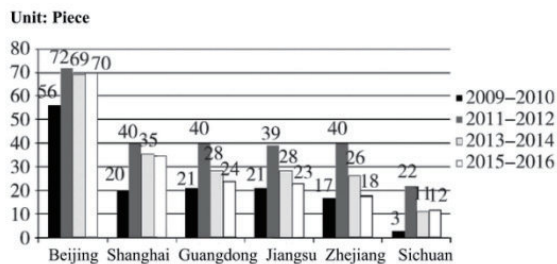


Figure 2: National key cultural export enterprises of relevant provinces and cities

cultural export projects with the highest degree of concentration being in Beijing (38), Shanghai (15), Guangdong (5), Jiangsu (5), and Zhejiang (7).^[6]

In some provinces in northeastern, central and western China, the number of national key cultural export enterprises and national key cultural export projects is relatively small, and the annual numbers of some provinces are even zero. Overall, export-oriented cultural enterprises and the development of key projects in the coastal areas, the regions along the Maritime Silk Road, take the lead; while the central and western inland areas, provinces along the westward route of the new Silk Road economic belt, are relatively weak. In view of this, the eastern, central and western cities should actively cultivate cultural export key enterprises and key projects according to local conditions, and form a bottom-up and gradually growing cultivation mechanism. Among them, Sichuan has achieved inspiring results in the cultivation of national cultural export key enterprises and projects, reaching 12 enterprises and 3 projects from 2015 to 2016. They launched a series of prominent enterprises and projects. For example, they developed the Zigong Lantern Festival, a famous cultural heritage, into a large-scale cultural export project, including the Chinese Lantern Festival expansion project conducted by Australia Chinese Culture Creation Co. Ltd, the exportation and operation of the Dragon Guardian, a domestic

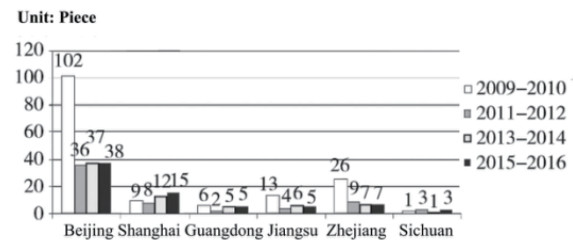


Figure 3: National cultural export key projects of relevant provinces and cities

online game, and the digital international Chinese education program, operated by the Sichuan Tianyu Culture Communication Co., Ltd., the Chengdu Borui DreamWorks Network Information Co., Ltd., and the Chengdu Lezhi Software Co., Ltd., among others. These projects reflect the space crossing and international perspective of The Land of Abundance to implement the Belt and Road initiative.

Chinese cultural enterprises should be guided to launch foreign investment to enhance the international competitiveness of China's culture industry based on the Belt and Road initiative. Such capabilities in global investment, global strategic layout, and global resources integration should be equipped for China to become a world culture industry power. Since 2014, China has become the world's second largest economy with a total economy surpassing 10 trillion US dollars, and also the world's largest foreign trade country. China achieved the goal of 116 billion US dollars' total foreign investment in the year, and if the financing reinvestment of Chinese enterprises in the third place is added, the total size of China's foreign trade is about 140 billion US dollars, which means China has become the net capital exporter of the world.^[7] In 2015, the year-on-year growth of China's foreign investment reached 6.1%. Among them, investment in related countries of the Belt and Road grew rapidly. In 2015, Chinese enterprise directly

invested in 49 countries that related to the Belt and Road. The total direct investment reached 14.82 billion US dollars and the year-on-year growth rate reached 18.2%, accounting for 12.6% of the total investment,^[8] which conducted favorable environment for foreign investment of Chinese cultural enterprises. With the background of China's pioneering initiative of the Belt and Road, Chinese cultural enterprises should grasp the key target areas and display the characteristics of the culture industry as a national strategic industry. The main content of the Belt and Road initiative initiated by China is policy communications, transportation connections, unblocked trade, currency circulation, and people communications. In view of this, China's foreign cultural investment, mergers and acquisitions, trade and other activities must display the distinctive characteristics of two-way output. We need not only positive FDI, which means access to high-end cultural and technological R&D institutions, human resources, core technology, brand elements (including cinemas, brands, exhibitions and service platforms) and intellectual property resources (including patents, copyrights, technical secrets, anti-unfair competition rights) through investments in the developed countries to seize the geographical center of the global cultural market, but also negative FDI, which means entry into the developing countries with large populations, huge markets that are not well developed, to seize opportunities to intervene in communications, cinemas, networks, new media and other important platforms, promote local people's recognition of Chinese cultural products, master the host country market and make use of local rich labor and primary resources, thus forming a culture industry agglomeration and competitive advantage that manifests global strategy. In Shanghai, for example, according to the relevant data and sample survey of the Ministry of Commerce, at the beginning of 2016, there were

167 cultural enterprises that had conducted foreign investments, of which 61% invested in high-quality resources in developed economies, the other 39% invested in the markets of developing economies. From January to May 2016, the overseas investment of Shanghai enterprises expanded to increasingly wider fields. The cultural and entertainment industry has become an important target and the overseas investments of Shanghai's cultural communications and entertainment industry reached 635 million US dollars, a year-on-year growth of 20.6 times.^[9] Investments were made in the United States, Canada, the European Union, Japan, Korea, Indonesia, Malaysia and other countries and regions. A number of Chinese cultural enterprises are organically combining positive and negative FDI and high-end cultural resources acquisition and new market space expansion. For example, in April 2015, China Fosun Group and Texas Pacific Group (TPG Capital) jointly acquired the Canadian Cirque du Soleil, and the total transaction amount reached about 1.5 billion US dollars. Fosun Group adopted the two-wheel driving model that makes the private equity fund lead the interactive development of industry, highlighting the utilization of global resources by Chinese power. Cirque du Soleil is the world's largest theatrical production company, employing actors from 49 countries. In 2014, ticket sales of Cirque du Soleil reached 12 million US dollars, which is more than all opera ticket sales of Broadway. Both parties plan to establish exclusive theater and resident shows in several domestic and foreign tourist attractions like Hangzhou Waves, and develop leisure and entertainment projects in Europe and the Caribbean Sea region. This will enhance China's discourse power and share in the global performing arts market, so as to explore a new model that combines high-end investment and market expansion and help private equity funds lead the interactive development of industry.

3. Expanding the Export of Chinese Cultural Services and Complying with the New Rules of International Trade

Ever since the second decade of the 21st century, digital technologies represented by the mobile Internet, big data, and intelligent manufacturing have profoundly changed the global cultural market and cultural trade rules. It is essential to grasp this historical trend for China's culture industry to enhance its international competitiveness and implement the Belt and Road initiative. The greatest impact brought by digital technology to the global culture industry is to accelerate the integration of culture industries, which led to the new fission-type business model. According to the analysis of the *Creative Economy Report* in 2013, published by the United Nations Development Program, the integration is divided into three categories: Technology integration, namely changes in the types of media ownership, such as film, publishing, music

and games; media integration, which enables users to enjoy different kinds of media service through one personal terminal, like PCs, smart phones, iPads and wearable audio-visual equipment; access integration, all production and published media and services are re-processed to adapt to the distributed network platform, which means all are available or feasible on the network.^[10] Against this backdrop, global media flows have increased tenfold since 1980; global service flows have increased threefold since 2000; global investment flows have tripled since 2002; the number of foreign workers worldwide rose to 3% of the world's population in 2005; more than a third of the world's Internet users live in developing countries,^[11] in particular, the Internet Population of developing countries had grown to around 60% of the global Internet population in 2013.

Digital technology has exerted a profound impact on all areas of the culture industry. In contrast, the emerging culture industry field brought about by digital technology emerges through the embedded model, digital technology embedded

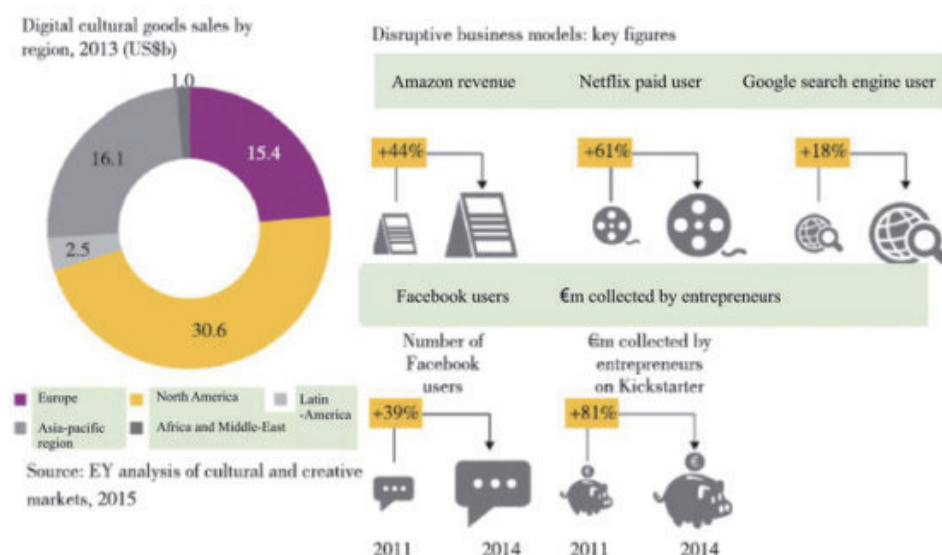


Figure 4: Global digital cultural goods sales and new fission-type culture business model^①

① Made by the information from "Cultural Times—First Global Map of Cultural and Creative Industry" (EY, 2015).

in the original cultural production methods and production equipment, and the push model, digital technology in a new culture production style and shape, enjoys the fastest growth rate, much higher than that of the traditional culture industries such as film and other visual arts. According to the EY research report by UNESCO Director-General Bokova in December 2015, the global sales of digital cultural products in 2013 reached 66 billion US dollars, of which North America accounted for 30.6%, the Asia-Pacific region 16.1%, and Europe 15.4%. The fastest growing field in world's culture industries and culture trade is the fission-type business field brought about by digital technology. From 2011 to 2014, sales of network services, represented by Amazon, rose 44%, and interactive TV services, represented by Netflix, grew 61%, search engine users, represented by Google, grew 18%, social networking users, represented by Facebook, increased by 39%, and the cultural and creative financing network, represented by Crowd-financing, increased by 81% due to convenient access for tens of thousands of medium, small and micro-investors. They show the great vitality through combination of capital, technology and creativity, and become the fastest growing and most dynamic new engine of the global culture industry. In the context of this great integration, manufacturing and service enterprises in other areas will also be attracted to play a new role in cross-border culture activities, such as the participation of smart phone manufacturers into mobile TV distribution, Amazon's participation into the cultivation and establishment of medium, small and micro-enterprises, the participation of the Internet search engines, like Google, into the smart phone business, which is a clear reflection that the culture industry also involves retailing, manufacturing, consumer services and a series of relevant industries. This will inevitably lead to the increase of new entrants, a continuously extended

industrial chain and more active involvement in the international culture market.

Confronted with the new fission-type culture industry model, and based on the huge population of the Internet users, the rapid development of communications, the Internet and software industries and a large number of cultural production enterprises, China's culture industry strives in a corner overtaking way to catch up with the developed countries and build a competitive advantage for its emerging industries. We must be conscious that the core competitiveness of China's culture industry in these emerging areas is not strong, and the main advantage of China's foreign culture trade lies in the export of cultural creative products, the labor-intensive and resource-intensive low-end areas. While the main advantages of developed countries, like the United States, European countries, and Japan lie in the export of culturally creative service, the capital-intensive and technology-intensive high-end areas. According to UNESCO and the UNESCO Institute of Statistics, China's cultural export product growth rate ranked first in the world between 2004 and 2013. China's total cultural exports (including design, visual arts, handicrafts, books, and audio-visual arts) in 2013 were the highest in the world, reaching 60.1 billion US dollars, which is a clear reflection that China is moving towards the leaders of the global culture industry and cultural trade. In the export of cultural products, China, the United States, and Britain ranked the top three. However, in the field of cultural services exports, including licensing of intellectual property rights, computer services, engineering and construction, technical services, music services, audio-visual outsourcing services and others, the United States has maintained its first place growth rate and total global market share. Cultural services exports of the USA in 2013 were as high as 68.6 billion US dollars. At the same

Table 1: Comparison of foreign cultural products of China, USA and UK (2009-2013)(Unit: 100 million US dollars)

	2009	2010	2011	2012	2013
China	181	248	377	526	601
USA	237	245	258	265	278
UK	111	148	156	177	164

time, China was not among the 15 countries with the highest export value of global cultural services, whereas developed countries like Korea, Finland, Italy, Belgium, Luxembourg, Sweden, Netherlands and other countries who have far lower populations and economic output than China ranked among the top 15 countries in the global export of cultural services. There is a sharp contrast between the performance of China and the United States in these two areas. This shows that in a new round of competition in the global culture industry, a country's population, land, natural resources, and economic aggregate are not the decisive factors, but the core competitiveness of the culture industry lies in its excellent enterprises, capital, technology, high-quality personnel, international contacts and institutional advantages. China's culture industry

must do all it can and seize more high ground in the development of internationalized culture services trade.

In view of the integration trend of digital technology and the culture industries, China should vigorously develop creative-intensive, capital-intensive and technology-intensive cultural products and cultural services, focus on the expansion of creative design, digital publishing, electronic information, exhibition services and other cultural export markets, and promote cross-border development paths of culture + technology, culture + finance, and culture + tourism. In the business model, information technology, represented by the mobile Internet, cloud computing, big data, and Me-media, should launch operational mechanisms with an open and compatible effect and closed-loop value chain, strive to promote integration and new models of foreign cultural exchanges and cultural trade, and then fight for the most active growing areas of global cultural exchanges and cultural trade. China's culture industry and culture trade show a good momentum in this regard. For example, in 2014, the overseas sales of China's independently

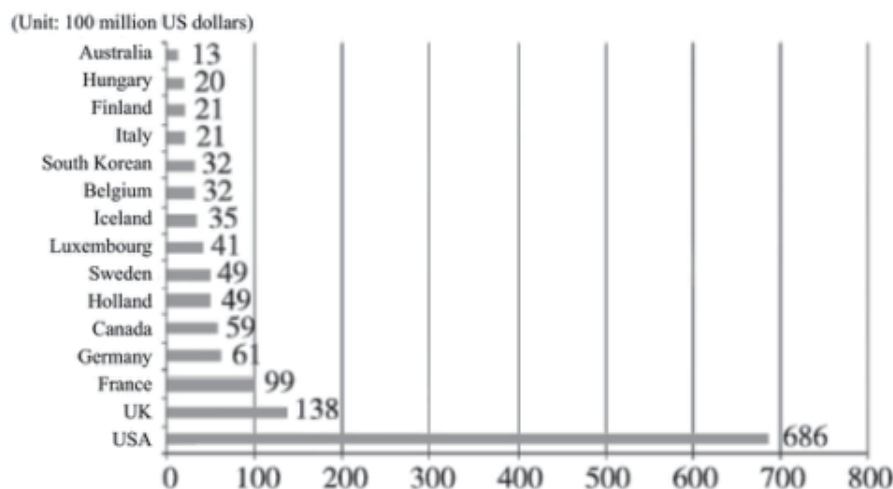


Figure 5: The top 15 countries of world's highest cultural services exports (2013)^①

① UNESCO. The Globalization of Cultural Trade: A Shift in Consumption: International Flows of Cultural Goods and Services. March 2016. <http://www.unesco.org/culture>.

researched and developed online game products reached 3.076 billion US dollars, a year-on-year increase of 69.02%. Among them, the client-side games accounted for 27.7% of the total number of online game exports, web games accounted for 30.9%, mobile games accounted for 41.4%, with actual sales revenue of 1.273 billion US dollars, a year-on-year increase of 366.39%. Also, it promotes foreign trade for China's telecommunications, publishing, design, film and television, stationery and other enterprises, and shows the good prospects for network, digital cultural products exports.^[12] This innovative and dynamic business model, in the final analysis, mainly derives from independent research and development of cultural enterprises. For example, Huace Film & TV, a leading domestic TV production and publishing enterprise, specializes in international marketing. It is involved in the construction of international cooperation experimental zones for the film and television industry in China (Zhejiang), which became the first national cultural export-oriented national film and television industry base. It relies on capital operation, and continuously expands to the upstream and downstream of the industry chain and expands horizontally, building a functional platform system. In December 2014, its wholly-owned subsidiary, Hong Kong Invest, acquire 178.6 million new shares of South Korea's NEW Company for about 323 million CNY, 15% of its equity, and became its second-largest shareholder, helping the listing of NEW Company who mainly focuses on the distribution of film, music, performance and related subsidiary copyright products. Recently Hippo Animation and the Himalayan FM cooperation caused the interest of a wide range of people inside and outside the industry. Hippo Animation is the cultural and technological leader in China to first break the blockade of Western countries in the three-dimensional animation technology, owning a

strong three-dimensional animation creating abilities and IP intellectual property; while Himalayan FM is China's largest audio sharing platform, which is available at anytime and anywhere and of diversified and mass-rich content, and it can meet the listening requirements of users in the mobile Internet environment. The two parties jointly carried out audio content copyright development cooperation, and conducted interactive transformation of high-quality audio and video content, including the transformation of the audio files of Himalayan FM popular media programs to videos, and the jointly launched Popular anchor cartoon images and supporting network animation programs, so as to jointly build an audio and video IP content library and launch Himalayan-Hippo animation. They also formed long-term complementary strategic partnerships with Colorful Interactive Network Technology Co., Ltd., Beijing United Entertainment Partners Co., Ltd., and Shanghai United Theater Co., Ltd. Through the implementation of the advantages of all parties and the integration of resources, they strive to carry out the whole-process, all-round and diversified business cooperation with animation, film and television producing, an audio and video copyright interactive transformation platform, a film, television and video game integration platform, and then build a hippo animation pan-entertainment business matrix. Such cross-border integration and IP transformation projects will be further developed in all areas of China's culture industry, and the more the better.

4. Linking the Silk Road Cities to Expand the International Cooperation Networks of China's Culture Industry

To enhance the international competitiveness of China's culture industry, we should focus

on the connections with the Silk Road Cities to expand the international cooperation networks. In the contemporary sense, Silk Road Cities refer specifically to the hub cities with strategic significance and influence located along the Belt and Road which geographically consists of seven regions; East Asia, Southeast Asia, Central Asia, South Asia, West Asia, North Africa, Central and Eastern Europe. Among them, Southeast Asia, Central Asia, South Asia and West Asia constitute the continuity of the spatial plate. Silk Road Cities have two characteristics: The first is the development center, the region's main development node and the regional center; the second is the trade hub, the main gateway of the region to connect to the world. They are equipped with exchange requirements of a variety of resources, personnel and information, and business trade reaches a large-scale level. President Xi Jinping pointed out in his keynote address at the opening ceremony of the 2015 annual meeting of the Boao Forum for Asia, "In promoting the Belt and Road, China will follow the principle of wide consultation, joint contribution and shared benefits. The programs of development will be open and inclusive, not exclusive. They will be a real chorus comprising all countries along the routes, not a solo for China itself."^[13] This requires the countries along the route to implement mutual-connecting and advantage-complementary development strategies based on the existing achievements. The improvement of international competitiveness of China's culture industry should rely on the Silk Road City Network to strengthen the flow of resources and the share of benefits, while enhancing its own radiation force and influence along the Belt and Road.

For the cooperation between China's culture industry and the Silk Road Cities, we must strengthen the investigation and study and highlight the key points to grasp the strategic resources and

space. A large number of domestic and foreign practices have proven that to cooperate with China's culture industry, Silk Road Cities must have the following conditions: First, the degree of economic concentration and infrastructure to accept cultural investments and cultural trade; second, large-scale population advantages to form relatively large cultural spending ability; third, international economic and trade systems and favorable financial, taxation, customs and related systems that are conducive to the investment of China's culture industries; fourth, extensive influence on the surrounding areas and the country. The important feature of many Silk Road Cities is that the population is growing rapidly and is relatively young. In Southeast Asia, for example, there are 11 countries, apart from independent East Timor in recent years, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. The last 10 countries formed the Association of Southeast Asian Nations (ASEAN). The economic strength of ASEAN ranks seventh in the world.^[14] ASEAN is expected to become the world's fourth largest economy by 2030, with a GDP of 4.5 trillion US dollars, a total population of more than 630 million and the third largest working force in the world. According to Euromonitor, 60% of the population in ASEAN are under the age of 35, while those aged 15 to 64 account for 65%. The middle class population, the backbone of consumption, is expected to continue to grow, from 150 million to 400 million by 2020. From 2015 to 2020, the annual growth rate of disposable income of ASEAN households will reach about 5%, which will create a large amount of consumer demand including cultural, entertainment and leisure needs.^[15] This is the strategic market space for China's culture industry to focus on during the next 10 years.

For the cooperation between China's culture

industry and the Silk Road Cities, we must notice that they are in different stages of urbanization development. Therefore, we must start from the core cities. In Southeast Asia and West Asia, for example, most countries are experiencing rapid urbanization, but their urbanization levels differ widely. According to the *Global Ranking of Livability* in 2012, which was obtained by the Asia Competitiveness Institute for 64 global cities, Singapore ranked third, Kuala Lumpur ranked 32nd, Bangkok ranked 41st, Hanoi and Ho Chi Minh City tied for 52nd, Phnom Penh ranked 61st, Jakarta ranked 64th, and the main industry and a large number of people are also concentrated in the capitals and central cities. In Western Asia, Saudi Arabia's major cities occupy 41% of the Gulf region's total wealth. Among the major cities in the Gulf, Riyadh accounts for 38%, Abu Dhabi 18%, Dubai 17%, and Doha 11%.^① This single-polarization phenomenon is closely related to industrial layout and institutions, the original economy of Southeast Asia and West Asia is relatively backward, with all their industries only concentrated in the capital and central cities; second, it is related to social culture, A number of countries have the tradition of centralization, so the capital has become the center of their economy, culture and politics and other important functions; third, it is

related to the economic development stage. In order to develop the economy and trade rapidly, many local countries are bound to expand rapidly on the basis of original industries, so as to attract large amounts of resources and young people to enter the core cities. In view of this, China's culture industry should regard the Silk Road countries' capital and/or largest city as a strategic node in the connection.

For the cooperation between China's culture industry and the Silk Road Cities, we must develop more marketable cultural products and cultural services to meet the increasing growth of these young population and the large number of cultural consumption needs in these cities and especially adapt to the rapid spreading trend of information technology in the Silk Road Cities in the Internet age. Between 2004 and 2013, China's export value of creative products to advanced economies was 561.925 billion US dollars, while exports to developing economies were 347.589 billion US dollars. But China's creative products export proportion to the developed economies gradually declined from 69.79% in 2004 to 51.27% in 2013, while the export proportion of developing economies, especially Southeast Asian countries, gradually rose from 27.08% in 2004 to 45.36% in 2013. For a long time, North America, Japan,

Table 2: Percentage of population of capital and core cities in the main countries of
South - East Asia from 1960 to 2015 (Unit: %)

City	1960	1970	1980	1990	1995	2010	2015
Jakarta	19.1	19.1	17.9	16.5	16.4	16.4	15.6
Kuala Lumpur	15.9	12.4	15.9	12.6	11.5	10.8	10.1
Manila	27.2	28.6	32.9	26.9	25.3	24.6	27.5
Bangkok	65.1	65.5	59.3	56.6	55.7	54.0	48.8
Ho Chi Minh City	25.9	25.6	26.5	24.4	23.0	21.7	19.6
Yangon	22.6	22.9	27.3	31.9	31.6	30.8	28.3

①② Tu Qiyu. 2016 International Urban Blue Book: The Silk Road City – A New World Urban Network [M]. Beijing: Social Science Academic Press, 2016, Page 60, Page 37.

and the EU were the main export destinations for Chinese cultural creative products. In recent years, the influence of China's cultural creative industries on the regions along the Belt and Road increased with each passing day. With the development and application of information technology, many people in the Silk Road Cities, especially the young people, quickly stepped into the Internet age, and cultural consumer products and services integrated with the Internet also obtained a broad market. In the United Arab Emirates in 2000, the personal Internet usage was only 22.64%, and in 2014 its personal Internet usage reached 90.4%, Saudi Arabia's Internet personal use rate increased from 2.21% in 2000 to 63.7% in 2014.^[16] This requires China's culture industry to further expand the research and development for the integration of culture and technology, implement cross-border cooperation and joint venture internet cultural services platforms and content delivery systems to provide more marketable digital cultural products for the people in the Silk Road Cities.

For the cooperation between China's culture industry and the Silk Road Cities, we should select a variety of effective modes and strategies according to the legal system, economic level, market characteristics and cultural background of the various countries and cities. According to the prediction of the United Nations Conference on Trade and Development, China's exports of

creative products to developing economies will exceed the exports to developed economies by 2020. Developing economies, including India, South Africa, Brazil and other BRIC countries and Southeast Asian countries, will be the largest consumer market for China's creative products around 2020. Under the institutional framework of the upgraded China-ASEAN Free Trade Area and the RCEP, the trade volume between China and ASEAN will be expanded to 1 trillion US dollars by 2020, and the bilateral investment will increase by 150 billion US dollars by 2020.^[17] China's culture industry should be keen to grasp this trend. While maintaining the export surplus of cultural products and cultural services in traditional markets of the United States, Japan and other countries, China's culture industry should continue to vigorously develop the emerging markets along the Belt and Road. In recent years, China's culture enterprises adopted a variety of measures to expand the market along the Belt and Road. Taking BesTV's investment in Jakarta as an example, BesTV and Indonesia Telecom developed TMT new media technology products and industrialization cooperation in the form of a joint venture, including content production, video games, animation, multimedia management systems, digital cinema systems, direct broadcast satellite and cable television business, e-commerce business, and gradually radiated to the entire nation of Indonesia, the so-called Thousand Island

Table 3 China's exports of creative products to the world's three major economic regions in 2004-2013 (Unit: 100 million US dollars)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
North America	168.48	195.68	221.63	268.92	293.92	252.00	315.94	361.18	388.84	406.41
EU	87.74	119.11	142.24	169.63	203.88	184.19	227.83	278.14	278.45	291.12
ASEAN	7.78	8.56	11.11	22.28	36.64	44.16	62.52	73.20	100.55	112.37

① Based on the data of UNCTAD, Wang Hongtao, Guo Xinru, Creative Economy Foreign Trade Report in 2014 [M]; Luo Changzhi, Dong Zheping, Research Report on Cross-Straits Creative Economy [M]. Beijing: Social Science Academic Press, 2015.

Country, a total joint venture of about 20 million US dollars. The Times Publishing Group has developed 15 partners, focusing on countries along the Belt and Road and the mainstream countries in Europe and America, such as the Malaysian Rainbow Publishing Group, the United Arab Emirates as the Bo International Group, and the India NCBA Group. Overall, the cooperation between China's culture industry and the countries and regions along the Belt and Road will expand from cultural products

trade to cultural services trade, continue to develop in licensing of intellectual property rights, computer services, cultural technology and the cultural equipment industry, engineering and construction and technical services, music services, audio-visual outsourcing services and other fields, expand the strategic space and resource advantage of China's culture industry, and also create more cultural wealth and shared opportunities for the people and countries along the route.

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