



DEVELOPING COUNTRIES CAN BENEFIT FROM FREE TRADE ZONES UNDER THE CHALLENGES OF THE ECONOMIC SYSTEM

Researcher: Ziad Sabah Ali
Zeaad744@gmail.com

Zelal Zein Alia
Baghdad University Al Rasheed University College
zelalkazem84@gmail.com

A B S T R A C T	KEY WORDS
Many countries have sought to establish free trade areas, as a result of their economic importance in diversifying sources of financial revenues, especially in rentier countries, in light of the trend towards the capitalist economy in light of what has been produced by economic globalization, in addition to that many countries have tended to establish trade areas to support their economy , Especially in the field of attracting foreign investments for these areas, using them to transfer modern technology, operate the national workers of the countries that have established those areas, and adopting their products in meeting the needs of the local market, as the idea of establishing free trade areas as a tool for development through the allocation of specific sites in which application is applied Various special laws and systems are characterized by exemptions and facilities that qualify them to be investment attractions to develop export industries and international trade exchanges.	Economic Diversification, Revitalization of Financial Revenue Sources.

Introduction

Free trade areas work as an important mechanism of increasing national product, as well as creating new job opportunities because of its many advantages, the most important of which is the direct link to the outside world and the provision of complete land The goods are entered and exiting, which allows a great deal of freedom in transactions that attract investments, as international trade has shown the idea of free trade areas a time ago to stimulate international commercial activities as these free zones were mainly dependent on trade and saddened goods and with the development of modern economic methods they appeared New advanced forms of free zones, as they depend on other activities that are not dependent on trade and storage, such as free service areas and industrial free zones

Research problem: The problem of research with political and economic obstacles facing the establishment of free trade areas, which was greatly affected by the political and economic changes that they have gone through, which possesses many ingredients, such as the geographical location, the market, natural resources, and human forces as well as incentives, and facilities, but they are On the other hand, I faced many political, economic, and administrative obstacles, and to indicate the importance of free trade areas and their capabilities, and the challenges facing these areas in the light of the increasing procedures for attracting foreign investment .

The goal of the research: The research aims to highlight the free trade areas as one of the important pillars that most of the economies of developed countries and some developing countries, with the aim of achieving benefits for the economies of developing countries and creating sources as an additional means of development and stimulating revenue sources.

Research hypothesis: The research hypothesis is in free trade areas that have a positive role in stimulating financial revenue sources in light of the current economic challenges indirectly.

Research methodology: The researcher relied on the inductive approach and the descriptive analytical method to study the possibility of developing countries from free trade areas in light of the challenges of the economic system.

Research structure: The research is distributed between two topics, the first topic dealt with the reality and the economic challenges facing developing countries. The second topic: international experiences of free trade areas (China as a model).

The first topic: The reality and economic challenges facing developing countries

Developing countries suffer from economic problems related to the gap between the total demand, the general offer and the imbalance in the balance of payments, as well as the inability to diagnose economic crises. The international bank explains these crises as a result of the economic and social accumulations committed by these countries, by delaying structural reforms to address the imbalances of their economies, Which led to these problems and narrowed the open fields for the private sector and foreign investment, as it entered into areas that do not agree with the nature of the national economy, which caused the difficulty of competing with the global economy by interfering in determining the level of prices and wages and established protectionist measures for the local industry (Al -Maksoui and Al -Haidari, 16: 2015).

First: the reality of the economies of developing countries

The global economy in 2019 faced many challenges that negatively affected economic growth through its low levels of demand in many economic areas, according to trade tensions between the United States and China, which caused a significant decrease in the rate of commercial growth as well as the rate of investment growth in global economies In the basic commodity production sectors affected by mutual protection measures between the two countries, and to face these challenges, the economies of these countries have taken economic and financial measures to advance economic growth, by stimulating local demand by pumping more government investments, as well as adopting

monetary policies such as the Federal Reserve to increase activity Economic and the promotion of local consumption, but these measures led to a decrease in the growth rate Developing countries recorded it during the previous ten years due to their impact on the negative developments related to the global economic conditions, in addition to the decrease in oil prices, (the unified Arab economic report, 2019: 16) and has also been subjected to problems that made it suffer from stagnation or decline in the growth rate as Mexico suffered within a year 2019 is an economic stagnation, as Chile witnessed political tensions, while Argentina witnessed a financial crisis, with which expectations increased with the possibility of its inability to pay its debts, and the crises in South Africa worsened the second largest economy in the continent of Africa, amid pressure that negatively affected the performance of the mining and industry sectors, The Turkish economy was also subjected to a recession against the background of the currency crisis, which lost about a third of its value (the unified Arab economic report, 5: 2020).

The experiences of the developing countries of free trade areas differ greatly from one country to another, due to their different economic and politics structures and in terms of management and the investment climate of the host country, where there is no ideal model for the free zone or a general model that can be described to measure the success or failure of the free zone, many have been able One of the free zones in some developing countries is to attract flows that are not a few foreign investments, which were varying in terms of size from one region to another, which in turn reflected in achieving significant growth in the economies of the host country and the global economy, including China, Taiwan, Shannon, Jabal Ali, Dominican, and others Where its free zones were able to attract industries characterized by the intensity of capital, modern and advanced technology, and the production processes that require skilled labor and open minds, many developing countries have sought to implement economic reform as a first stage through commercial policies open to the outside world that achieves efficiency with the use of use Physical and human resources with high efficiency and achieve integration between them and the countries of the developed world, which contributed to achieving economic benefits through broad production, optimal specialization and division of labor in these countries, and developing countries also went to liberate their foreign trade to followers of the International Monetary Fund programs and the World Bank represented by installation and structural air conditioning programs (Al -Zubaidi, 45: 2017).

Second: The problems and challenges that developing countries suffer from

The economies of developing countries suffer from obstacles resulting from the interaction between many factors and the participation of these countries in a number of structural problems associated with the size of these countries and the size of their residents, and thus the size of their markets and the weakening of the production base and exposure to the dangers of natural disasters and their dependence on exporting a small group of initial products to obtain currencies and head The local money needed for productive investments is generally limited to foreign exchange currencies, and the local capital needed for productive investments is limited in general, and the base needed to achieve revenues are narrow, as agriculture is the backbone of many economies of developing countries, the main source of population life as well as export sources They are changes in the global commercial environment for agricultural products, including changes in the agricultural agreement by the organization World Trade, especially in small developing countries, even if they create opportunities for all countries to benefit from the commercial system based on competition and

fairness, some characteristics of developing economies can restrict their ability to benefit from these opportunities, including:

1-External debt in developing countries: The foreign debt in developing countries is about (7.1) trillion dollars in 2017, and this increase is the fastest in accumulating debt size by the amount of the increase that occurred in 2016 by (4%) where Table No. (1 shows The size of the debt in developing countries, as it increased as an average annual of (3.011) trillion dollars during the period from (2004-2018) to about (7,070) trillion dollars for the period (2014-2018).

Table (1) Foreign debt development in developing countries for the period (2004-2020) Years
average annual

the year	average annual (Trillion dollars)	Long -term debt	%	the Short -term debt	%
2008-2004	3.011	2.358	78.3	653.5	21.7
2013-2008	4.611	3.442	74.7	1167	25.3
2019-2014	7.070	5.185	73.3	1885.4	26.7
2020-2019	4.897	3.661	75.63	1235.3	24.56

Source:

1-World Bank, International Debt Statistics, Annual Report, 2013, 2015, 2017, 2019, 2020.

2-World Bank, The Little Data Book on External Debt, 2007, P2.

3-World Bank, The Little Data Book on External Debt, 2009, P2.

The above table indicates that the volume of external debt for countries is a long-term debt if the long-term debts are valued during the period (2014-2018) about (5185) billion dollars, at a rate of (73.3%) if the value of short-term debt is about (1885.4) billion A dollar rate (26.7%), and this is due to the desire of developing countries for these loans, which are available to obtain long -term loans, but they are forced in the event that it is not possible to obtain long -term loans, especially in light of the strictness in the conditional procedures by international institutions as they resort To short -term loans (world, international debt statistics, 2017).

As for the accumulation of external debt, these trends varied at the cumulative level of external debt in 2018, and as shown in Table (2), as the volume of external debt in the countries of Africa and the southern desert increased rapidly and continuously more than all other countries, as it increased by (15.5 %) Compared to 2016 to reach about (583) billion dollars, and this rise came as a result of the sharp rise in the external borrowing volume of the developing countries, for example, Nigeria and South Africa if the balance of its external debt increases by (21%) and (29%) on average , As for the North Africa and the Middle East, if it witnessed a significant increase in its debt balance by (11.7%), and Egypt had a share of the increase in the balances of this region, where it witnessed an increase in (23%) in 2017, but in the region East Asia and the countries of the Pacific Ocean have witnessed an increase rate estimated at (9.3%) as an average, in return, the countries of Latin America and the Caribbean Sea witnessed an increase of about (2.5%) during 2017.

Table (2) Trends at the cumulative level of external debt in the developing countries for the period (2008-2020) billion dollars .

the year	East Asia Pacific	South Asia	Sub Saharan Africa	Middle East and North Africa	Latin America and the Caribbean Sea
2008	767	324	228	169	715
2010	803	410	283	191	922
2011	1682	460	313	190	1059
2012	2261	566	377	222	1329
2013	2360	580	378	223	1430
2014	2435	605	441	226	1657
2015	1998	643	457	239	1669
2016	2117	624	464	268	1693
2017	2487	707	555	299	1774
2018	2784	730	583	321	1868
2019	2885	733	586	327	1870
2020	2896	735	590	329	1976

Source: Table from the work of the researcher based on the following data:

-World Bank, International Debt Statistics, 2017, 2019, 2020.

2-The deterioration of economic growth rates: The economies of developing countries in the Middle East and North Africa suffer from economic stagnation. Political turmoil in Egypt, political and economic stagnation in Tunisia, and the escalation of the civil war in Syria, has led to the spread of its effects to the two countries adjacent to Lebanon and Jordan, and the repercussions of the war ISIS in Iraq and Syria, which led to the weak economic activity in the developing countries importing oil, and at the same time, the security setbacks, strikes, infrastructure problems, and international sanctions in Iran have negatively affected the oil exporting countries. Economic growth has reached about (2.8 %) In 2014, then rose to (3.3%) in 2015 and (3.6%) in 2016, with growth in South Asia, a modest rate of (4.6%) in 2013, which reflects the weakness in India amid high inflation rates, and the deficit in The current account and the government budget, as regional exports were frequent due to the high external demand and the reduction of the value of the Indian rupee. The high economic growth is mainly due to the recovery of the demand for imports from high -income economies and regional investments, and the stability of the macroeconomic economy (World Bank Report, 2014). The growth rates in the East Asian and the Pacific region also witnessed a significant decline due to the repercussions of the Corona virus, as China witnessed a decline in growth rates from (6.6%) in 2018 to (6.1%) in 2019, and these countries also witnessed a decrease in the growth rate from (5.2%) in 2018 To (4.7%) in 2019 and to (0.5%) in 2020 (World Bank Report, 25: 2020).

3- Global inflation and contraction: Data related to inflation, in developed countries, indicates about (4.1%) in 2019 compared to (2%) in 2018 The group of Middle East and North Africa countries also witnessed a decline in inflation, and if the inflation rate in these countries remains at high levels, reaching about (9% .), As a result of the weakness of the elasticity of the demand for consumer goods, and in view of the increasing demand for the main consumer goods, it encouraged the decline in the inflation rate in many developed countries to adopt expansionist monetary policies through consecutive discounts in interest rates to stimulate the total demand, but for the inflation rate In the group of developing countries and other emerging market economies, during the year 2019, he

recorded the highest increase of about (5%), compared to (8.4%) in 2018, as a reflection of the relative rise in the prices of food commodities that greatly affects relatively consumer goods in those countries as contributed The rise in the global prices of basic commodities in stimulating the levels of total demand in the countries of the group and thus the high inflation rates in which the developing countries represent producing countries for these goods. Although the developing countries witnessed an increase in the inflation rate in 2019, the Middle East and North Africa countries witnessed a decrease in the rate Inflation is about (9%) compared to (11%) in 2018, in light of the decrease in oil prices as countries that cause oil, while the Association of Independent Countries and Latin American countries recorded relative stability in inflation rates amounted to (4.9%) (Arab Economic Report Unified, 8: 2020.)

The global economy was characterized by contraction in 2020 due to the effects, the measures that were taken to confront the spread of the new Corona virus disease, after closing all activities and sectors that are not associated with basic supplies, which affected the entry of individuals and the business sector as a whole, especially on small and medium enterprises, which led to a decrease Global production, foreign trade and semi -stopping of aviation between different countries of the world, as well as the rates of resource loss increased, which led to high unemployment rates, especially among young people and groups and inequality as a result of exposure to the destroyed results in the Koruna pandemic, as they do not have stable income sources and most of them work in the informal sector Without appropriate social coverage, the nature of their work is not allowed as a mechanism to deal with quarantine and the interruption of economic activity that occurred as a result of the spread of the virus, and there has become a rapid movement towards adopting information and communication technologies, digital platforms and modern information provided by governments and companies (Arab Economic Report, 40: 2020).

4-Internal and external challenges: Developing countries face many challenges, including internal challenges, which are weak services in the financial sector and the lack of funding sources necessary for the requirements of economic development, in addition to the intense allocation in initial production, and the dependence on agriculture and industry, as well as these developing countries for industries, large investments and technology Modern, in addition to the difficulty of the political climate that affects economic stability (unified Arab Economic Report, 7: 2004).

As for the external challenges, which are called economic globalization, which carry all global economic variables, after the collapse of the socialist system since the beginning of the nineties, the economic theory that adopts the market economy, competition and maximizing the role of the private sector prevailed, and the expansion of trade activity, direct investments and accelerating growth to exchange goods, services and technology use Freedom of capital through global economic activities, and facilitating the transmission of workforce, information and commodities money between different countries of the world (student, 166: 2008).

Developing countries need to avoid fluctuations in prices and the need for external financing to face fluctuations in the balance of their payments necessary to prepare investments at high levels of growth and restore their economic guidelines that reduce poverty and increase production and sustainable development (Horizons of the International Economy, 17: 2012)

Exports are of great importance to various countries as a basic corner in the process of growth and advancement of the economies of developing and developed countries alike, as it is one of the

components of national income, and that the volume of exports reflects the economic situation of the state because of its clear impact on the trade balance, and it is known that the developed countries are the first in Advanced and modern inventions and use their techniques in production and export them to parts of the world. As for developing countries, we notice there is a great disparity in the rates of trade exchanges in their interest, because the global demand for the goods produced by developing countries, most of which are primarily considered primary and raw materials, so the reality of state exports must be promoted Developing (Al -Qahtani : 76 – 77, 2003), and the most important factors for the success of the export process are the main challenge facing the policies of most developing countries is mainly in how to confront force elements in trade and industry to create wealth and satisfy human needs as it transforms them from relying on exporting raw materials To the production and manufacture of industrial goods to increase their effective contribution to dividing international labor. Industrial goods also provide better prospects for revenues from exports not only because of the increase in productivity and expansion of production, but also due to achieving greater price stability even with the high volume of exports to avoid the deterioration of trade conditions that thwarted the growth performance In the long run in many countries that depend on the export of primary goods (Aquis, 22: 2008) .

There are several reasons and challenges that impede the transformation of developing countries into economic emerging countries, including the resource of resources, where resources are important factors that limit the transformation of developing countries into developed countries, as developing countries work in exporting raw materials under the influence of developed countries through the developed countries to establish Innovative structure projects, the monetary and financial system with the help of the developed state, and the developing state has returns from excess raw materials that help it to import its needs from developed countries, investing in developing countries and under a real low wage, use advanced technology, and marketing systems that are through the provision of products The developed countries to developing countries, in addition to the external borrowing of developing countries to develop their local industry to provide local industrial requirements, as there is no relative advantage of local industries, which causes a decrease in the surplus in exports, so relying on initial resources exports, its manufactured products and traditional industries, not to mention the use of capital Foreign Development of unsuccessful commodities such as infrastructure or health and education projects, which is the curriculum that meets with the directions of the World Bank for financing development in developing countries (Al -Kawaz, 11: 2011)..

The second topic: international experiences of free trade areas

During the past three decades, the world has witnessed many economic and political transformations that led to important results that prompted most of these countries to discuss economic effects with pre -hedging, depending on the appropriate mechanisms to confront potential transformations. The Arab countries that have established the free zone, while some countries turned towards establishing and expanding new free zones after these countries touched the success of the success achieved by these regions and the positive and positive effects on their national economy as it was in some Arab countries that reached the trade zone. The Arab Free, as the establishment of this region is the nucleus to create and re -crystallize the idea established by the free zones, and to attract local and foreign investments, the commercial movement is products that have the ability to be in the market for its ability to compete in terms of price and quality in various fields, including industrial, agricultural and

service, which are paid by its powers Humanity, which provides her with many scientific experiences that I qualified to achieve this, and one of the successful positive models in the field of Arab free zones that managed to achieve great results not only at the level of the Arab region but at the level of the Middle East and matches its results what it is in some European countries.

The experience of free zones in the world, which used the imports of free zones to successfully diversify exports and enhance economic growth in private economic areas, which were exposed to many political or economic challenges, as these free zones were the driving force behind the transformation of many countries in the Caribbean. Including the Dominican Republic, which carried out the policy of importing alternatives such as the necessary benefits for local production and protecting the local market, which led to specialization in agricultural products and mining, which has taken exports to diversify the sources of income, and thus established the first region in the early seventies of the twentieth century as special economic areas and the government's goal is Implementing the free zone approach as a basis for attracting foreign direct investment, generating jobs and transporting technology, and this has led to a growth in the manufacturing sector from (18%) From GDP in the 1970s to (30%), as it helped the country overcome regional growth as well as average growth due to the entry of free trade zones trade into the country (Wagener :33, 2017).

First: China's free commercial areas models

China has resorted to strengthening its economic policy through the activities of special economic regions to develop and deepen the technological content of industrial exports by encouraging advanced technology industries and providing customs incentives and customs exemptions and strikes for them. In this field, it created free zones for economic and technology (etdzs-aconomic and technology developed Zones) They are small -sized areas within open coastal cities (14 cities) that offer distinctive incentives and strikes for technological industries, especially in the field of electronics, production and construction equipment, and parts for export equipment and communications equipment (For a master ,162: 1990)

China has achieved significant growth in the past thirty years as a result of successful economic policies, as the government has defined successful strategies for these policies, as special economic areas have been established to attract foreign capital through tax and economic facilities. These areas are usually prepared in the cities of industrial areas or in The areas where technology are in particular active and manufacturing poles have been established for economic areas in the geographical areas operating in China, as great advantages have been achieved for companies operating in these areas, which are close to the main borders of international ports and airports, the goods that can be emptied, and treated. And re -export it without any interference from the customs authorities in the country only and in the case of these commodities, the special economic zone is left to enter the Chinese market will be subject to the regular customs bases of companies that operate in these areas, (Bagarotto:66,2019) that will benefit from the high tax benefits such as tax exemptions To manufacture export companies and also allow companies that fail to achieve a profit for not paying taxes, after the company becomes profitable, it can pay the reduced taxes for the next five years, as the region's program and related reforms were gradually launched around the world in various forms, as this is represented The new areas as free commercial areas where the areas that give the state are determined by financial and non -financial incentives in both financial and non -financial incentives, the bureaucratic system to attract foreign companies to invest in them.

The policy of economic reform and openness in China was an essential introduction to the system (market socialism) based on the reform mechanisms represented by free economic areas, which were represented by foreign investments and foreign companies. The Chinese government has adopted since the beginning of the reform and openness process in 1979, the government adopted a package of procedures and its applications for policies. The various that seeks to attract foreign direct investment and on a large scale to accelerate the development of the national economy and accelerate its integration with the global economy to obtain capital, advanced technology and high experience in the various projects implemented by foreign direct investment, and the Chinese government has taken multiple means of adaptation of the FDI)) To obtain the highest possible benefits and at the lowest costs, as the best use of investments in it not only fill the need for construction in terms of capital, but also helps to import advanced technology and good administrative experiences. Among the developed countries, which prompted the wheel of the development of the economy and the progress of science and technology (Al -Zubaidi, 100: 2008).

What China has obtained as a result of its implementation of the technology adaptation policies imported to its economy requires adapting its economic system to foreign investment, as China applies the socialist system while foreign direct investment needs a capitalist system in order to be able to work completely, so the Chinese treatment of this situation was to establish areas. Free economic (private) applies a capitalist market and then working gradually to establish a market economy throughout China, and create and create an appropriate climate for foreign investors who are all granted, whether they invest or prepare to invest in China, increasing interest in this market with huge potentials, so it was focused. The policy of economic openness in China, to establish free (private) economic areas in various Chinese regions, which is a gateway to entering new foreign investments, innovations, modern technology and advanced expertise, as in these areas that are discovered and then circulated to the rest of the economy (Alzarooni, 106: 2012).

Second: The free zones in China originated

The free zones in China is one of the aspects of development in support of the comprehensive development process in itself, through the front and rear connections established by these regions and based on the philosophy of liberalizing trade and economic openness and providing incentives, facilities and exemptions, especially since the world is witnessing an acceleration in the movement of economic variables for the purpose of trade liberalization that was. It has the greatest impact in determining the paths of the global future, as the free zones are as transit gates for the global economy, and windows to determine the country's ability to export according to the market economy, as the Chinese experience relied on private free zones (SEZS) that was established through the application of the open door policy (Open Door Policy at the end of 1978, as four economic regions were created, especially that they are Senzhen, and they were (Zhuhai and Shantou) in the province. The city of (Xiamen) in the province of (Fujian), which is located opposite the island of Taiwan on the Chinese ground.

China has used these four areas to achieve a qualitative leap in export, by taking advantage of the trade and marine business network with Hong, Taiwan, Macau and the rest of the Asian countries in the marine range, which contributed to the flow of capital and the provision of advanced production technology, expertise and administrative and technical skills as well. The ease of openness to international markets through investments in these countries, as the free zones in China play an

important role in economic development, as it is its window to the outside world, and the famous Chinese economist (Ji Chang Wei) stated that these areas are somewhat a co -engraved between the regime Socialist in China and the capitalist world, and allows the market mechanism and the value of the value to play their role in light of the directing of the socialist plan, and it accommodates positive things and expels the negative aspects of Western culture, and according to the leader's theory (Ding) that the existence of one country and two systems, the free zones are channels under control Between the capitalist economy (in Honk Konk and Taeon) and the socialist economy in the rest of China (Abdel Hamid: 341, 2006).

Third: The types of free zones in China

1-Special economic areas (Sezs): The economic areas of the Latin America and East Asia began, in general, with a type of export processing areas (EPZS), and based on the resumption of external financing and the promotion of export processing areas usually in the factory, with strict controls that must To take the products export areas (usually more than 80 %) made inside these areas to other foreign countries, this model was prominent export processing areas in many countries, including Korea, Mauritius, Dominican Republic, Taiwan, Vietnam China and Bangladesh, (Usman, 100: 2020).

These areas were subjected to major changes if private free zones indicate a variety of regions, including free trade areas (FTZ), export treatment areas (EPZ), industrial gardens (IP), economic and technological development areas (ETDZ), and technology areas (HTZ), And the areas of innovation for science and technology, the special economic areas are of various advantages, including it is a biological, geological region, protected and organized within the region, and it includes some important jobs, including the private region that operates in the economic zone, especially that is subject to the country governed by liberal economic laws, representing special economic areas With two basic types of benefits, which it partially achieves on the reputation of special economic areas, fixed financial benefits that include innovations and talent mobilization, export development, and exchange income in order to achieve its goals China with special laws and facilities that differ from the rest of the host country regions, especially in the tax, administrative and financial fields, as well as the important differences between these free areas and other regions of China and administrative decentralization that allow investment decisions in free zones outside the state's plans, and projects in these areas have the right and freedom By taking decisions related to investment, production and marketing, this relative independence is an important factor in attracting foreign investments that seek to achieve the important goals to achieve these areas, and develop production directed to export that has a comparative advantage based on the heavy use of the Chinese labor force, by exempting imported inputs that are used In export industries of customs duties on the one hand and providing preferential benefits to these industries on the other hand (Ozawa:33,2002)

2- ETDZ: In early 1984, as part of the process of economic openness, the Chinese government decided to create economic and technological development areas along the coast, so it is also possible to launch it in the open coastal cities, to play a major role in the issue of economic development as it is The view of the market economy, and the Chinese government has decided to develop distinguished policies through which its own areas are granted the right to become independent administration and give freedom to deal with the neighboring regions, and during the period from 1984 to 1988 it was

established in Dalian (Qinhuangdao). Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzho, Fuzhou, Guangzhh (Wenzho), Fuzhou, Guangzhh ou), Zhanjiang, BEIHAI, and during the 1992-1993 period, 18 debts were created Then the Chinese State Council decided to establish the third group, which includes 17 cities of open cities during the period from 2000 to 2002 (6,2004, ho), as the number of economic and technological development areas in China reached about 54 regions distributed to 32 areas in the eastern states, And (9) regions in central China, (13) regions in the western China states, and these areas are relatively small in terms of area and both in coastal cities or open cities and are used as windows on the outside world that play their role in the process of economic openness, attracting capital and increasing exports Technological development, these areas have become a driving force for the development process in China.

3-HIDZS: In the late 1980s, the Chinese authorities agreed to establish a new type of free zones, and the same planning for these areas in 1983 when China decided to develop and develop technological industries in specific regions and cities while giving them advantages and incentives so that they can adjust The industrial structure promised this as a technological revolution. In 1984, the government made its decision to reform the scientific and technological system in China (Guangwen: 103, 2003) In 1985, the Governmental Committee for Science and Technology presented four axes of the establishment of new and global technological industries, which were to improve infrastructure by the central government, to be in areas of attractive and sensitive, and that the regions are established with small, specialized and advanced projects so that the state provides support for these industries.

4-HIDZS: In the late 1980s, the Chinese authorities agreed to create a new type of free zones, and began planning these areas in 1980 when China decided to develop and develop technological industries in specific regions and cities while giving them advantages and incentives so that they can adjust The industrial structure promised this as a technological revolution. In 1984, the government took its decision to reform the scientific and technological system in China (GuangWen,:105,2003). In 1985, the Governmental Committee of Science and Technology presented four axes to establish complexes for new and global technological industries represented in improving infrastructure by the government Central so that it is in areas with attractive and sensitive and the areas arise with small, specialized and advanced projects and the state provides support for these industries.

HIDZ was established in (Beijing) in 1988 as there are 54 at the state level in China 25 in the coastal and 29 in the interior, although these HIDZS played important roles in the promotion of Chinese industries high -tech in general, their performance varies some of these functions, and on Equality, the line between these two types of areas may not be clear in these cases. In 2006, the five value was added to Beijing and Shanghai Zhang Jiang, Nanjing, Shi, Chenthen) Beijing, Shanghai Changjiang, Nanjing, Shi, and Chenthen) (Secretary Knowledge Network: 2009).

5-National borders and cooperation areas (beczs): This type of area in northeastern China is located through the limits of the open cities and has been established for the purpose of developing border trade and carrying out operations for re-export, and these areas have formed an important role in the policy of trade development. Which China pursued in the process of righteousness, through these areas China has open up to the countries located on its borders, as well as the areas of Central Asia and the western parts of them, as it does not only develop relations with the border countries of

China, but also plays a positive role in the prosperity of the economy in regional regions (Chinese knowledge, 2014).

6- Exporting areas (EPZS) (Chinese Knowledge, 2014): Chinese authorities choose 15 cities such as Guangzhou, Beijing and Dalian to create export processing areas, as they started in 2000 in the three cities and that was established and that was established. The regions are to be special and closed areas that the customs supervise and these areas have been established on specific areas of 2-3 square kilometers and are usually on the borders of economic and technological development areas (ETDZ) and these areas are characterized by being working according to less bureaucratic methods of export preparation activities, and this may be due to The goods received to these areas enter without adopting the procedures stipulated in the customs system and there are no fees on the goods that will be re-exported after the preparation export operations that pass through, and the Chinese central government has prepared these areas within a tight fence and control of customs for twenty -four hours To reduce smuggling into the national borders and ensure that these areas carry out the tasks set for them, namely (Export Promotion, Development of Processing Trade Processing Department, using foreign investments with greater efficiency and in more effective ways, and developing the national economy), and therefore exemptions are given resutural equipment and raw materials, Storage and shipping activities are allowed within these areas (USMAN :100, 2020).

Fourth: The role of free zones in attracting foreign investments in China

Total foreign investments during the period (1985-1988) amounted to (316 million dollars), of which (\$ 250) million dollars are flowing from Hong Kong and Macau, at (79.1%) of the total investments, followed by investments flowing from the United States with a value of (20) million dollars And at (6.3%) of the total investments, as most of these investments were the share of the Shenchin region, at a value of (196) million dollars, at a rate of (62%) of the total of these investments, followed by Xiamen with a value of (65) million dollars, at a rate With a value of (37) million dollars, at a rate of (11.7%), the last of the Shanto region, with a value of (18) million dollars, at a rate of (5.7%), and the table (3) shows the source of foreign investments in private areas during the period (1985-1988).

Table (3) source of foreign investments in the special economic areas for the period (1985-1988)
(million dollars)

Region	Hong Kong Macau	United States	Japan	Other Asian	Western Europe and Canada	Total	Percentage %
Shench.	164	14	3	11	4	196	62
Shanto	16	0	0	2	0	18	5.7
Zhai	30	1	2	3	1	37	4.7
Xiamen	40	5	3	14	3	65	20.6
Total	250	20	8	30	8	316	7

Source: ota, Tatsuyuk (2003), *The Role of Special Economic Zone in China Economic Development As Compared with Asian Export Processing Zones: 1979-1995*, Toyo University, Tokyo, Japan.

1-The volume of exports in the special economic zones in China:

Export exports to special economic zones during the period (1978-2008), and exports of special economic areas formed about (18.2%, 17.9%, 14.9%) for the period (2006, 2007, 2008), respectively, from the total Chinese exports. The Xincheng region is the highest exports and time between the five free zones about (13.59, 16.85, 16.38) billion dollars during the period (2006, 2009, 2008) at a rate of (14.114, 13.8, 11.5) of the total Chinese exports and as the table (4) exports of the regions shows Special Economic in China during the period (1978-2020)

Table (4) Exports of Special Economic Zones in China during the period (1993-2020)

the year	Sunnah	Zhuhai	Shanto	Xiamen	Heinan
1995-1993	0.009	0.009	0.251	0.82	-
1998-1996	8.15	0.489	0.84	0.781	0.47
2005-2003	34.6	3.64	2.6	5.88	0.8
2008-2006	13.59	14.84	3.5	20.5	1.4
2011-2009	16.85	18.5	3.9	25.5	1.83
2014-2012	16.37	19.7	3.3	26.97	1.615
2016-2015	15.68	17.56	3.56	24.33	1.72
2018-2017	16.30	18.58	3.58	25.6	1.73
2019-2020	18.14	19.61	4.0	27.60	2.10

Source: Yenug, Yue-Man and Others (2008), China's Sezs at 30 China, Chinese University of Hong Kong, Dep of Geography and Resource Management P231.

2-The reality of economic activation in China: We are trying to clarify the economic activation in China by identifying economic indicators and among them

-GDP: The raw internal product is the best indicator for estimating the growth and development of productive activity, it measures the value of goods and services produced inside the country during a period of time with a period of usually a year or three months, as China occupies the first place globally in the contribution of the rate of economic growth China to the economic rate Global during the last decade.

The growth rate of GDP of China in (2003) was (10.0%), to increase the percentage of (14.23%) in (2007), then decreased slightly in (2010) to reach the limits of (10.64%) and continued to decrease for a year (2020) to (2.239 %) due to the Korona pandemic.

Table (5) shows the contribution of the sectors to the gross domestic product of China for the period (2003-2020)

the year	GDP growth%	A contribution rate Oil in GDP%	Trade contribution from GDP%	Agriculture contribution to GDP%	Industry contribution rate in % GDP
2003	10.03	1.323281	51.80399	12.349	45.62278
2004	10.11	1.667998	59.50552	12.91665	45.90021
2005	11.39	2.259828	62.20789	11.6415	47.02258
2006	12.72	2.277611	64.47888	10.62576	47.5574
2007	14.23	1.863085	62.19336	10.24617	46.88417
2008	9.65	2.03661	57.61272	10.16905	46.97117
2009	9.398	0.951195	45.18487	9.636186	45.95715

2010	10.64	1.242985	50.71708	9.325177	46.49783
2011	9.55	1.527262	50.7409	9.177654	46.52929
2012	7.863	1.329714	48.26752	9.113714	45.42298
2013	7.766	1.109988	46.74438	8.942894	44.1767
2014	7.425	0.897272	44.90522	8.643491	43.08557
2015	7.041	0.335516	39.46417	8.387015	40.84134
2016	6.848	0.255696	36.89442	8.057288	39.58062
2017	6.947	0.332514	37.63241	7.463565	39.8517
2018	6.749	0.43393	37.56578	7.04302	39.68701
2019	5.95	0.382789	35.8901	7.14369	38.58741
2020	2.239	0.255107	34.58925	7.698643	37.84279

Source: Prepared by the researcher, relying on World Bank data, for the period (2003-2020).

The industrial sector is one of the sectors that the Chinese intentionally intend in their economy, as China crosses one of the largest industrialized countries in the world, in 2003 (2003) its contribution to the local product (45.62%), then continued to rise slightly to the year (2008) It recorded (46.97%), and then began to decrease to (37.84%) in 2020.

As for agriculture, despite the decline in its contribution to the gross domestic product in China, from (12.34%) for the year (2003) to (10.24%) in (2007) and continued to decrease to 7.0((

For the year (2018)

As for the contribution of oil to the gross domestic product in China, it notes that its contribution rate decreased in (2003) 1.32 %) and continued to decrease to the year (2020) and (25.0 %) and this confirms the success of China's policy in economic diversification

First: The conclusions:

1-The free trade areas since their establishment are still going without a clear and stable strategy, due to political and security instability and imbalances, was the biggest obstacle to the reluctance of investors from investing in free zones..

2-The success of the free commercial areas in achieving their various goals is required to provide a set of factors, including what is specific to paying investments from the countries exporting investments and a set of factors for attracting investments to the host countries.

3-Factors are available to free trade areas in China as well as political, legislative and economic stability, clarity of the desired goals of establishing these free areas and the keenness of powers in China to succeed in these areas in China.

4-China's success in attracting large foreign investments is due to the multiple methods that the Chinese government has followed in making the investment appropriate to the conditions of the Chinese economy, as it used a double system that combines socialist and capitalist at the same time, and this is to establish free zones that apply the market mechanisms.

5-The Chinese government's policy in its dealings with foreign investments in the free industrial economic areas is different in the nature of incentives, facilities and exemptions from their counterparts from other free economic areas.

Second: Recommendations:

- .1-Setting a clear and stable strategy for the free commercial zones program and free zones due to its positive role in contributing to the stimulation of income sources.
- 2-Using the facilities available for the free zone to establish transit and covered stores and establish a model fuel station, as well as establishing tourist facilities in the free zone.
- 3-Creating the appropriate investment climate to attract investments, which is one of the most important factors that affect the attracting foreign investment to invest in free zones, and this requires ensuring that foreign capital is not confiscated, nationalized or seized.
- .4-With electronic exchanges of information, data and procedures between the Directorate of the General Free Zone for Free Zones, in short of time and effort and keeping pace with the development in this field.
- 5- Take steps to develop technological support in order to enable these areas to attract new industries such as electronics, chemical products, and high -tech industries through which global markets can enter.

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