

KANGBASHI: THE RICHEST 'GHOST TOWN' IN CHINA?

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IN 2010, *Time Magazine* sardonically reported that Kangbashi, in Ordos, Inner Mongolia, is 'a new Chinese city that, apart from people, has everything'.¹³ Seven years later, Kangbashi is still working hard to attract residents. On 20 April 2017, a reporter for the *Inner Mongolia Daily* 内蒙古日报, Hao Xuelian 郝雪莲, wrote that as a gift to Inner Mongolia Autonomous Region on its seventieth anniversary, the local government of Ordos has commenced a Steppe Silk Road Cultural Scenic Area project 草原丝路文化景区项目 in Kangbashi district. This two-billion yuan project will occupy 335 hectares of what is now a green park, and will promote the development of tourism in the Kangbashi district.¹⁴

The decision to build Kangbashi district on what had been a rural village was made after Ordos's sudden ascent to wealth in 2004. Ordos's prosperity comes from its plentiful reserves of energy and mineral resources. It has one-sixth of the country's total coal reserves, its proven natural gas reserves are equivalent to one-third of the country's total, and its proven rare earth and kaolin deposits account for half of total domestic reserves. These rich underground resources have propelled an economic growth rate of nearly thirty per cent, with urban development to match. As Lian Ji 连辑, the deputy chairman of the Inner Mongolian government, proclaimed in 2009: 'China has the fastest growing economy in the world, Inner Mongolia has the fastest



Kangbashi panorama

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growing economy in China, and Ordos has the fastest growing economy in Inner Mongolia'.¹⁵

Coal mines are the largest single source of wealth in Ordos. Each year, close to half a billion tonnes of coal are mined by around 240 enterprises, bringing in around a quarter of a billion yuan to Ordos. In 2016, per capita GDP was RMB227,700. Ordos, not surprisingly, has more 'nouveau riche' 土豪 residents than any other city in China. In 2011, the Chinese Private Capital Investment Survey Report 中国民间资本投资调研报告, jointly issued by the Ministry of Housing and Urban-Rural Development and private capital firm Go High Investment 高和投资, indicated that more than 7,000 wealthy individuals, with assets in excess of RMB100 million, lived in Ordos, as did at least 100,000 individuals with assets of over RMB10 million. According to the Hurun Report's China Rich List 2016 胡润百富榜, of the twenty-nine entrepreneurs from Inner Mongolia on the list, fifteen were from Ordos.¹⁶

Construction of Kangbashi began in 2003 to accommodate the number of outsiders flocking to Ordos and its mining boom. The new district, which had more access to water resources than Ordos, was located thirty kilometres

away from the old city/town centre. Three years after its construction, the government of Ordos moved its major agencies, schools, and hospitals to Kangbashi in the hope of giving the district greater vitality. Nevertheless, many officials and residents continued to live in the old city and commute to the new one by car, complaining that Kangbashi lacked amenities like supermarkets, clothing shops, department and other convenience stores.

As a consequence, in the early years fewer than 30,000 people lived in a city that had been built for a million; it seemed empty and desolate. Apart from street cleaners, the roads were virtually empty, and most of the residential buildings entirely dark at night. Kangbashi gained the reputation of being a ghost town. Adding to this sense were the rows of half-finished buildings: approximately five million square metres of them, fully forty-five per cent of the district's entire construction area, according to a report in 2015.¹⁷ The coal industry began shrinking in 2009, dealing a major blow to Ordos's industrial base and making it difficult for the city government to continue its support for massive development projects. The flourishing of private lending has

also been problematic, as declining profits have failed to meet heavy interest burdens — rupturing the capital chain and leaving no money to finish building projects.

As a partial solution, in recent years the local government of Ordos has built thirty-four schools of various types; Kangbashi even has a branch of Beijing Normal University. The establishment of top-ranking elementary and middle schools has induced many parents to buy homes nearby. In addition, four city-level hospitals, including Ordos Central Hospital and Ordos Maternal and Child Health Hospital, have opened. To promote the purchase of new homes in Kangbashi District, the local government has also issued housing vouchers to those willing to relocate from Ordos. According to Liu Hai'e 刘海娥, an employee of the Kang-

bashi District Bureau of Housing and Construction, a total of 2,098 homes were sold throughout the district in 2016, and another 1,700 homes had been sold as of 20 June 2017.¹⁸ The local government has also recently redrawn the boundaries of Kangbashi district to include only its core urban area, leaving out the area on the south bank of the Ulaanmuren River, where a large number of the empty residential buildings are located.

According to the latest government report of Kangbashi district, the population of the district reached 153,000, with an annual increase of thirty-two per cent by the end of 2016.¹⁹ The original planned population of the district was one million — suggesting that it may well resemble the country's richest ghost town for some time to come.



Housing vouchers
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