

## The Development Strategy of Tengchong Jade Processing Industry

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Received 5 February 2015; accepted 14 April 2015

Published online 26 May 2015

### Abstract

As the birthplace of the jade-processing industry, Tengchong is making great efforts to be the most important distribution center of jade trading and processing. However, the current development of jade processing industry in Tengchong County is facing certain difficulties. The thesis, starting with this point and basing on the elaboration of the present situation for the development of jade processing industry in Tengchong County, uses SWOT method to analyze the region, culture, brand and market advantages of current jade processing industry in Tengchong County. The disadvantages include severe domestic workshop processing, the shortage of senior talented jade-carver and insufficient governmental support. The opportunities are sound political and economic environment, new investing fields and the getting-better relationship between Tengchong and Burma. The threats include worrying about raw materials, the oppression and plagiarism from competitors and the threaten of counterfeit. Based on this analysis results, S-T Strategy, W-O Strategy and Growth Strategy have been put forward. Helpful theoretical basis for the development of jade processing industry in Tengchong County is provided to make it develop in a healthy and sustainable way.

**Key words:** Tengchong county; Jade processing industry; SWOT analysis; Development strategy; Economic environment

Sun, X. C. (2015). The Development Strategy of Tengchong Jade Processing Industry. *Cross-Cultural Communication*, 11(5), 30-37. Available from: <http://www.cscanada.net/index.php/ccc/article/view/7021>  
DOI: <http://dx.doi.org/10.3968/7021>

### INTRODUCTION

Tengchong County is known as “the top Chinese jade town”, the “jade town” with 600 years of jade processing history (Sketches, 2012). People in Tengchong found the jade and start the processing and trade of jade firstly. Tengchong became the earliest collecting and distributing center in Southeast Asia for jade jewelry. The local people used jade to pave the roadway and build passages and living rooms. There was a saying that “Memorial archway is built by amber and bridge is built by jade”, which cultivated the prosperity of commerce and trade in Tengchong (Du & Ma, 2002). However, as Tengchong jade processing industry faced increasingly fierce market competition, severe external policies and market environment in recent years, the achievements of many jade processing enterprises were declining. Jade processing and trading gradually transferred to Chiang Mai, Thailand as well as some areas in China, like Hong Kong, Taiwan, Guangdong and so on. Tengchong lost the advantages of the old days. A consumer group with tens of millions customers in the world, whose annual value of production can reach billions of dollars, surrenders to other people submissively. People from all over the world sympathized with Tengchong.

In conclusion, people in Tengchong should have a broader outlook with the height of the times and strategies, visualize the future and better develop the jade processing industry to continue the glory it once had. There are big theoretical significance and practical significance of studying the problems and strategies of

the development of Tengchong jade processing industry at the same time.

## 1. THE CURRENT SITUATION OF JADE PROCESSING INDUSTRY IN TENGCHONG COUNTY

### 1.1 The Scale of Jade Processing Industry

With the proposal of constructing a strong ethnic and cultural province in Yunnan Province, Tengchong County has listed the jade characteristic industry in the development plan, and the advantages of the regional resource integration have been basically formed. Realizing the shift from the resource advantages to the economic advantages, and better facilitating the constellation effect of the Jewelry characteristic industry are also the protection, inheritance, and development of Tengchong's jade culture. Now, Tengchong County is making efforts to develop itself into an important jade trading market and processing center in the world. There are 16 companies, commercial firms and shops running import of gross stone, 23 jade trading markets and nearly 2,000 operation households of jade processing (among which there are 828 households with business license, while the rest are family workshops). The staffs are nearly 20,000. The occupied land for jewelry business is nearly 50,000 square meters, among which the emerald park occupied 40,000 square meters and the jewelry park 5,000 square meters. There are mainly two key support projects in Tengchong county jade industry: One is Tengyue jade park, the total investment of which has been over 0.1 billion RMB; another one is the Locus jade carving process base.

### 1.2 The Ability of Jade Processing

After 1995, along with the shrink of the raw material market in Tengchong and the development of the Ruili market, most of the processing and technical personnel in Tengchong left Tengchong in succession, and settled down in Ruili. There are only 400 machines for the staff now in Tengchong, and they can only process some common low-end products. There are only about 30 people who are able to process mid-range products. The number of staff actually having the capacity of innovation design is less than 10 (Wu & He, 2011).

According to the latest statistics, about 20% to 25%, or 80 million to 100 million yuan of jade were processed in Tengchong, the rest was mainly processed in Guangdong and a small proportion was in Ruili. In the Tengchong-processed jade, about 95% was middle and low end products while 5% was high end products. The products processed were mainly small carved pieces, while the processing amount of the large carved pieces, which involved complicated craftwork, and mass-produced art

works was extremely small. In general, its processing capacity was severely inadequate (Xu & Li, 2010).

### 1.3 The Output Status of the Jade Processing Industry

For a long time, jade processing business has always been an important part of urban and rural economy of Tengchong. According to the latest statistics by Tengchong Department of Statistics, in 2011, the imported volume of import of gross stone cleared by Tengchong County was 250 tons, the sale of raw materials was 160 million yuan, the output value of jade was about 2.5 billion yuan and the revenues of sales was about 5 billion yuan; In 2012, the import volume of raw jade was more than 300 tons, with an increase of 20% the same period; raw jade business achieves 200 million yuan, with an increase of 25% the same period; jade output value of 3.1 billion yuan, with an increase of 23% the same period; reaching the jade industry sales of 6 billion yuan, with an increase of 20% the same period. At present, the numbers are still being refreshed continually. In the meantime, the Tengchong County Merchants successfully attracted an investment of 380 million yuan at the beginning of 2013, which realized a solid start and made another solid step for the development of the Tengchong jade processing industry. According to the disclosure of the related person, during the 12th Five-Year Plan, the output value of Tengchong County jade industry will strive to break 10 billion yuan. Moreover, experts even pointed out that jade would become the "currency with the largest denomination" (Shi, 2011).

### 1.4 The Terminal Market of Jade

After the jade processing industry, Tengchong's end products market of jade has developed gradually. Especially after the year of 2000, it has developed into a large-scale jade market with 241 stores on sale. The market in Tengchong is different from the market in Ruili and Yingjiang. The market in Ruili conducts both wholesale and retail business but it attaches more importance to the former. While the market in Yingjiang gives priority to the raw materials, Tengchong emphasizes on the retail selling of the processed end products. It is currently one of the biggest existing jade retail markets and enjoys a preferable reputation among the markets of that in Yunnan. But Tengchong, as the distributing center of jade in the history, now the sources of more than 60% of jades come from wholesale markets in Ruili, about 10% come from Guangdong, and only less than 30% of the jades are processed and produced on its own. Foreign products are supporting the brand of "Tengyue Jade"<sup>1</sup>.

In summary, the basic features of jade processing industry in Tengchong County are: Processing capacity was severely inadequate, not comparable with Guangdong

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<sup>1</sup> Chinese Jade Net <http://www.feicui520.com/>

and Ruili; shortage of raw materials supply, not comparable with Yingjiang; However, due to the support of traditional jade culture, the retail of end products still has great advantages.

## 2. SWOT ANALYSIS OF JADE PROCESSING INDUSTRY IN TENGCHONG COUNTY

Currently, although the jade processing industry in Tengchong County is facing good development opportunities and has great potential, there are still some difficulties and problems that hinder the development of the industry.

### 2.1 Strength

#### 2.1.1 Geographical Advantages

Jade is native to the north of Burma, and Tengchong is only 358 km from the producing area of jade. This kind of location superiority of Tengchong is richly endowed by nature. This unique location superiority is what other provinces and cities in the country lack. Meanwhile, in recent years, Tengchong has implemented the strategy of developing the strong county on the base of port with all its strength, and got through the international path to South Asia, which has achieved significant progress. With Tengmi secondary roads and Tuofeng airport opening to traffic, a lot of Jade raw materials will enter into Tengchong more conveniently, which provides a rare opportunity for the development of jade industry in Tengchong County.

#### 2.1.2 Culture Advantages

Tengyue Jade vault has unique and rich cultural connotations. In 16th century, jade entered from Myanmar into China through Tengchong. Since then, jade culture had deeply rooted in Tengchong. After a long history of evolution, the long traditional history of Tengchong penetrated, sublimated and closely integrated with the king of jade — emerald. The traditional culture in Tengchong embodied very vividly in jade. Tengchong County is determined to make use of the unique culture of Tengchong jade and make Tengchong the most important processing and distribution center of jade in the world to make it bigger and stronger.

#### 2.1.3 Brand and Market Advantage

In recent years, with the rapid development of tourism in Tengchong, the operation of jade carved and processed in Tengchong has initially established a good market image and reputation at home and abroad. “Tengyue Jade” has become a famous brand in Chinese jade industry, and it is one of the image products of tourism in Tengchong. As it is driven by the tourism, though there are still some problems in the source of materials, the jade which gets carved and processed in Tengchong still chronically

dominates the terminal advantages in the jade retail market. No matter in Tengchong county or border towns, as long as there is tourism zone or tourism site, on-site jade processing bases of different levels with “Tengyue Jade” pasted on the wall are ubiquitous. Consumers can ask the carving workers to carve the jade they like. Thus the unique tourism shopping and consuming market of Tengchong jade jewelry are formed. The tourism products of high, middle and low levels enrich the development of Tengchong tourism products and souvenirs to a great extent, and this is one of the features of Tengchong jade processing industry.

### 2.2 Weakness

#### 2.2.1 Severe Domestic Workshop Processing

It's difficult to obtain considerable development with family workshops running as the main part. It has small scale of process, low level of mechanization and outdated processing techniques, and a large quantity of jade art ware does not meet the requirement of artificial innovation, computer design, mechanical crafting, mass production and modernized production. Consequently, the processing cost is several times higher than that in Guangdong and Ruili, and the processing period is also several times longer than that of places mentioned above, which causes high-end products in Tengchong's market processed in Guangdong and the medium-end products in Tengchong's market processed in Ruili. Processing has become the bottleneck of the development of jade industry in Tengchong, and has prevented the development of standardized jade industry from moving forward.

#### 2.2.2 The Shortage of Senior Talented Jade-Carver

A “weird phenomenon” has been there recently in Tengchong jade processing industry. Due to the alteration of policy in Myanmar, as well as the flexible policies and open and innovative ideas in Guangdong and Hong Kong since the reform and opening up, a large quantity of raw materials that have entered the territory of Tengchong is continuously sent to places such as Guangdong and Hong Kong to be processed. They are delivered back to Tengchong for sale after being processed. As time passes, the processing technologies of jade in Guangdong, Hong Kong and some other places are in the ascendant, but Tengchong becomes “the warehouse of raw materials”. Meanwhile, many talents in jade designing, processing and manufacturing in Tengchong have gathered in Guangdong, Hong Kong and other places while top talents in processing jade in Tengchong are quite rare and precious. According to statistics, in 2000, the skilled jade crafting talents in Tengchong accounted for over 75% of the country, but it's less than 20% now. With the tremendous loss of talents, the huge problem that Tengchong is facing now is the gradual loss of the traditional techniques of design and process with the outcome that the great jade-crafted works are hard to

create, and the added value of the products is lowered. This directly leads to the lack of deserved infectivity and charisma of jade processing industry in Tengchong in the national jade processing industry (Anonymous, 2009).

### **2.2.3 Insufficient Governmental Support**

The policy support from Tengchong government to jade processing industry is so insufficient, which reflects mainly on the aspects such as the lack of modernized processing platform, incompatible government policies and less intensive measures to attract businesses. At present, Tengchong County hasn't established a processing platform which can adapt to the development needs of the jade processing industry. The current professional market of jade undertakes part of the functions of jade processing platform, but it can only adapt to the requirements of front shop and back factory or family workshop processing, and cannot satisfy the requirements of modern jade production and processing to match "the top Chinese jade City"; The current import tax, franchise tax and other local taxes amount to 42.13%, while the tax of Chiang Mai in Thailand is under 5%. The reform of the formulation of jade import tax levy rate should be carried on in general; the measures to attract businesses for processing are not intensive. Until now, no systematic measures, methods or policies to stimulate development needs of the jade processing industry have been introduced yet (Liao, 2012).

## **2.3 Opportunities**

### **2.3.1 Favorable Sound Political and Economic Environment**

Since the reform and opening up, the stable politics and continuous high-speed increase of GDP in our country have provided an excellent environment for the investment of jadeite industry. In recent years, the annual growth rate of gross sales of China's jade industry was developing as high as 15%, and the annual growth rate of export exceeded 20% (Yang & Zhang, 2011). Currently our country has become the third largest jewelry market in the world, only following America and Japan, and is the world's biggest country in terms of jade processing and consumption. According to the predictions of China Jewelry Association, the jewelry market of our country will continue to keep the annual growth rate above 15% in the following years, and in 2020, our country will become the biggest consumption market of jades in the world and one of the most competitive jade jewelry manufacturing and trading center globally.

### **2.3.2 Jade Is a New Type of Investment Field**

With the development of the economy and the improvement of people's living standard, the consumption on jewelry has become another hot spot following real estate and auto. And the best representative of jewelry must be the trend jade industry. After nearly 30 years' rapid development, it has spread all over the countries and regions such as Japan, Singapore, Taiwan and Hong

Kong, and then rapidly spreads to European and American countries and everywhere around the world as well. She is the sunrise industry developed with the progress of human civilization and continuous improvement of the level of living standards, and she will occupy more and more shares in the development of the national economy. Tengchong can take this opportunity to reappear the former glory in jade processing industry.

### **2.3.3 The Political Situation Between Tengchong and Myanmar Tends to Get Better**

The intercourse between Tengchong and Myanmar gradually gets deepened. On 1st January, 2010, the Sino-ASEAN Free Trade Area was built on schedule. More than 90% of the products between China and ASEAN realized zero tariff. Burma, as a new member of ASEAN, will achieve the goal of zero tariff on 90% of business products in 2015. Since 6<sup>th</sup> January this year, Myanmar has newly opened the import permission of foreign currency, which is another signal of Myanmar's transformation, and this is also the reflection of the active devotion to the regional economic cooperation. As a region which has relatively close cooperation and communication with Burma, Tengchong can exactly make use of this chance to give full play to its advantages and find the node of win-win cooperation in the tourist industry and jade processing industry.

## **2.4 Threats**

Opportunities and threats exist at the same time, and as we know, influences of any events are relative. As for Tengchong jade processing industry, it will inevitably face huge threats while it gains opportunities, and the details are as follows:

### **2.4.1 The Worrying About Raw Materials**

Only jade mined in Burma can be called jade in the world, so the raw materials of jade processing industry in Tengchong must be imported from Burma. On the one hand, once the Burmese government conducts strict export control on raw materials and raw gemstones of jade, or the Burmese companies' control on jade achieves monopoly, or the resources of raw materials and raw gemstones of jade in Burma are reduced or even exhausted, it is guaranteed to bring profound impacts or even dangers of extinction to the Tengchong jade processing industry; On the other hand, the market of raw jade does not open in the city of Tengchong. They lock them in the bonded warehouse, running their own business and making semi-closed trading, which violates the open, fair and impartial bidding principle of jade purchase, and finally limits the enthusiasm of buyers and sellers. The woolen market only serves the interests of sellers in bonded warehouses, which limits buyers' market. As a result, most manufactures with a small capital are difficult to enter the bounded warehouses to buy materials, which are harmful to the processing industry. The fur market is semi-closed, so that traditional management takes little advantage, in which

buyers combine stocks purchase, share profits and risks together.

**2.4.2 Competitors’ Covetous Eyes**

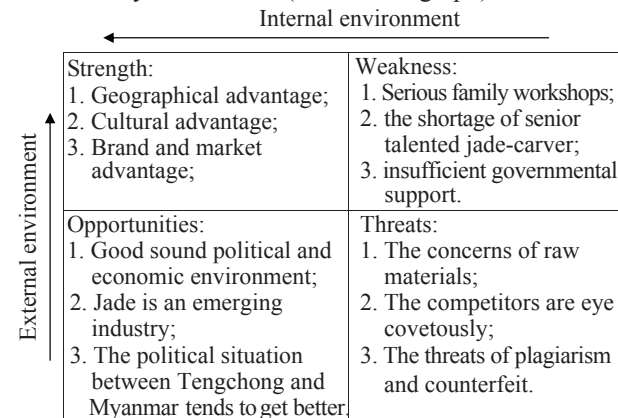
In recent years, the jewelry industry of Thailand, India and other countries and regions is developing rapidly, which caused great shock to the jewelry industry in Tengchong. India is famous for its abundant raw materials and perfect jewelry industry chain, and its jewelry exports rank the first place in the national commodity exports. While Thailand is famous for its world-famous jewelry craft, thus become one of the colored gem processing trade centers of the world. The domestic situation still can’t be ignored. Hong Kong pays attention to the creative design and detective technology, Guangdong attaches importance to product processing and manufacture craft, these leaders in the same industry become the strong rival of Tengchong jade processing industry. In addition, Tengchong jade processing industry also faces with the threat of the development of the surrounding counties and cities.

**2.4.3 The Threat of Plagiarism and Counterfeits**

Creative design plays an important role in the jade industry, while being plagiarized and counterfeited becomes a headache for Tengchong jade processing industry at present, which means the loss of research and creative. At the same time, the development trend of the serious homogeneity will inevitably affect the personalising development of the whole jewelry industry. During the early 1990s, jade industry in Tengchong County was revived and became the local dominant industry. As the jade market being hot, the market began to resembles the sham as the genuine, it is hard to recognize true and false jade, with filling process and dyeing process pretend to be natural jade, merchants close their shops to avoid and reject being check. The lack of credibility and market chaos depresses the market day by day.

**2.5 Analysis**

Through the analysis of this chapter, it can be summarized as shown in Figure 1 Tengchong jade processing industry SWOT analytical method (2×2 matrix graph):



**Figure 1 Tengchong Jade Processing Industry SWOT Analytical Method (2×2 Matrix Graph)**

To sum up, we should take advantages of its geography, culture, brand and market; and overcome the disadvantages such as severe domestic workshop processing, the shortage of senior talented jade-carver and insufficient governmental support and so on; utilize the opportunities such as good sound political and economic environment and the getting-better relationship between Tengchong and Burma and so on; avoid the threats such as plagiarism and fake goods and let jade processing industry in Tengchong County grow better.

**3. JADE PROCESSING INDUSTRY IN TENGCHONG COUNTY’S DEVELOPMENT COUNTERMEASURES**

Based on the above cognition, we should adopt the operation mode of promote processing through sales, promote import through processing, and promote sales through processing in turn, as long as we bear larger interests in mind, start small and emphasize the following work, Tengchong will be worthy of the name of “the top Chinese jade”. According to the analytical result of SWOT in Chapter 4, Tengchong County should adopt S-T Strategy and W-O Strategy, when developing to a certain degree; Tengchong County should adopt the growing strategic countermeasure to develop the jade processing industry in Tengchong

**3.1 Stable Strategy Countermeasure**

Currently the development strategy of “stable is over the head” is the dominant tone of work for Tengchong jade processing industry, the implement of this strategy would be benefit for the more healthy, sustainable development of Tengchong jade processing industry, and the more steady, the better.

**3.1.1 S-T Strategy**

**3.1.1.1 Utilize Geographical Advantages to Solve the Import Problem of Raw Materials**

Tengchong County should utilize its inherent geographical advantages to expand the import of raw materials of jades and to recover its distribution function of jade processing; the detailed measures are as follows:

(a) Building bounded area for the processing and trade of jade

Tengchong and Myanmar are similar in custom and culture, and people living on the frontiers get on well with each other. We should completely open the operation market of raw jade in Tengchong, and the county should be declared as bounded area for the processing and trade of jade. Make use of the port advantage to solve the import and export problems and build import of gross stone, bounded area has effective operation model in declaration, operation management, bank transfer, professional auction and certification process so as to guarantee the smooth of import of gross stone. At the

same time, attract jewelers across the country to purchase commodities in Tengchong.

(b) Establish a sound wool processing and wholesale market

This is the key point to solve the issue of “gross stone market not being open”. By integrating the emerald upstream (high-grade jade products, with unit price being above 10,000 yuan), middle products (middle jade products, with unit price are between 1,000 yuan and 9,999 yuan). Utilize the factors such as market scale effect, the geographical position and the sale terminal effective connection to establish reasonable multiple regions market, and realize the centralized trading market. Unify the market to implement concentrated trade of the emerald wool, processing, wholesale trading in the same market, enrich trade category, and effectively strengthen the market competition between the sellers.

### 3.1.1.2 Reinforcing Studies on Jade Culture

Strengthen the research on jade culture, make rigorous efforts to excavate, sort out and promote jade culture so as to make ourselves remain invincible in the competition, the specific measures are as follows:

(a) Make the long-term plan, largely discover, excavate, reorganize, and promote jade culture, set up “Tengyue Jade Culture Research Association” or similar institutions; invite specialists to convene academic seminars at irregularly scheduled time to promote Tengyue Jade Culture Research, thus reaching the purpose of promote jade culture.

(b) Regularly hold the activities like “Exhibition of Emerald Works of Tengchong”, “Exhibition of Emerald Works of West Kunming” and “the Nationwide Exhibition of Emerald Works” to lead insiders to improve their own abilities and expand their influences to the outside world.

(c) For such as Yang Shumin, the representatives of the local jade carving technologists who have certain reputations, promote them by the means of modern information to improve their reputations and influences further, accelerate the maturity of jade carving in Tengchong County to form Tengyue Jade Carving Genre.

### 3.1.1.3 Strengthen Supervision of the Market to Prevent Plagiarism and Shoddy Goods of Jade

Strengthen supervision of the market well do good to prevent plagiarism and shoddy goods of jade from the start of machining. Plagiarists feel there is nothing to fear because it is difficult to punish them. So we should encourage the patent of jade processing industry in Tengchong, put an end to the copy effectively; protect the legal interest by law.

In addition, in order to standardize jade market comprehensively, the Industrial and Commercial Administration Bureau of Tengchong County should establish and adopt a series of measures for its reorganization and standardization. Industry and

Commerce Institute should start from cracking down counterfeit goods, and hitting the act of producing or selling counterfeit goods by major measures such as daily inspecting, specialized checking, and spot checking before holidays and so on. Each related functional headquarters of the government should work together to persistently increase the intensity of cracking down on counterfeit goods, especially should closely track the migrant itinerant vendors and must not let them publicly or privately sell counterfeit goods to defile the good reputation of Tengchong jade, which has no counterfeit goods. Thus raising the credibility of Tengchong’s jade market, improving the purchase confidence of consumers, letting consumers be without the worries behind, making Tengchong a synonym for genuine jade, only in this way, can Tengchong jade processing industry continue growing, become stronger further, and expand the market demands further.

### 3.1.2 W-O Strategy

#### 3.1.2.1 Using the Advantageous External Environment to Enhance the Government Support

Good sound political and economic environment provides strong support for the development of jade industry, in recent years; Tengchong County has listed jade processing industry as a pillar industry of the county, and should provide strong support upon policies:

(a) Create a sound environment for develop the jade processing industry in Tengchong.

The government leading, all departments linkage, form the development of jade industry joint force. Making scientific relevant policy such as “jade processing industry in Tengchong development plan” after conducted a comprehensive and systematic planning, programming and demonstration; all departments should focus on the development of jade industry by taking advantages of various measures to strive for parent project and financial support with combination with their own duties. Promoting the construction of key projects, cultivating key enterprises, some of the projects should be completed under the collaboration of Tengchong Silk Road Jade Industry and Trade Company, Specialized Cooperatives of Jade Carving from Yusan Village, Hehua Town, Tengchong County, Shuming Jade Carving Workshop and so on. By implementing the project, conduct the study of jade carving technology, build the lotus jade carving processing base and lotus jade carving training base, host large-scale and multi-level jade processing training, improve the quality of the jade processing personnel, enhance the quality of jade processing industry in Tengchong, therefore, promote the Tengchong jade processing industry of jade processing industry in Tengchong.

(b) Consolidate and construct jade processing platform.

According to the principle of combining traditional way with the modern way of processing, consolidate and

construct jade processing platform. Small, scattering and unorganized processing situations need to be improved; government should lead the construction of organized, high-level and standardized processing base. Establish a processing platform which meets the requirements of modern production such as human creativity, computer design, mechanical manufacture, batch production at a proper place. Consolidate the existing traditional processing platform as shop in front with factory behind style or family workshops, so as to achieve the purpose of mutual complement. Modern processing platform should meet three demands: The first one is to be built in the crowded places; second, it could be certain scale to satisfy the future development; third, the cost shall not be higher than that of the other regional markets, so as to achieve the ultimate goal of processing cost cutting.

(c) Planning the overall blueprint of the development of jade industry.

Following the request of “respect history, rational distribution, building a brand, highlight the local characteristics”, and based on the layout characteristics of “one city, one village” of the development of jade industry, led by the jade industry office, scientifically formulate “the outline development plan of Tengchong county jade industry” and “the industry development planning of the top Chinese jade”. Introduce professional companies to settle in the town gradually in steps and by right orders of importance, spend full strength to enlarge Lotus Tourism Town to 10 square kilometers within three years and to make this town worthy of its name as the top Chinese jade in five years.

Finally, the government should intensify efforts to attract foreign investment in the jade processing link.

### **3.1.2.2 Restructuring the Mode of Family Workshops of Jade to Meet New Challenges**

(a) Carrying out corporation reformation.

Company Type Corporation is the major form of the modern enterprise system, compared with primitive proprietorship, it has more capital sources, which helps realize capital centralization and increases funds-utilizing efficiency, limited liability lowers the proprietor’s risks and the company has an extended business life cycle. Moreover, it is possible to achieve the separation of ownership and management, which will benefit for improving the management level. In the 1960s, Chow Tai Fook abandoned traditional operation model of gold shops and branches, and formed the “Chow Tai Fook Jewelry Co., Ltd.”, and managed and expanded market in the form of chain store, which led it to become the first limited organization of gold jewelry industry in Hong Kong, thus transformed the simple “shop-type” management to “company” operation, and this is the start of Chow Tai Fook becoming China’s leading jewelry enterprise. Tengchong as well as the whole Chinese jade retail enterprises, should reform corporation earlier on the

basis of their own strength, so as to further develop and strengthen.

(b) The owner should enhance the learning of modern management theories to improve the management level.

Any organization is inseparable from the management, and the modern management science has covered everything in enterprise management and has gradually formed a complete subject after nearly 100 years’ development. Tengchong jade processing industry companies face a more complicated environment with increasing competition and the management only depending on companies themselves can’t meet the needs of their development. The owners of enterprises should strengthen their studies of modern management theories, broaden the way of thinking, be innovative and improve their own managing skills effectively to ensure healthy development of their enterprises.

### **3.1.2.3 Strengthening Modern Talent Management to Solve the Problem of Lacking Talents in Processing**

For the shortage of skilled jade crafting talents in skilled jade crafting talents aforementioned many times, the author thinks that only “nurturing, attracting, keeping and making full use of talents” can solve this problem from its root, ensure sufficient talents for the development of skilled jade crafting talents and raise the crafting skill of jade processing. The first is to vigorously introduce and cultivate jade processing talents, and the second is how to avoid the outflow of talents and how to use the talents properly. In this way, the overall technology level of Tengchong jade processing industry can be fundamentally increased.

## **3.2 Growth Strategy Countermeasures**

On the basis of “stable is over the head”, Tengchong jade processing industry should “promote stable development” and “make progress in stable development” in order to achieve sustainable development. The so-called “making progress” means make full use of the advantages of jade processing industry in Tengchong County, specially the features of unique geographical location and profound jade culture, keeping a firm grasp and making a good use of the important strategic opportunities in our country’s developing period and stabilizing the surrounding environments to revive the splendor of Tengchong jade market of hundred-year history and develop jade processing industry in Tengchong County to an industry of Tengchong that makes the area and people prosperous genuinely. Besides, people must be fully aware of the role played by brand, understand deeply the significance of brand, conduct brand management, build the brand image, implement brand strategies, create national brand, improve the popularity of the enterprises, raise the credibility, create the core competitiveness and intensify the actual strength of the enterprises. The jade industry should be combined with tourism, widen its development

space, and realize the powerful combination with tourism industry.

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## CONCLUSION

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Though Tengchong jade processing industry has a long history, but nowadays Tengchong jade processing industry is still in the stage of the growth of the industry. Basic features of jade processing industry in Tengchong County are: Processing capacity was severely inadequate, which is not comparable to that of Guangdong and Ruili; deficient supply of raw materials, which is not comparable to that of Yingjiang; but the retail of the processed products supported by the traditional jade culture still has many advantages. Regarding its current situations, Tengchong county should make use of its geographical, cultural, brand and market advantages; overcome the disadvantages such as severe domestic workshop processing, the shortage of senior talented jade-carver and insufficient governmental support; make use of the favorable sound political and economic environment and the getting-better relationship between Tengchong and Burma; avoid the threats such as plagiarism and counterfeits; adopt steady S-T strategy, W-O strategy and growth strategy for the better develop the jade processing industry in Tengchong, so as to turn Tengchong into “the top Chinese jade in the real sense”.

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