

Chapter 2

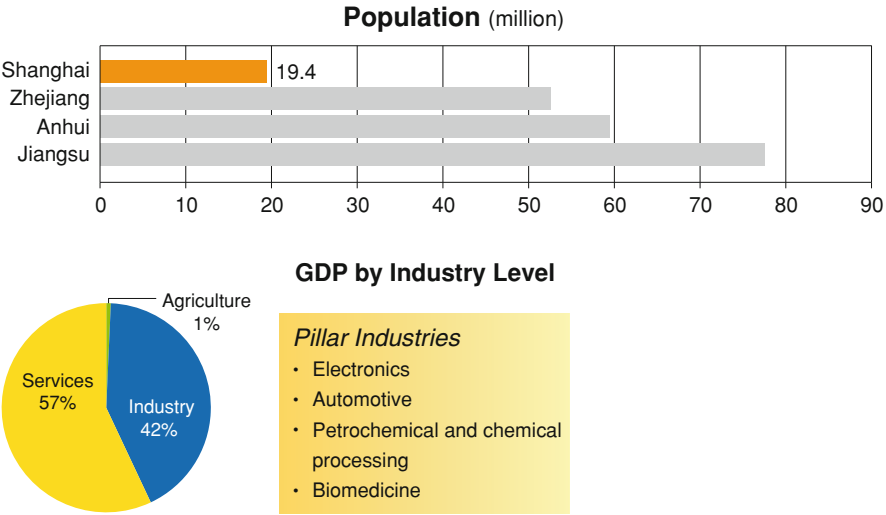
Provinces and Cities of the YRD

SHANGHAI

上海



The Pudong business district, Shanghai's "growth engine" east of the historical center of the city, accounts for more than 20 percent GDP.

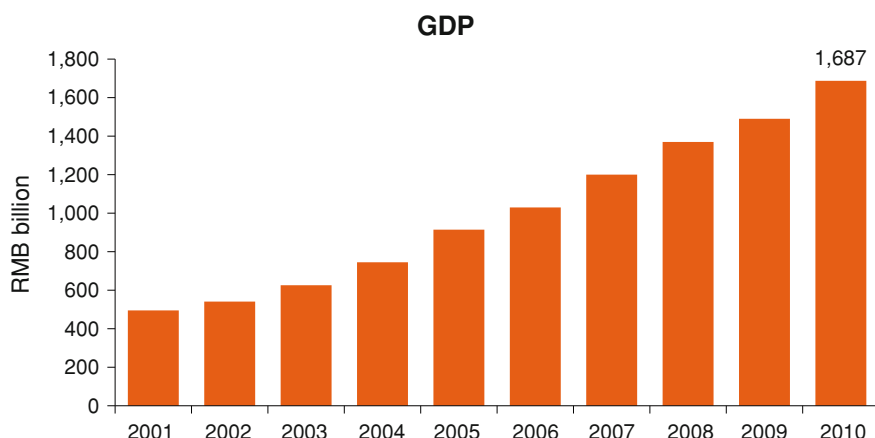


An international metropolis that has witnessed breathtaking economic development, Shanghai shows no signs of slowing down. The city is administratively equal to a province and is divided into 19 county-level divisions. To the north and south are Jiangsu and Zhejiang provinces, while the East China Sea lies to the east, Hangzhou Bay to the south and the Yangtze River to the north.

Since reform and opening, China’s State Council and the Shanghai city government have begun to develop the city into an international financial and shipping center, similar in certain ways to Hong Kong. As a result, Shanghai’s GDP has been growing extremely fast. In 2009, amidst the financial crisis, Shanghai’s GDP rose 8.2% despite official efforts to slow the growth rate to ensure stability and sustainability.

Partially to reduce population density, during the 12th Five-Year Plan (2011–2015) Shanghai will focus on developing seven new satellite cities and developing links with neighboring cities in the Yangtze River Delta. The city is continuing to build up several key industrial sectors (microelectronics, automotive, chemicals, steel, shipbuilding and equipment manufacturing) and aims to draw more foreign investment into six service sectors (modern logistics and transportation, financial services, exhibition and travel services, information services, professional services auxiliary to manufacturing, and entertainment).

2.1 Economy and Investment



Shanghai is China's largest commercial and trade city. With only 0.1% of the land area of the country, it supplies over 12% of municipal revenue and handles more than a quarter of total trade passing through China's ports. In 2010, Shanghai's GDP reached RMB 1.687 trillion and per capita GDP was RMB 73,294.

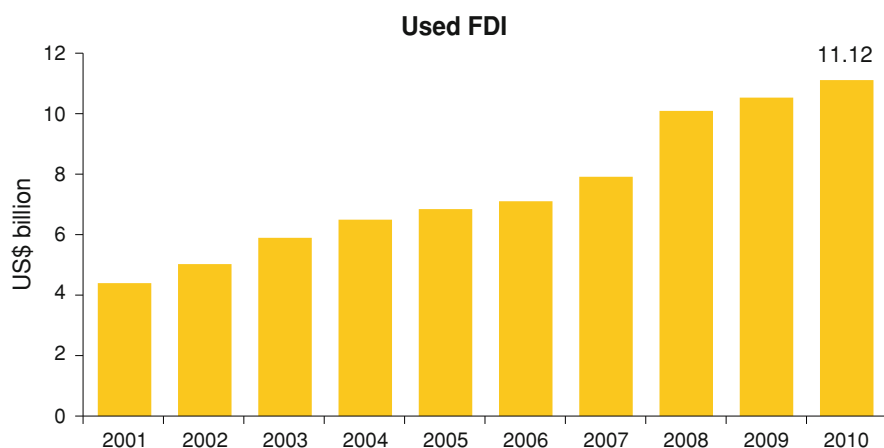
Total revenue for Shanghai's retail industry reached RMB 603.7 billion in 2010, with year-on-year growth of 17.5%. Shanghai's mature retail environment and comprehensive municipal infrastructure make it an ideal place to launch a retail enterprise or introduce a brand to China.

Shanghai Stock Exchange

The Shanghai Stock Exchange was founded in 1990 and is the largest stock market on the mainland. In terms of market capitalization, it ranks fifth in the world. There are three main categories of securities listed on the Shanghai Stock Exchange: stocks, bonds and funds. Bonds traded on the exchange include treasury bonds, corporate bonds and convertible corporate bonds. The Shanghai Stock Exchange issues two types of stocks: A shares (priced in RMB) and B shares (priced in USD). Foreign investors can trade B shares without limitations and can trade A shares, with additional limitations, under

the Qualified Foreign Institutional Investor system. The exchange plans to eventually merge the two types of shares.

Shanghai also plays host to the Shanghai Futures Exchange. The Shanghai Futures Exchange began operations in May 1999 and was an amalgamation of three exchanges: the Shanghai Metal Exchange, the Shanghai Commodity Exchange and the Shanghai Cereals and Oils Exchange. Contracts are traded for copper, aluminum, zinc, gold, natural rubber and fuel oil.



2.2 Infrastructure

2.2.1 Railways

Two major railway lines intersect in the city: the Jinghu railway (connecting Shanghai with Beijing) and the Hu Hang railway (running to Hangzhou).

Shanghai is known for its massive metro system, which transports an average 4.7 million people every day. As of 2011, there are eleven metro lines (excluding the Shanghai Maglev Train) and over 434 km of track in operation, making it the longest network in the world. The local government aspires to have 20 routes by 2020.

The world's first commercial Maglev railway was opened in Shanghai in 2003. It connects Pudong International Airport with the Longyang Road metro station in less than 8 min and reaches a maximum speed of 433 km/h.

2.2.2 Air

Shanghai's airports by passenger throughput (2010)

National rank	Airport	Passenger throughput (# people)	Change y-on-y (%)
3	Pudong	40,578,621	27.1
4	Hongqiao	31,298,812	24.8

Source National Airport Throughput Rankings Civil Aviation Administration of China, March 2011

2.2.3 Ports and Waterways

“Shanghai Port” is actually an amalgamation of three sites: Wusong Port, Waigaoqiao Port and Yangshan Deepwater Port. Yangshan Deepwater Port handles approximately 35% of Shanghai Port’s total container throughput (2010).

Despite the addition of Yangshan Port, the throughput of Waigaoqiao Port also continues to rise and it remains a large hub for inter-Asia shipping routes. The older Wusong Port, located on the north end of the Bund, primarily handles domestic container service. The area around the port has most recently been slated for redevelopment to serve cruise liners and possibly yachts.

Shanghai port by throughput (2010)

Goods		Containers	
National rank	Throughput (100 million tons)	National rank	Throughput (million TEU)
2	5.63	1	2,906.93

Source Transportation via public waterways development statistical report, Ministry of Transport, April 2011

2.2.4 Resources

Shanghai City Government

www.shanghai.gov.cn

Shanghai Municipal Commission of Commerce

<http://www.scofcom.gov.cn/sfic/en/index.jsp>

Shanghai Foreign Investment Service Center

www.sfisc.com

Historical Context

Shanghai literally means “on the sea.” The metropolis we see today began as a simple administrative district hundreds of years ago and eventually evolved into an important trading port. During the Ming dynasty in the sixteenth century, the city became the national center for textiles and handicrafts.

Over the course of the next 100 years, Shanghai would become entangled in a delicate tug of war between China’s emperors and foreign traders. The First Opium War (1839–1842) ended in defeat for the Chinese and opened Shanghai to foreigners as a treaty port. This, however, triggered the city’s first economic boom. Global businesses were being formed in the rapidly expanding trade of cotton and opium. Foreign merchants were eventually followed by diplomats, bureaucrats, assorted professionals and missionaries, and the city soon took on the character of a colony, albeit a slightly unusual one.

By the 1870s, Shanghai had over taken Canton (today known as Guangzhou) as a commercial hub, and by the end of the century it was also a major manufacturing center, reputedly accounting for half of China’s modern factory output. Shanghai became a place for Chinese firsts—the first telephones (1881), electricity (1882), running water (1884), cars (1901) and streetcars (1908)—and is in many ways still a trendsetter.

Shanghai weathered the storms of the First and Second World Wars but was deeply influenced by China’s tumultuous transition away from dynastic rule. As a colonial enclave and capitalist hub, Shanghai had much to lose from the communist revolution. The manufacturing and commercial base withered away—over 450 factories from Shanghai and nearby cities had been moved west during World War II to protect themselves from the Japanese.

Initially, when the central government began the “reform and opening- up” period in the early 1980s, it ignored Shanghai, preferring to establish Special Economic Zones in southern Chinese cities like Shenzhen.

Deng Xiaoping, Mao’s more moderate successor, decided Shanghai’s revival was necessary. The city was declared “the new dragon’s head” and re-opened for business. Thousands of construction cranes arrived and at one point in the mid-1990s, more than half of all the cranes in the world could be found in Shanghai.

Shanghai by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	16.25	17	17.4	17.78	18.15	18.58	18.8	19.21	23.02
GDP	RMBbn	540.9	625.8	745	914.4	1,029.7	1,200.12	1,369.81	1,490.1	1,687.24
Proportion: primary industry	%	1.4	1.2	1	1	0.9	N/A	0.81	0.8	0.7
: secondary industry	%	45.7	47.9	48.2	48.6	48.5	N/A	45.5	39.9	42.3
: tertiary industry	%	52.9	50.9	50.8	50.4	50.6	21.9	53.6	59.3	57
GDP growth year on year	%	10.9	11.8	13.6	11.1	12	13.3	11.4	8.2	9.9
Per capita GDP (all residents)	RMB	40,646	46,718	55,306	59,600	59,710	60,158	73,126	77,569	73,294
Fixed asset investment	RMBbn	215.84	245.2	308.5	354.3	392.51	445.86	482.31	527.33	531.77
Growth year on year	%	8.2	12.1	25.8	14.8	10.8	13.6	9.3	9.2	0.8
Industrial production value	RMBbn	231.3	286.59	349.3	415.5	464.16	529.6	578.5	540.9	645.7
Growth year on year	%	12.7	17.6	16.1	12.5	13	12.3	9.2	-6.5	17.5
Per capita disposable income of urban residents	RMB	13,250	14,687	16,683	18,645	20,668	23,623	26,690	28,838	31,838
Growth year on year	%	11.5	12.2	12.2	11.8	10.8	14.3	12	8.1	10.4
Retail sales	RMBbn	203.5	222	245	297.3	336	384.8	453.7	517.29	603.69
Growth year on year	%	9.3	9.1	10.5	11.9	13	14.5	14.5	14	17.5
Exports	US\$bn	81.8	112.13	161.27	212.43	266.57	328.48	169.2	141.91	180.79
Growth year on year	%	20.3	37.1	43.8	31.7	6.7	23.2	-48	-16.2	27.4
Imports	US\$bn	60.7	88.9	121.31	138.25	162.89	192.43	152.6	135.82	188.1
Growth year on year	%	15.7	46.5	36.5	14	17.8	18.1	-21	-11.1	38.5
Contracted FDI	US\$bn	10.6	11.1	11.7	13.8	14.574	14.87	17.1	13.3	15.31
Growth year on year	%	0.434	0.235	0.126	0.183	0.054	0.02	15.1	-22.3	15.1
Used FDI(Total)	US\$bn	5.03	5.9	6.5	6.85	7.11	7.92	10.1	10.54	11.12
Growth year on year	%	14.5	30.1	11.8	4.7	3.8	11.4	27.4	4.5	5.5
New FIEs	No	3,012	4,321	4,334	4,091	4,061	4,206	3,748	3,090	3,906
Growth year on year	%	22.5	43.5	0.8	-5.6	-0.7	3.6	-10.9	-17.6	26.4

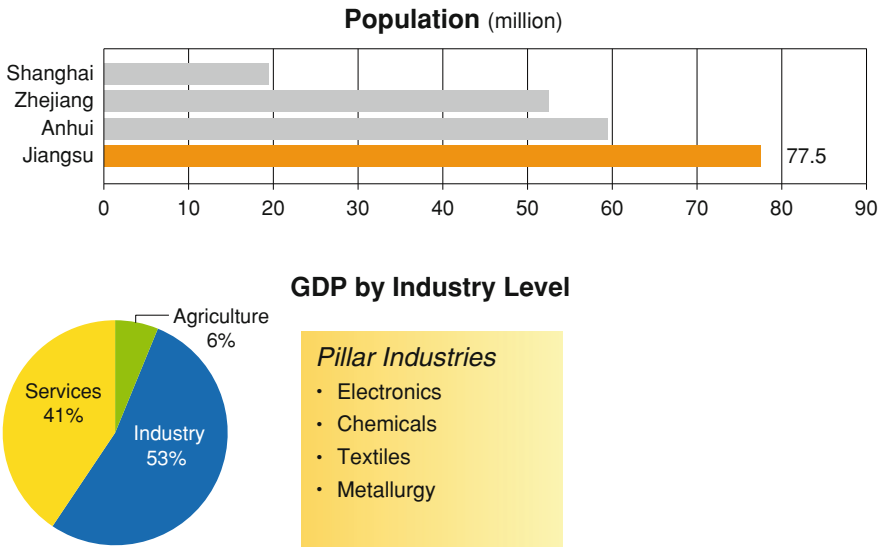
Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be available from other sources

JIANGSU PROVINCE

江苏省



Jiangsu's used FDI between 2005 and 2010 was double that during the previous five year period, totaling US\$118.2 billion.



Jiangsu is among the wealthiest provinces in China and has the largest GDP in the Yangtze River Delta. The province also ranks fifth in the National Competitiveness Index,¹ right behind China’s major economic players Shanghai, Beijing, Tianjin and Guangdong. The province is home to a well-developed transportation network and in recent years, the development of high-tech, telecommunications and green industries has placed the province in the limelight.

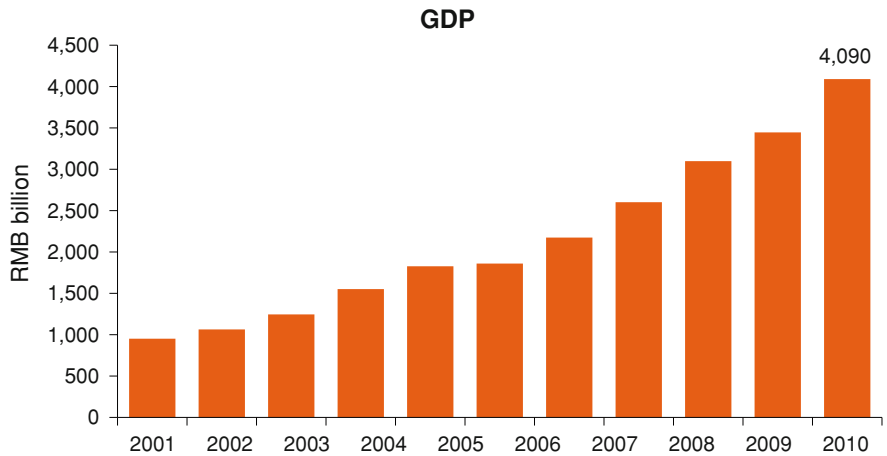
The provincial capital, Nanjing, is known for its prominent role in the nation’s history—serving as China’s historical capital and falling victim to the brutal Naging Massacre—and as a rising second tier city. The cities of Suzhou, Wuxi and Kunshan in particular, are attracting the attention of foreign investors. Other cities are rising to prominence based on unique merits, such as the city of Huai’an—which ranks first in the nation in terms of education and fifth in terms of health-care, according to the Economist Intelligence Unit’s China—Business City Rankings (November 2010).

The province has seen inconsistent development between its northern and southern regions. The southern part of Jiangsu—including Suzhou, Wuxi, Nanjing and the surrounding area—is booming, while parts of the province north of the Yangtze River remain relatively less developed.

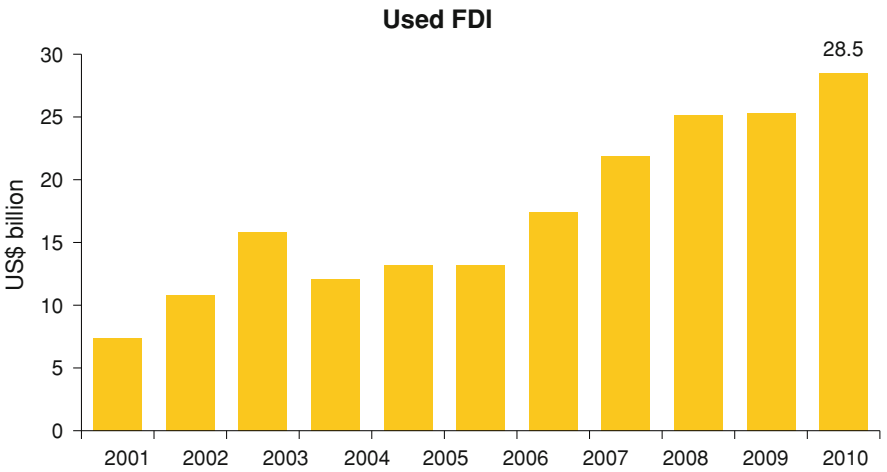
Jiangsu’s GDP grew 12.6% in 2010 to RMB 4.09 trillion. Jiangsu also has one of the highest GDPs per capita in the country at RMB 52,360 in 2010. Jiangsu has also become an increasingly important manufacturing base for the IT, petrochemical and

¹ Determined by the Administration of Quality Supervision, Inspection and Quarantine based on present business advantages and future business opportunities, 2010.

pharmaceutical industries. The province is currently the world’s leading manufacturer and exporter of solar power equipment, chemicals, electronic equipment, textiles, and certain other types of machinery.



Jiangsu’s inroads into the green sector are unparalleled and the province is currently home to the largest number of environmental protection-related firms in mainland China. This is largely due to strong local government support, particularly for windpower development. The province plans to establish 7,000 MW of intertidal and offshore wind farms by 2020. The primary city in this development is Nantong, which has a wind power capacity of 992 MW (2010) and a targeted wind power and installed capacity of 3,000 MW by 2015.



Jiangsu is a popular destination for FDI, utilized FDI increased 12.5% year on year between 2009 and 2010. In particular, Suzhou, Jiangsu province's "Venice of the East," is generating a great deal of excitement among many foreign investors for its popular industrial park.

2.3 Infrastructure

2.3.1 Air

Jiangsu's airports by passenger throughput (2010)

City	Airport	Passenger throughput (# people)	Change y-on-y (%)
Nanjing	Lukou	12,530,515	15.6
Wuxi	Shuofang	2,535,277	14.3
Xuzhou	Guanyin	658,395	28.7
Changzhou	Benniu	658,033	23
Lianyungang	Baitabu	423,031	45.3
Nantong	Hingtung	271,440	23.2
Yancheng	Nanyang	191,336	18.3
Hua'an	Lianshui	39,174	N/A

Source National Airport Throughput Rankings Civil Aviation Administration of China, March 2011

2.3.2 Ports and Waterways

Zhejiang ports and throughput (2010)

Port	Goods		Containers	
	National rank	Throughput (100 million tons)	National rank	Throughput (million TEU)
<i>Sea ports</i>				
Lianyungang	14	1.27		
<i>River ports</i>				
Suzhou	1	3.29	1	364.41
Nantong	2	1.51		
Nanjing	3	1.47	3	145.32
Wuxi	5	1.25	4	101.07
Jiangyin				
Zhenjiang	6	1.06		

Source Transportation via public waterways development statistical report, Ministry of Transport, April 2011

2.3.3 Major Cities

Major cities in Jiangsu (by GDP) include:

- Suzhou
- Wuxi
- Nanjing (Provincial capital)
- Nantong

2.3.4 Resources

Jiangsu Provincial Government

www.js.gov.cn

Historical Context

Jiangsu province was formed in the seventeenth century and before its formation, present day northern Jiangsu and southern Jiangsu had very little to do with one another. Today, southern Jiangsu is generally dominant because it is wealthier and more affluent than the north. Economically the northern and southern portion parts of the province are distinct but there are also unique cultural differences as well. Southern Jiangsu is firmly a part of southern Chinese culture while northern Jiangsu has cultural attributes of both northern and southern China.

Southern Jiangsu emerged as a center of trade during the Song Dynasty (960–1279). At that time, China saw the development of a wealthy mercantile class and emergent market which brought opportunities to the region. Within the same time frame, the local textiles industry began to flourish and some have identified this as the beginnings of industrialization and capitalization in the heart of present day China, which was ultimately abandoned before being adopted in the West.

Culture flourished in the region during the period of the Six Dynasties (220–589) when an influx of immigrants from the north arrived. Jiangsu is considered a gateway to central China and this prime location launched the province as a key cultural hub and the main scene of European commercial activity after the Treaty of Nanjing in 1842. These historical events have contributed to southern Jiangsu's present day reputation of wealth and affluence.

Jiangsu has had its fair share of conflict as well. Like many other provinces in the Yangtze River Delta region, it was seriously affected by the Taiping Rebellion (1850–1864). Nanjing even became the Taiping capital in 1853 and remained so for more than a decade.

Jiangsu province by numbers

	Unit	2002	2003	2004	2005	2005	2006	2007	2008	2009	2010
Population	m people	73.81	74.06	74.33	74.75	49	49.8	50.6	76.8	77.3	78.1
GDP	RMBbn	1,063.63	1,245.18	1,551.24	1,827.21	1,859.90	2,174.20	2,601.80	3,098.20	3,445.70	4090.3
Proportion: primary industry	%	10.6	8.9	N/A	7.6	7.9	7.1	7	6.8	6.6	6.2
: secondary industry	%	52.1	54.5	N/A	56.6	56.6	56.5	55.6	54.8	56.9	53.2
: tertiary industry	%	37.3	36.6	N/A	35.8	35.6	36.4	37.4	38.4	39.6	40.6
GDP growth year on year	%	11.6	13.5	14.9	14.5	24	16.9	19.7	19.1	11.2	12.6
Per capita GDP (all residents)	RMB	14,397	16,796	20,000	24,515	24,953	28,943	34,294	40,499	44,744	52,360
Fixed asset investment	RMBbn	384.92	533.58	682.76	873.97	874	1,007.10	1,226.80	1,506.00	1,895.00	2318.7
Growth year on year	%	16.5	38.6	28	28	28	15.2	21.8	22.8	25.8	22.4
Industrial production value	RMBbn	482.01	522.49	644.75	932.667	944	1,109.80	1,310.50	1,527.10	1,646.50	2122.4
Growth year on year	%	14	8.4	23.4	16.7	25.6	17.6	18.1	16.5	7.8	16
Per capita disposable income of urban residents	RMB	8,178	7,940	10,482	12,319	12,319	14,084	16,378	18,680	20,552	22944
Growth year on year	%	10.9	-2.9	13.2	17.5	11	10.2	12.9	12.1	8.8	9.2
Retail sales	RMBbn	321.58	356.7	415.97	569.99	573.5	670.6	798.6	990.5	1,148.40	1348.2
Growth year on year	%	12.1	10.9	16.6	16	17.2	16.9	19.1	24	15.9	18.7
Exports	US\$bn	38.48	59.14	87.56	122.982	123	160.4	203.7	238	199.2	270.6
Growth year on year	%	33	53.7	48.1	40.5	40.6	30.4	27	16.8	-16.3	35.8
Imports	US\$bn	31.82	54.53	83.25	104.959	105	123.6	145.9	154.2	139.6	195.2
Growth year on year	%	41.6	71.3	52.7	26.1	25.9	17.7	18.1	5.7	-9.5	39.9
Contracted FDI	US\$bn	19.67	30.81	36.1	45.72	46.4	46.5	52.7	50.7	51	56.83
Growth year on year	%	132.8	56.6	17.1	18.5	28.5	0.2	13.3	-3.8	0.6	11.5
Used FDI	US\$bn	10.83	15.8	12.1	13.18	13.18	17.43	21.89	25.12	25.32	28.5
Growth year on year	%	76.3	52.4	14.5	29.2	8.6	32.2	25.6	14.7	0.8	12.5
New FIEs	No	5,801	7,301	N/A	N/A	N/A	6,541	5,986	4,236	4,219	4661
Growth year on year	%	70	25.9	N/A	N/A	N/A	N/A	-8.5	-29.2	-0.4	10.5

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be available from other sources

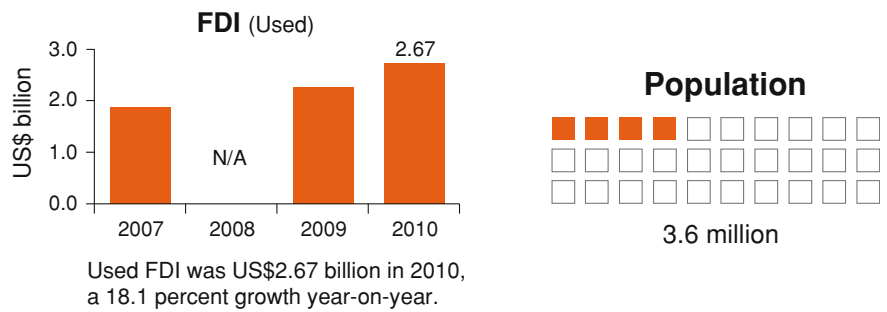
Changzhou 常州

Innovative Municipal Government



Changzhou was selected as the city with the most innovative municipal government in the 2009 National City Competitiveness Rankings.

A Qing dynasty poet declared “there are none such under heaven as Changzhou.” Today, the city is emerging as a destination for foreign investment. As land and labor prices rise in cities like Shanghai and Suzhou, more and more investors are looking at Changzhou, only 2 h from Shanghai via train, as an alternative location to set up business.



2.4 Infrastructure

2.4.1 Railways

The Changzhou Railway Station is one of the key stops on the busy Shanghai–Nanjing route. In July 2011, the city became connected to the Beijing–Shanghai high-speed railway, granting quick service to major cities (40 min to Shanghai, four and a half hours to Beijing).

2.4.2 Ports and Waterways

Although not as large as Shanghai or Nanjing, Changzhou has a Category A cargo transport port. Five 10,000-ton deep-water berths have opened in recent years and another four 10,000-ton deep-water berths will open in 2011–2012. A total port cargo throughput of 31.64 million tons was achieved in 2010, an increase of 15.9%, and the number of containers handled reached 11,301, an increase of 60.7%.

2.5 Economy and Investment

Changzhou’s FDI is the third highest in Jiangsu province (behind Suzhou and Wuxi) and the fifth highest in the YRD, according to the National Statistics Bureau (2009).

The city also has the sixth best economy in China according to the Economist Intelligence Unit China-Business Full City Rankings, November 2010 (see source for ranking details).

In total, there are 51 Fortune 500 companies that have set up their offices in Changzhou. Fortune 500 companies in the city include: GE, Bosch, Texas Instruments, Goodyear, Suzuki, Toshiba, Hitachi, Fujitsu, Bridgestone, Hyundai, Auchan, Metro, Carrefour, Walmart, and Tesco. In 2010, seven of the city's 32 foreign-invested projects came from Fortune 500 companies.

Development zones are a huge draw in the city—among the 172 new major investment projects in 2010, 104 were formed in development zones. There are over 28,000 manufacturing enterprises in Changzhou, with the main industries being agricultural machinery manufacturing, electricity transmission and transformation equipment manufacturing, engineering machinery and vehicle manufacturing and new style textile garments.

Changzhou has long been an important manufacturing base for diesel engines, high-speed locomotives, transformers, DVDs, clothing, and engineering machinery. In recent times, Changzhou's government has placed more emphasis on its high-tech, electronic, biomedical and chemical productions. The city has a number of commodities markets, including Lin Jiatang Market, Changjiang Plastic Chemical Market and Wutong Textile City.

In addition, Changzhou is known for its flourishing animation industry. As of 2010, Changzhou has built three large-scale animation production parks within the city. So far, these parks have attracted nearly 60 enterprises and investments of almost RMB 300 million.

Spotlight: sales revenue goals for 2015

	Sales revenue in 2015	Avg. annual increase (%)
All emerging industrial enterprises	RMB 1.39 trillion	28
New energy	RMB 270 billion	30
High-end equipment manufacturing	RMB 540 billion	26
Advanced materials	RMB 350 billion	27
Biotechnology and new medicine	RMB 85 billion	34
Energy-saving env. protection	RMB 75 billion	32
Software and service outsourcing	RMB 40 billion	30

Source Changzhou municipal bureau of commerce, Changzhou investment environment annual 2011

Changzhou's exports to the EU and ASEAN countries increased significantly in 2010, up 60.8 and 51.3% year-on-year, to US \$4.6 billion and US \$1.42 billion respectively.

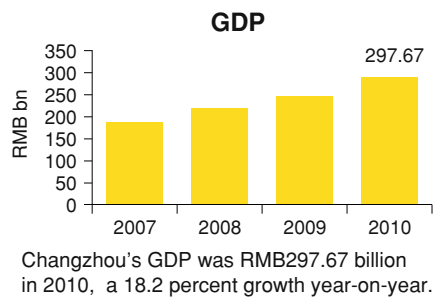
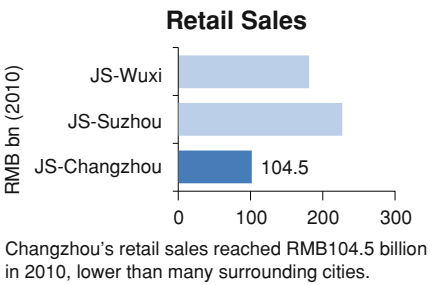
2.5.1 Resources

Changzhou Government
<http://www.changzhou.gov.cn/>

Changzhou National High-Tech District Foreign Investment Promotional Bureau
<http://www.invest-in-cnd.cn/newEbiz1/EbizPortalFG/portal/html/index.html>

Key Industries

- High tech
- Advanced equipment manufacturing
- Electronics and information technology
- Renewable energy and environmental protection
- Advanced materials
- Biotechnology and pharmaceutical Industries



Changzhou by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	3,432	3,462	3,489	3,516	3,547	3,57	3,59	3,6	3,6
GDP	RMBbn	76,03	90,02	110	130,22	156	188	220,2	251,87	297,67
Proportion: primary industry	%	6.5	5.2	4.7	4.3	3.8	3.4	3.1	3.6	3.4
: secondary industry	%	56.7	57.7	58.8	61.1	61	59.6	58.9	56.8	56
: tertiary industry	%	36.8	37.1	36.5	34.6	35.2	37	38	39.6	40
GDP growth year on year	%	12.4	18.4	22.2	18.4	19.8	20.5	17.1	14.4	18.2
Per capita GDP (all residents)	RMB	22,260	26,110	31,665	37,174	37,210	52,805	50,283	56,861	65,000
Fixed asset investment	RMBbn	25	44,66	58,86	76,98	95,16	120,39	144,82	170,48	210,36
Growth year on year	%	31.1	78.6	31.8	30.8	23.6	26.5	20.3	17.7	23.4
Industrial production value	RMBbn	165	214,15	275,43	340	422,71	524,33	520	597,87	738,78
Growth year on year	%	16	29.8	28.6	23.4	24.3	24	-0.8	15	23.6
Per capita disposable income of urban residents	RMB	10,759	11,307	12,868	14,589	16,649	19,089	21,592	23,751	26,269
Growth year on year	%	14.4	5.1	13.8	13.4	14.1	14.7	13.1	10	10.6
Retail sales	RMBbn	24,95	28,06	32,41	44,41	51,58	61,1	75,82	90,14	104,47
Growth year on year	%	12.1	12.5	15.5	37	16.1	18.5	24.1	18.9	15.9
Exports	US\$bn	2,66	3,53	4,72	6,12	7,89	9,85	13,24	10,87	15,56
Growth year on year	%	22.7	32.7	33.7	29.7	28.9	24.8	34.4	-17.9	43.1
Imports	US\$bn	1,26	1,72	2,19	2,21	2,55	3,38	4,39	4,21	6,72
Growth year on year	%	15.5	36.5	27.3	0.9	15.4	32.5	29.9	-4.1	59.6
Contracted FDI	US\$bn	2,57	2,05	2,2	2,85	3,3	4,4	3,41	N/A	N/A
Growth year on year	%	122	-20.2	7.3	29.5	15.8	33.3	-22.5	N/A	N/A
Used FDI	US\$bn	0,98	0,86	0,58	0,73	1,25	1,83	N/A	2,26	2,67
Growth year on year	%	58.2	-12.2	-32.6	25.9	71.2	46.4	N/A	10.9	18.1
New FIEs	No	363	533	438	N/A	505	401	245	N/A	N/A
Growth year on year	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and may be available from other sources. Growth data is calculated based on in house data for the previous year and may differ from other sources

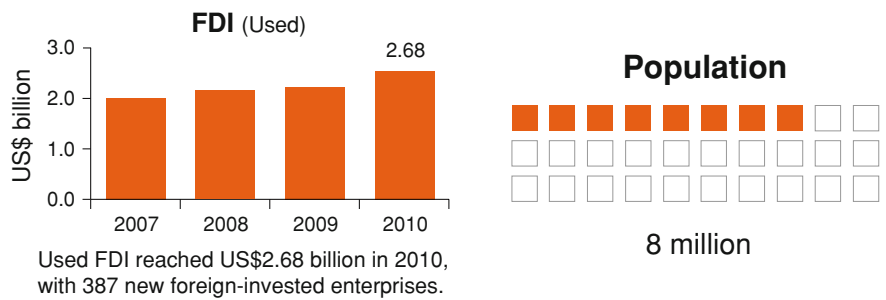
Nanjing 南京

Historical Southern Capital



Nanjing, which means “southern capital,” is the capital of the Jiangsu Province and served as the capital of China at several points in history

Nanjing is a key strategic logistics hub in the Yangtze River Delta. Its position at a key point between two major development belts—the north/south coastal mega-polis and the east/west Yangtze River basin—has enabled it to build extensive transportation infrastructure. Nanjing’s Lukou airport is 10th in China in cargo and mail throughput (2010), according to the Civil Aviation Administration.



2.6 Infrastructure

2.6.1 Railways

The city is an important hub for railways linking North, East and Central China. The Shanghai–Nanjing line was upgraded to high-speed service in July 2010 and the journey time between the two cities has been cut to just over 73 min. The Nanjing South Station was opened in June 2011. The station, which is five times larger than the older Nanjing Station, connects the city to the nation’s high-speed rail network, including the Beijing–Shanghai high-speed railway, Nanjing–Hangzhou high-speed railway, Shanghai–Wuhan–Chengdu high-speed railway, Nanjing–Anqing high-speed railway and Nanjing–Nantong high-speed railway.

2.6.2 Ports and Waterways

The port of Nanjing is the largest inland port in China, with eighteen 10,000-DWT wharfs, fifty-two 1,000-DWT wharfs and sixteen buoy berths. The port also has 59 km² of warehouses, 48 km² of storage yards, and an 18 km port railway. The Port of Nanjing is the largest center for trade in petrochemicals, coal and container shipping along the Yangtze River, and altogether had a cargo throughput of 72 million tons and container throughput of 1.44 million TEUs in 2010. These figures are expected to more than double in the next 5 years.

2.7 Economy and Investment

While once a primary hub for culture and politics in the early twentieth century, Nanjing came into the new millennium with a larger focus on economic development. The city is known as an OEM manufacturing base that is able to source products regionally.

Due in large part to its proximity to Shanghai, Nanjing enjoys the attention of many foreign companies looking to set up manufacturing businesses. Investments include those from companies such as Siemens, Shell, Ericsson, Ford, Motorola, Sharp and Samsung. Yet Nanjing is facing fierce competition from neighboring cities, such as Wuxi, Suzhou and Hangzhou.

Nanjing is also emerging as a target for foreign companies looking to sell to the Chinese market. The city ranked 10th in terms of sales of social consumer goods nationally according to the National Statistics Bureau (2009) and disposable income per capita grew 11% to RMB 28,312 in 2010.

Nanjing also has hopes to enhance its reputation as a center of research and technology, and has drawn plans to attract overseas talent and innovation to the city. In 2011, the city initiated the ‘1000-Talents Program,’ which offered foreign experts various positions in local universities and research institutions, as well as generous incentives.

Nanjing’s exports are growing, particularly in terms of foreign-funded enterprises, and the high-tech and mechanical/electrical product sectors. Foreign-funded enterprises reached US \$8.351 billion annual export value in 2010, up 28.8% year-on-year, and accounting for 33.6% of city’s total exports. High-tech exports reached US \$6.928 billion, an increase of 37.8% year-on-year, while mechanical and electrical product exports were US \$13.576 billion, an increase of 36.3% year-on-year.

2.7.1 *Spotlight: Nanjing Finance Town*

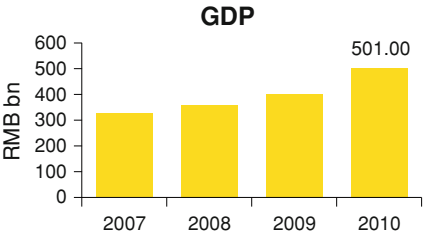
In mid-2011, Nanjing started construction of its “Finance Town,” a development area for international business services and finance companies. It will be located in the central area of Nanjing’s developing Hexi district. The development will cover about 80 km², and is expected to be a base for many large office buildings and skyscrapers. Total investment in the project was estimated to be around RMB 7 billion.

2.7.2 *Resources*

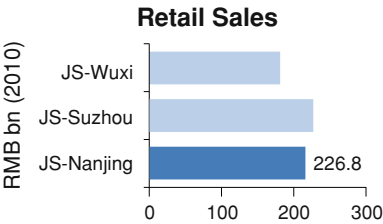
Nanjing Government
<http://www.nanjing.gov.cn/>

Key Industries

- Electronics
- Automotive
- Pharmaceuticals
- Petrochemicals
- Steel
- Power



In 2010, the city's GDP reached RMB501 billion, up 13.1 percent from the previous year.



Nanjing's retail sales reached RMB226.8 billion in 2010, high for the region (but below Suzhou).

Nanjing by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	5.63	6.43	6.90	N/A	7.19	7.41	7.59	7.71	8.00
GDP	RMBbn	129.50	157.62	191.00	241.30	277.40	327.50	377.50	423.30	501.00
Proportion: primary industry	%	4.80	4.10	3.70	3.30	3.00	2.60	2.50	3.10	2.80
: secondary industry	%	47.30	51.00	52.60	50.40	49.50	49.00	47.50	45.60	46.50
: tertiary industry	%	47.90	44.90	43.70	46.30	47.50	48.40	50.00	51.30	50.70
GDP growth year on year	%	12.22	21.71	21.18	26.34	14.96	18.06	15.27	12.13	18.36
Per capita GDP (all residents)	RMB	23,002	24,513	27,681	N/A	38,581	44,197	49,736	54,903	62,625
Fixed asset investment	RMBbn	60.30	95.40	120.20	140.27	161.36	186.80	215.42	266.80	330.61
Growth year on year	%	29.71	58.21	26.00	16.70	15.04	15.77	15.32	23.85	23.92
Industrial production value	RMBbn	N/A	N/A	N/A	N/A	469.50	579.16	647.22	676.00	850.00
Growth year on year	%	N/A	N/A	N/A	N/A	16.20	23.36	11.75	4.45	25.74
Per capita disposable income of urban residents	RMB	9,157	10,196	11,602	14,997	17,538	20,317	23,122	25,504	28,312
Growth year on year	%	3.49	11.35	13.79	29.26	16.94	15.85	13.81	10.30	11.01
Retail sales	RMBbn	52.52	60.00	71.14	100.50	116.70	138.05	165.18	196.16	226.78
Growth year on year	%	12.70	14.24	18.57	41.27	16.12	18.29	19.65	18.76	15.61
Exports	US\$bn	6.01	7.67	10.46	14.25	17.37	20.65	23.60	18.46	24.89
Growth year on year	%	4.54	27.60	36.38	36.23	21.89	18.88	14.29	-21.78	34.83
Imports	US\$bn	4.08	7.05	10.18	12.85	14.17	15.55	17.00	15.29	20.71
Growth year on year	%	6.25	72.79	44.40	26.23	10.27	9.74	9.32	-10.06	35.45
Contracted FDI	US\$bn	2.17	4.00	4.50	5.13	3.08	3.79	4.46	4.56	4.78
Growth year on year	%	141.11	84.33	12.50	14.00	-39.96	23.05	17.68	2.24	4.82
Used FDI	US\$bn	N/A	2.21	2.60	1.42	1.70	2.06	2.37	2.39	2.68
Growth year on year	%	NA	47.20	17.65	-45.38	19.72	21.18	15.05	0.84	12.13
New FIEs	No	646.00	N/A	803.00	728.00	604.00	N/A	N/A	N/A	387.00
Growth year on year	%	57.56	N/A	N/A	-9.34	-17.03	N/A	N/A	N/A	N/A

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and may be available from other sources. Growth data is calculated based on in house data for the previous year and may differ from other sources

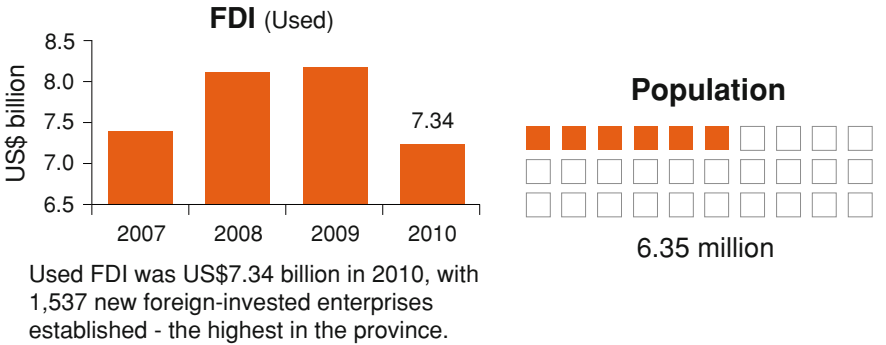
Suzhou 苏州

FDI Sweetheart



In the immensely popular Suzhou Industrial Park, built in cooperation with Singapore, standard factory rental rates rival those in Shanghai.

Nicknamed “Venice of the East,” Suzhou has long had a reputation for beautiful landscapes, but more recently Suzhou has gained a name as an FDI haven. Suzhou’s FDI is the fourth highest in China (below Shanghai, Ordos and Tianjin, 2009) according to the National Bureau of Statistics. Much of this FDI has been directed into Suzhou Industrial Park or aimed at the city’s high disposable incomes.



2.8 Infrastructure

Suzhou is set to continue to expand in the next 10 years. The downtown area will be expanded into an area surrounded by highways, while the western boundary will be extended 1 km towards Lake Tai.

2.8.1 Railways

Suzhou is an important city on the Beijing–Shanghai railway line as well as the Jinghu railway, linking Shanghai and Nanjing. There is an hourly railway service to both cities. D-series trains (dongche) connect to Shanghai in 45 min and to Nanjing in 90 min. G-series trains (gaotie), which have been in operation since July 2010, connect to Shanghai station and Shanghai Hongqiao station in 25 min.

2.8.2 Ports and Waterways

China’s Grand Canal, which reaches north to Tong County in Beijing as well as south to Jiaxing and Hangzhou in Zhejiang Province, passes by Suzhou and has been an important means of water transportation for centuries.

Suzhou Port, founded in 2002, consists of Zhangjiagang Port (90 km from Suzhou), Changshu Port (62 km from Suzhou) and Taicang Port (72 km from Suzhou). While Suzhou’s port is ranked sixth nationally in terms of general cargo and tenth nationally by TEU throughput, the majority of trade for Suzhou is carried out at Shanghai Port (120 km from Suzhou).

Suzhou has the second highest imports and exports of any city in China (lower than Shanghai, but higher than even Shenzhen, Beijing and Guangzhou) according to the National Bureau of Statistics (2009).

2.9 Economy and Investment

Suzhou ranked fifth nationally in the Forbes Magazine “Best Cities for Business in Mainland China” (2010). In addition to capturing the overflow of many companies who find Shanghai too expensive, many suppliers of Shanghai manufacturers are located in Suzhou’s surrounding area. Many foreign executives manage operations based in Suzhou from Shanghai.

As the most economically developed city in Jiangsu Province, Suzhou outperformed some other major cities like Guangzhou in trade performance and realized total imports and exports of US \$274.1 billion in 2010. This figure is close to the level of trade volume in the country’s other vibrant metropolises such as Shanghai, Beijing and Shenzhen.

The Suzhou Industrial Park (SIP), responsible for 15% of the economic output of the city, holds a business presence for more than 82 Fortune 500 companies (2009). Key advantages offered to investors include:

- Business tax exemption for revenue from offshore service outsourcing
- Refunds (no less than 50%) of retained individual income tax for expatriate high-level managers at headquarters or regional headquarters of service outsourcing companies
- No limit on foreign investment approval; SIP can independently approve the project as long as investment meets the state industry policies
- Excellent and exclusive regional social security system that covers multiple insurance items with one provident fund, modeled after Singapore’s Central Provident Fund
- A complete modern logistics system—SIP is one of the first export processing zones approved by the state, giving it independence from customs

2.9.1 Resources

Suzhou Government

www.eng.suzhou.gov.cn/english/index.shtml

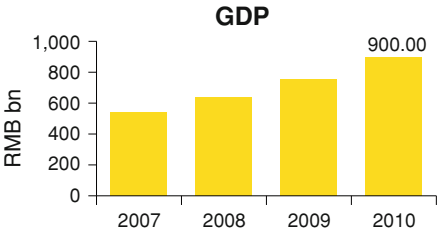
China-Singapore Suzhou Industrial Park

www.sipac.gov.cn/english/

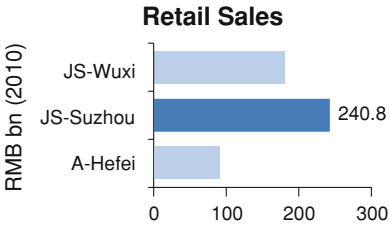
Key Industries

2011–2015, SIP will be focusing on:

- Manufacturing (IT and precision machinery)
- Services (finance, headquarter, culture, outsourcing, logistics and convention)
- Nanotech
- Rising Innovation Sectors (optical energy, biomed, converged communications, software/animation and ecological protection)



Suzhou's GDP was RMB900 billion in 2010, a 16.3 percent growth year-on-year.



Suzhou's retail sales reached RMB240.8 billion in 2010, highest in the province.

Suzhou by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	5.83	5.9	5.99	6.07	6.16	6.24	6.29	6.33	6.35
GDP	RMBbn	208	280.2	345	402.65	482.03	570	670.1	774	900
Proportion: primary industry	%	4.5	2.8	2.2	6.6	1.9	1.7	1.6	1.8	1.7
: secondary industry	%	58.1	63.1	65.7	69.1	65.4	63.7	62	58.8	57.7
: tertiary industry	%	37.4	34.1	32.1	49.3	32.7	34.6	36.4	39.4	40.6
GDP growth year on year	%	14.5	34.7	23.1	16.7	19.7	18.2	17.6	11	16.3
Per capita GDP (all residents)	RMB	35,678	47,492	57,596	66,335	78,252	91,346	106,534	122,275	141,732
Fixed asset investment	RMBbn	81	140.9	155.5	187	210.7	236	261.12	296.7	361.8
Growth year on year	%	43.4	74	10.4	20.3	12.7	12.0	10.6	13.6	21.9
Industrial production value	RMBbn	508.7	701.08	956.13	1,210	1,531.6	1,904	2,210	2,370.05	2,848
Growth year on year	%	24.8	37.8	36.4	26.6	26.6	24.3	16.1	7.2	20.2
Per capita disposable income of urban residents	RMB	10,617	12,361	14,451	16,276	18,532	21,260	23,867	26,320	29,219
Growth year on year	%	10.2	16.4	16.9	12.6	13.9	14.7	12.3	10.3	11
Retail sales	RMBbn	45.16	52.6	62.51	82.14	105.5	124.55	155.18	202.7	240.8
Growth year on year	%	15.3	16.5	18.8	31.4	28.4	18.1	24.6	30.6	18.8
Exports	US\$bn	18.52	32.63	50.77	70	94.69	118	131.7	114.1	153.11
Growth year on year	%	50.5	76.2	55.6	37.9	35.3	24.6	11.6	-13.4	34.19
Imports	US\$bn	17.87	33.03	52.43	70	79.58	95	96.8	87.4	112.17
Growth year on year	%	58	84.8	58.7	33.5	13.7	19.4	1.9	-9.7	28.3
Contracted FDI	US\$bn	10.1	12.5	14.1	15.34	16	18.52	16.34	13.16	13.528
Growth year on year	%	144.6	23.8	12.8	8.8	4.3	15.8	-11.8	-19.4	2.8
Used FDI	US\$bn	4.814	6.805	9.5	6.005	6.17	7.38	8.13	8.2	7.34
Growth year on year	%	59.3	41.4	39.6	-36.8	2.7	19.6	10.2	0.9	-10.5
New FIEs	No	2,019	N/A	N/A	N/A	N/A	1,017	N/A	1426	1537
Growth year on year	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-3.37	6.83

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and may be available from other sources. Growth data is calculated based on in house data for the previous year and may differ from other sources

One of Suzhou's Logistics Departments

Changshu 常熟



Changshu's has one of the highest levels of imports and exports among all of China's administrative regions, totaling US\$11.67 billion (2009).

2.10 Infrastructure

2.10.1 Ports and Waterways

Changshu Port is ranked as one of the ten busiest river ports in China and supports both Shanghai Port and the Suzhou Industrial Park. Changshu Port was opened in 1996 to international vessels and since then has been one of the fastest growing ports in the YRD. Changshu Port has 30 all-purpose berths and 17 of them allow the anchorage of over 10,000-DWT ships. Changshu Port reported a 13% increase in conventional cargoes in 2010 and claims to be the leading hub for steel, pulp, paper and logs in China.

2.10.2 Spotlight: Changshu Economic Development Zone

As a national-level development zone, CEDZ boasts greater autonomy from local and central governments. Industries of focus within this zone include machinery, automobiles, new energy and fine chemicals. Customs clearance services, commodity inspection, warehousing and tax incentives are available in the export processing zone located in the CEDZ. The New and High-Tech Industrial Park, under the zone, is a growing hub for high-tech development in Changshu.

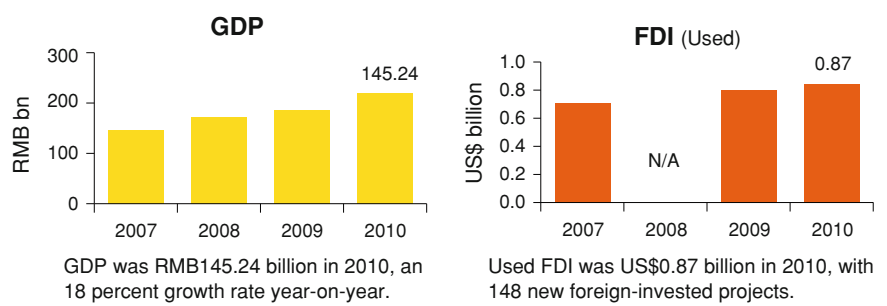
2.11 Economy and Investment

Changshu is located in an economically rich area, and while its GDP pales slightly compared to the GDPs of neighboring Wuxi (RMB 499 billion), Nanjing (RMB 423 billion) or Changzhou (RMB 297 billion), its GDP of RMB 145 billion is growing fast, 18% year-on-year between 2009 and 2010.

The city’s major industries include textiles, papermaking, fine chemicals, machinery, steel and forestry. Changshu has a reputation as a textile base and the “Changshu Garments Town of China” is the largest wholesale base of its kind in China.

More than 2,000 foreign enterprises have invested in Changshu, including big names such as Sharp and Dunlop. UMP-Kymmene from Finland has been running a papermill in the city since 1999 and now has an annual capacity of 200,000 tons of coated and 600,000 tons of uncoated fine paper. Of the contracted investment, at least one-third has come from Taiwan—more than 500 Taiwan enterprises have invested more than US \$100 million in the city.

Changshu’s import and export rate has also increased in recent years with imports going up by 49.3% to US \$5.67 billion and exports rising 48.82% to US \$11.66 billion in 2010.



Changshu by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	1.04	1.04	1.04	1.05	1.06	1.06	1.07	1.10	1.1
GDP	RMBbn	36.50	47.50	56.52	67.88	80.93	97.60	115.00	123.07	145.24
Proportion: primary industry	%	4.40	2.90	2.50	2.40	2.20	1.80	1.70	2.20	2.02
: secondary industry	%	56.60	60.20	60.00	60.70	59.80	59.20	58.30	56.20	56.18
: tertiary industry	%	39.00	36.90	37.50	36.90	38.00	39.00	3.40	41.60	41.8
GDP growth year on year	%	19.00	30.14	18.99	20.10	19.23	20.60	17.83	7.02	18.01
Per capita GDP (all residents)	RMB	35,232	45,761	54,190	64,771	76,711	92,075	107,477	111,882	133,633
Fixed asset investment	RMBbn	12	18	20	23	26	291	32	36	44
Growth year on year	%	65.10	56.58	7.96	19.02	10.81	1,022.98	-89.09	13.59	21.88
Industrial production value	RMBbn	18.95	103.84	130.83	165.03	205.02	256.00	291.83	301.00	365.22
Growth year on year	%	22.00	29.80	26.00	26.90	24.20	24.90	14.00	3.20	3.20
Per capita disposable income of urban residents	RMB	10,268	12,373	15,039	17,203	19,308	22,001	24,602	27,320	30,600
Growth year on year	%	17.80	20.50	21.55	14.39	12.24	13.95	11.82	11.05	12.01
Retail sales	RMBbn	9.75	11.08	12.97	15.10	17.67	21.04	26.37	30.46	36.25
Growth year on year	%	15.10	13.64	17.06	16.42	17.02	19.07	25.33	15.51	19.01
Exports	US\$bn	1.35	1.81	2.37	3.23	4.20	6.74	8.68	7.81	11.66
Growth year on year	%	26.40	34.07	30.94	36.29	30.03	60.48	28.78	-10.02	49.30
Imports	US\$bn	0.63	0.90	1.61	1.76	2.06	3.89	4.28	3.87	5.67
Growth year on year	%	N/A	42.86	78.89	9.32	17.05	88.83	10.03	-9.58	46.51
Contracted FDI	US\$bn	3.24	3.62	3.11	N/A	15.90	1.70	N/A	1.37	2.1
Growth year on year	%	N/A	11.60	N/A	N/A	N/A	6.40	N/A	-14.00	-14.00
Used FDI	US\$bn	50.50	101.80	105.20	N/A	N/A	0.71	N/A	0.82	0.87
Growth year on year	%	0.64	101.58	3.34	N/A	N/A	N/A	N/A	N/A	6.10
New FIEs	No	166.00	168.00	188.00	N/A	N/A	245.00	181.00	N/A	N/A
Growth year on year	%	N/A	1.20	11.90	N/A	N/A	N/A	22.50	N/A	N/A

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be available from other sources

Award-Winning Suzhou Satellite City

Kunshan 昆山



In 2010, Kunshan became the first county-level city to achieve a GRP exceeding RMB200 billion.

2.11.1 Spotlight: Development Zone Drivers

The real power behind Kunshan is located in its development zones. The Kunshan New and High Tech Industrial Development Zone (KSND) was the first state-level high-tech zone in China's county-level cities and was promoted to national level in 2010. KSND boasts several essential national-level industrial bases, including a mould manufacturing base and renewable energy (mostly solar and wind energy) base. The zone is also a pioneer nationwide in promoting digital equipment and biopharmaceutical industries, with specific emphasis on robot and siRNA manufacturing.

The Kunshan Economic and Technical Development Zone (KETD) is responsible for 50% of the world's total production of notebook computers (60 million sets in 2009) and is home to several major computer manufacturers from Taiwan, including Acer. While IT accounts for 53% of KETD's industrial structure, precision machinery and daily commodities account for large portions as well (21 and 15% respectively, as of 2010). In the precision machinery industry, major industry players such as Toyota, SANY and Kyokuto have a presence in the zone.

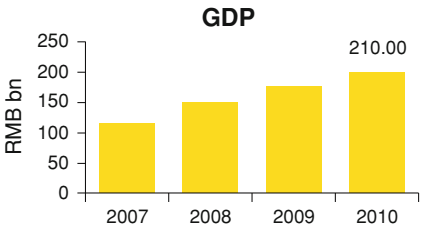
2.12 Economy and Investment

A popular destination for foreign investment, Kunshan has been nicknamed "Little Taipei" in some circles. Investors from Taiwan contributed approximately half of the total FDI volume in the city.

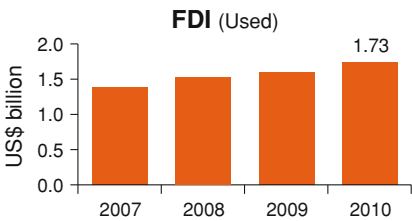
Imports and exports from Kunshan are the sixth highest in the nation (US \$82,100 million in 2009) according to the National Bureau of Statistics ranking above major players such as Guangzhou, Tianjin, Ningbo and Qingdao.

The sizable foreign capital inducement, along with the large amount of immigrant residents, has also driven the city’s regional demand and greatly contributed to the local development in retail, food and beverage industry, as well as services. Retail sales grew 18.8% year-on-year in 2010

Duke University is developing a 200-acre campus in Kunshan in partnership with the local municipality and Shanghai Jiao Tong University. Kunshan provided 200 acres and funding for the construction of the buildings. The first phase of construction will focus around Duke’s Fuqua School of Business and is expected to open in late 2012.



Kunshan’s GDP was RMB210 billion in 2010, a 20 percent increase year-on-year.



Used FDI was US\$1.73 billion in 2010, with 388 new foreign-invested projects that year.

Kunshan by numbers

Item	Unit	2007	2008	2009	2010
Population	m people	0.67	0.69	6.99	7.11
GDP	RMBbn	115.18	150.026	175.01	210.00
Proportion: primary industry	%	N/A	N/A	N/A	N/A
: secondary industry	%	N/A	N/A	N/A	N/A
: tertiary industry	%	N/A	N/A	N/A	N/A
GDP growth year on year	%	20.5	15	16.00	19.99
Per capita GDP (all residents)	RMB	101,000	120,882	135,355	144,500
Fixed asset investment	RMBbn	32,101	37,003	43.00	53.10
Growth year on year	%	14.4	15.3	16.20	23.49
Industrial production value	RMBbn	403,065	500.05	580.32	700.10
Growth year on year	%	30.7	24.1	14.50	20.64
Per capita disposable income of urban residents	RMB	21,927	N/A	27,609	30,923
Growth year on year	%	15.3	N/A	11.30	12.00
Retail sales	RMBbn	16,101	20,187	29.81	35.43
Growth year on year	%	19.3	25.4	16.60	18.85
Exports	US\$bn	32,317	38,664	40.76	53.34
Growth year on year	%	32.6	19.6	5.40	30.86
Imports	US\$bn	21,118	22,686	21.10	28.79
Growth year on year	%	14.9	7.4	-6.97	36.45
Contracted FDI	US\$bn	2,991	3,099	3.15	3.21
Growth year on year	%	19.4	3.6	1.70	1.90
Used FDI	US\$bn	1,438	1,603	1.67	1.73
Growth year on year	%	22.7	16.4	3.90	3.59
New FIEs	No	N/A	N/A	N/A	N/A
Growth year on year	%	N/A	N/A	N/A	N/A

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and may be available from other sources. Growth data is calculated based on in house data for the previous year and may differ from other sources

Suzhou's German-Speaking Little Brother

Taicang 太仓



Taicang is known as a “Hometown of German Enterprises” - more than 130 large German companies such as Siemens have a presence there.

2.13 Infrastructure

2.13.1 Ports and Waterways

Once honored as the “No. 1 Port in the World” in the Yuan Dynasty, Taicang Port it was where Zheng He began his voyages. Today, Taicang Port is considered by the provincial government as the number one foreign trade port in Jiangsu Province.

Taicang Port, which enjoys the same navigation conditions as Shanghai Waigaoqiao Port, is a top-grade port with trunk-line facilities for container transportation. Taicang Port Zone focuses on the development of modern logistics, petrol chemicals, power energy, basic raw materials, among others.

2.14 Economy and Investment

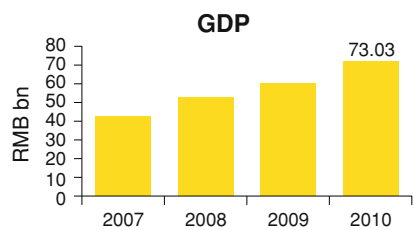
The most striking aspect of Taicang’s development is its large GDP over a small population. The city has become one of the more well-developed county-level cities in China with a GDP that is consistently ranked in the top 15 of China’s Strongest County-level Cities. Along with the city’s port, Taicang’s primary industries are manufacturing (specifically precision manufacturing) and hi-tech. In addition to Fortune 500 businesses such as Mobil, Staples, American Standard, Nike and Unilever, Taicang is home to such large domestic businesses as Huaneng, COSCO, Sinochem, China Shipping, CIMC, Sinopec and China Petrol. About a quarter of foreign investment in Taicang comes from the European Union and the United States, with another quarter from Taiwan and about 20% from

Hong Kong, while Japan accounts for about 15%, and Germany and Korea about 5% each (2008).

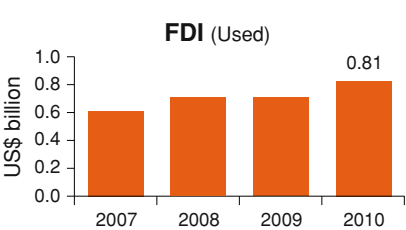
Taicang is composed of seven towns and one development zone: Taicang Economic Development Area. The local government and the TEDA Committee provide special support to small and medium-sized businesses and focus on attracting SMEs. Support is provided in the form of full customs support and small workshops. Furthermore, human resource and business costs are often less than half of those in Shanghai, according to government sources (2010).

According to a report by the German Centre in Shanghai (2009), Taicang is:

- China’s largest high-class lubricant producer
- Eastern China’s largest LPG base
- Jiangsu province’s largest PVC production base
- Asia’s largest bike manufacturing base



Taicang had a GDP of RMB73.03 billion in 2010, a growth of 2.91 year-on-year.



Used FDI was US\$0.81 billion in 2010, with 140 new foreign-invested projects.

Taicang by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	0.45	0.45	0.46	0.46	0.46	0.46	0.47	0.67	0.69
GDP	RMBbn	18.01	21.00	24.83	30.00	36.70	44.03	52.80	60.80	73.03
Proportion: primary industry	%	7.10	6.40	5.90	0.05	0.04	3.80	3.50	3.20	3.70
: secondary industry	%	55.80	58.10	60.50	0.60	0.61	60.30	59.60	59.00	57.40
: tertiary industry	%	37.10	35.50	33.60	0.35	0.35	35.90	36.90	37.80	38.90
GDP growth year on year	%	N/A	16.60	18.24	20.82	22.33	19.97	2.79	2.44	2.91
Per capita GDP (all residents)	RMB	40,085	46,667	54,571	65,502	79,783	94,892	113,305	90,476	105,382
Fixed asset investment	RMBbn	6.00	11.12	13.86	17.09	20.10	22.43	24.81	28.43	33.55
Growth year on year	%	37.00	85.33	24.64	23.30	17.61	11.59	10.61	14.59	18.01
Industrial production value	RMBbn	N/A	N/A	N/A	N/A	N/A	110.08	129.62	151.00	190.00
Growth year on year	%	N/A	N/A	N/A	N/A	N/A	22.30	17.75	16.49	25.83
Per capita disposable income of urban residents	RMB	N/A	N/A	14,558	16,700	19,087	21,576	24,624	27,320	30,629
Growth year on year	%	N/A	N/A	N/A	14.71	14.29	13.04	14.13	10.95	12.11
Retail sales	RMBbn	3.21	3.61	4.12	4.70	5.55	6.58	8.19	9.82	14.14
Growth year on year	%	13.40	12.46	14.13	14.08	18.09	18.56	24.47	19.90	43.99
Exports	US\$bn	0.93	1.17	1.46	N/A	2.36	3.06	3.89	2.78	4.10
Growth year on year	%	27.40	25.81	24.79	N/A	N/A	29.66	27.12	-28.53	47.48
Imports	US\$bn	0.74	1.09	1.42	N/A	N/A	N/A	N/A	2.70	4.60
Growth year on year	%	25.40	47.30	30.28	N/A	N/A	N/A	N/A	N/A	70.37
Contracted FDI	US\$bn	0.80	1.22	0.93	0.93	1.20	1.36	1.39	1.41	1.53
Growth year on year	%	35.60	52.50	-23.77	0.00	29.03	13.33	2.21	1.44	8.51
Used FDI	US\$bn	0.40	0.62	0.72	0.30	0.45	0.62	0.74	0.75	0.81
Growth year on year	%	60.00	55.00	16.13	-58.33	50.00	37.78	19.35	1.35	8.00
New FIEs	No	223.00	248.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Growth year on year	%	43.00	11.20	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and may be available from other sources. Growth data is calculated based on in house data for the previous year and may differ from other sources

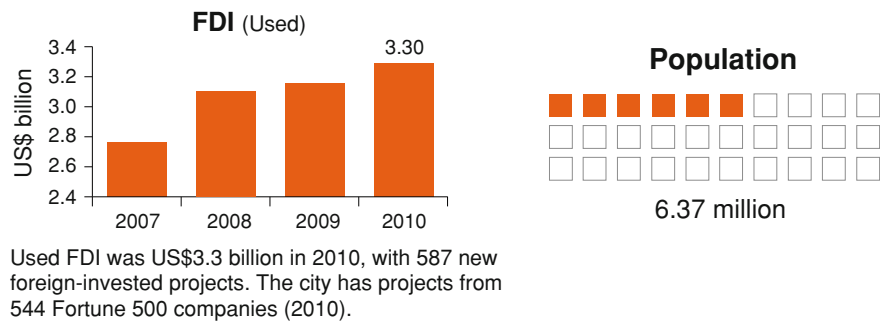
Wuxi 无锡

Outsourcing and Overseas Entrepreneurs



Wuxi's "530 Plus" Project (2011-2013) aims to attract 30 overseas entrepreneurs in the new energy, medical, IT, new material, advanced manufacturing and environment protection fields.

Traditionally a manufacturing city, Wuxi has recently taken steps to replace its manufacturing focus with a growing service outsourcing industry. This plan aims to attract US \$30-40 billion for service outsourcing businesses and create service outsourcing jobs for one million people by 2020.



2.15 Infrastructure

2.15.1 Railways

Wuxi is an important transportation hub for Eastern China due to its important geographic location. As of July 2010, Wuxi is connected to the Shanghai–Nanjing high-speed railway, and it now takes about 34 min to go to Shanghai from Wuxi, and only 55 min to Nanjing. Furthermore, with the completion of the Shanghai–Beijing Line in July 2011, Wuxi now has a high-speed link to Beijing. By 2020, Wuxi is expected to have at least seven railway lines.

2.15.2 Ports and Waterways

With the Yangtze, the Grand Canal and the Lake Taihu, Wuxi has seven waterways, totaling 1,656 km. The ocean passenger and cargo transport of Wuxi mainly passes by the Shanghai, Zhangjiagang and Jiangyin ports. Wuxi is 165 km from the port of Shanghai, 43 km away from the port of Zhangjiagang, and 38 km from the port at Jiangyin. Wuxi is one of the 34 main port hubs in China.

2.15.3 Spotlight: Lake Tai

Often referred to as “the pearl of Tai Lake,” Wuxi and its residents depend heavily their lake for their water supply. Yet Tai Lake has suffered from major algae blooms and cyanobacteria pollution in recent years. After an accident in the spring

of 2007, when an algae outbreak contaminated the water supply for 10 days, the State Council put together a plan to clean the lake by 2020. Authorities forced small chemical and manufacturing plants near the lake to close or relocate to northern Jiangsu province, instituted strict monitoring of factory effluents, built sewage treatment facilities and dredged tributary mouths to remove sediments. Media has reported that many long-established companies such as Jiangsu Wuxi Steel and the Wuxi Coke Chemical Factory have shut down their factories along the city's waterways and moved into new development parks.

2.16 Economy and Investment

In order to achieve its targets for the service outsourcing industry, the Wuxi government launched a university graduate training program in 2009, providing rebates to outsourcing companies for hiring a training program graduate, and granted subsidies to program participants upon graduation. As a training base for outsourcing businesses, India's National Institute of Information Technologies (NIIT) currently runs an outsourcing college in Wuxi.

One of Wuxi's key economic development strategies is known as the Wuxi "530" Plan, a program targeted to attract advanced overseas entrepreneurs to the city between 2006 and 2011. Wuxi's 530 Project was extended into the ongoing 530 Plus Project, which aims to attract 30 foreign high-tech entrepreneurs within 2 years (2011–2013), particularly in the fields of new energy, pharmaceutical and medical, IT, new material, advanced manufacturing and environment protection. Targeted foreign entrepreneurs include leaders in their academic or technological field, those with in-demand core technology and those with overseas entrepreneurship experience.

In 2010, 587 new foreign-invested enterprises established themselves in Wuxi and the number of Fortune 500 companies in the city rose to 144, a large number relative to other regional cities. One of these companies is Caterpillar, which has many of its manufacturing and engine R&D projects in the city. The majority of foreign investment into Wuxi has gone into the service industries.

Wuxi defines its eight strategic emerging industries as: new energy, new materials, energy saving, microelectronics, biotechnology and new medicine, software and service outsourcing, industrial design and cultural industries. In 2010, these industries generated RMB 410.37 billion, up by 28.2%.

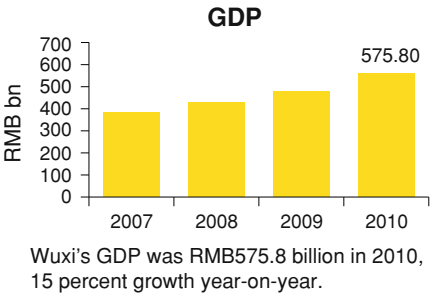
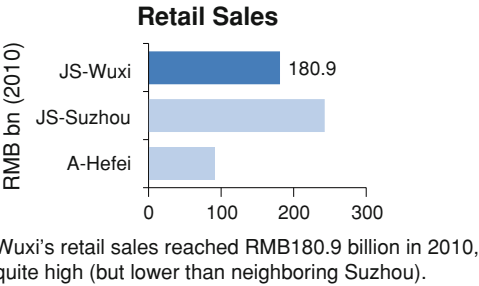
2.16.1 Resources

Wuxi Government

<http://en.wuxi.gov.cn/>

Key Industries

- IT and electronics
- Fine chemicals
- Precision machinery
- Metallurgy
- High-grade garments



Wuxi by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	4.39	4.43	4.47	4.53	4.58	4.62	6.10	6.20	6.37
GDP	RMBbn	160.20	190.20	235.00	280.50	330.00	385.80	441.90	499.20	575.80
Proportion: primary industry	%	3.60	N/A	2.00	1.30	1.50	N/A	N/A	N/A	1.80
: secondary industry	%	54.90	N/A	57.80	60.90	59.70	N/A	N/A	N/A	55.70
: tertiary industry	%	41.50	39.70	40.20	37.80	38.80	N/A	N/A	N/A	42.50
GDP growth year on year	%	17.79	18.73	23.55	19.36	17.65	16.91	14.54	12.97	15.34
Per capita GDP (all residents)	RMB	36,492	42,935	52,573	61,921	72,052	83,506	72,443	80,516	90,392
Fixed asset investment	RMBbn	53.78	89.33	111.41	133.51	147.49	167.40	187.70	238.76	298.57
Growth year on year	%	16.99	17.65	22.45	17.78	16.36	15.90	-13.25	11.14	12.27
Industrial production value	RMBbn	79.65	99.27	123.14	135.31	166.24	198.42	239.80	265.10	298.60
Growth year on year	%	16.62	24.63	24.05	9.88	22.86	19.36	20.85	10.55	12.64
Per capita disposable income of urban residents	RMB	9,988	11,647	13,588	16,005	18,189	20,898	23,605	25,027	27,750
Growth year on year	%	5.65	16.61	16.67	17.79	13.65	14.89	12.95	6.02	10.88
Retail sales	RMBbn	44.43	48.70	57.92	82.41	95.95	113.48	139.20	165.14	180.90
Growth year on year	%	13.69	9.61	18.93	42.28	16.43	18.27	22.66	18.64	9.54
Exports	US\$bn	5.14	7.33	11.02	15.55	21.44	29.32	35.79	26.10	36.27
Growth year on year	%	42.78	42.61	50.34	41.11	37.88	36.75	22.07	-27.07	38.97
Imports	US\$bn	4.60	7.05	10.82	13.65	17.74	21.83	20.24	17.93	24.90
Growth year on year	%	49.84	53.26	53.52	26.07	30.04	23.03	-7.28	-11.41	38.87
Contracted FDI	US\$bn	2.90	5.01	6.50	7.84	3.28	5.45	5.14	4.10	4.75
Growth year on year	%	-3.33	72.76	29.74	N/A	N/A	66.16	-5.69	-20.23	15.85
Used FDI	US\$bn	1.74	2.70	3.30	2.52	2.75	2.77	3.17	3.20	3.30
Growth year on year	%	28.22	55.23	22.18	-23.73	9.34	0.65	14.44	0.95	3.12
New FIEs	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Growth year on year	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and may be available from other sources. Growth data is calculated based on in house data for the previous year and may differ from other sources

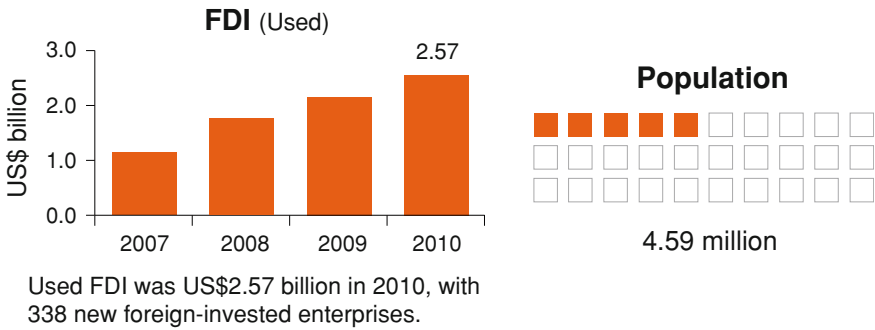
Yangzhou 扬州

Ancient Grand Canal Town, Modern Port City



"Water is the soul of Yangzhou, the Grand Canal the lifeline of Yangzhou, the Yangtze River the mother of Yangzhou," reads a local government development pamphlet.

Until the nineteenth century, Yangzhou was a major national trade center and a transport hub due to its location at the junction of the Yangtze, the Grand Canal and the Huai River. Though its economy started to go into decline in the 1850s, in the past two decades growth has recovered significantly, and today Yangzhou is recognized as one of Jiangsu Province's strongest economies.



2.17 Infrastructure

2.17.1 Railways

Yangzhou sits on the Taizhou–Nanjing railway line and also provides direct passenger service to Xi’an, Wuhan and Guangzhou. Travel to the east coast is possible by crossing the Zhenjiang–Yangzhou Bridge and taking a train from the Zhenjiang station. In 2011, Yangzhou became linked to the newly operational Beijing–Shanghai high-speed railway. It now takes only about 4 h and 30 min by train to get to Beijing, and about 1 h and 30 min to reach Shanghai.

2.17.2 Ports and Waterways

The Yangzhou Port is the main channel for importing and exporting goods in Yangzhou because it lowers logistics costs. The Yangzhou section of the Beijing–Hangzhou Grand Canal is 143 km long and allows the passage of 1,000 DWT of ships all year round. Goods transported include iron and steel, timber, minerals, coal, grain, cotton, container, products of light industry and machinery. The passenger routes reach Nanjing and Wuhan in the west, and Nantong and Shanghai in the east. In addition, the Yangzhou Port is also a major trading port area that also includes Yizheng Port and Jiangdu Port. Together, these trade areas have an annual throughput of 26 million tons.

2.17.3 Spotlight: Greater Nanjing Cluster

Eight cities of Anhui and Jiangsu provinces, including Yangzhou, signed the “Nanjing Declaration” in July 2011, committing to plans for an urban cluster agglomeration centered around Nanjing. The agglomeration will include transportation development. The major task for the 12th Five-Year Plan (2011–2015) period is to speed up the construction of ten planned rail link and airport projects. The industries to take priority under this plan are high-tech, advanced manufacturing, modern tourism, the cultural industry and urban special agriculture.

2.18 Economy and Investment

Yangzhou has the fifth strongest economy in China, according to China-Business Full City Rankings by the Economist Intelligence Unit in November 2010. The city’s foreign trade volume in 2010 stood at US \$8.24 billion, of which exports accounted for US \$6.05 billion. Yangzhou’s major export market is Europe and exports to the EU in 2010 totaled US \$1.491 billion, a 11.94% increase year-on-year.

Yangzhou attracted utilized FDI of US \$2.57 billion in 2010, increasing 13.2% year-on-year. Leading companies include Siemens, which is establishing a motor production JV; Yangzhou Rongtai Industrial Development Co, known for making aluminum and magnesium die castings; Yangzhou Yaxing Motor Coach, a Shanghai-listed bus manufacturer; Baosheng Group, China’s leading producer of wire, cable and other electrical parts; and EMS, the world’s biggest manufacturer of metal compound materials. Yangzhou is EMS’s sole manufacturing facility in Asia, and will serve its Asian and European markets.

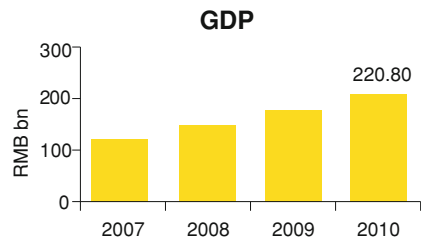
Yangzhou has over 400 large-scale auto and shipbuilding businesses, the industrial output value of which reached RMB 80.1 billion in 2010. Yangzhou’s mechanical equipment industry mainly includes plate process equipment and products such as CNC metal-forming equipment, and steel pipes. Yangzhou is located in the middle of the lower Yangtze River chemical industrial region, close to several chemical industrial parks, Jiangsu oilfield and the cross-River station of the East–West Gas Diversion Project pipelines. Yangzhou is seen as a national-level industrial base for smart grids, green new energy sources and a specialty base for photoelectric technologies, including silicon, solar cells and photovoltaic lighting. Semiconductor lighting projects are also big in the city, with the city’s LED lighting output accounting for one-ninth of the country’s total. In its 12th Five-Year Plan, Yangzhou plans to build “China’s optical electric city” with an LED industry valued at over RMB100 billion.

2.18.1 Resources

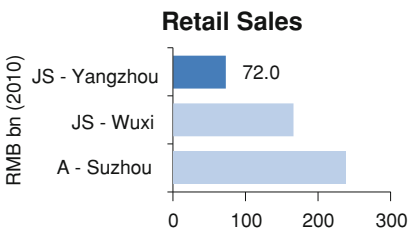
Yangzhou Government
<http://www.yangzhou.gov.cn/>

Key Industries

- Petrochemicals
- Automobiles and spare parts
- Electronic information
- Ship machinery
- Textile garments
- Electrical cables
- Medicine & medical instruments
- Metal plate equipment
- Manufacturing



Yangzhou's GDP was RMB220.8 billion in 2010, a 18.9 percent growth year-on-year.



Yangzhou's retail sales reached RMB72 billion in 2010, low compared to neighboring cities.

Yangzhou by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	4.52	4.54	4,544	4.56	4.59	4.59	4.6	4.59	4.59
GDP	RMBbn	55.89	64.72	78.81	92.2	110	131.1	157.33	185.64	220.8
Proportion: primary industry	%	12.7	11.6	10.1	0.093	8.5	7.7	7.47	7.8	7.2
: secondary industry	%	48.8	50.5	53.3	0.562	56.5	57	57.06	56.1	55.7
: tertiary industry	%	38.6	37.9	36.6	0.345	35	35.3	35.47	36.1	37.1
GDP growth year on year	%	9.6	15.8	21.8	17	19.3	19.2	20	18	18.9
Per capita GDP (all residents)	RMB	12,368	14,300	17,315	20,389	24,540	29,400	34,218	41,406	48,955
Fixed asset investment	RMBbn	18.02	24.7	33.01	41	53.33	71.79	95	106.39	133.2
Growth year on year	%	N/A	37.1	33.6	24.2	30.1	34.6	32.3	12	25.2
Industrial production value	RMBbn	23.74	22.65	36.66	38.88	50.03	71.55	90.66	N/A	138.9
Growth year on year	%	N/A	-4.6	61.9	6.1	28.7	43	26.7	N/A	16.1
Per capita disposable income of urban residents	RMB	7,833	8,705	9,851	11,379	12,945	15,057	17,389	19,416	21,766
Growth year on year	%	N/A	11.1	13.2	15.5	13.8	16.3	15.5	11.7	12.1
Retail sales	RMBbn	18.28	19.8	22.8	26.37	35.58	41.89	52.13	61.9	71.95
Growth year on year	%	N/A	8.3	15.2	15.7	34.9	17.7	24.4	18.7	16.2
Exports	US\$bn	0.8	1.11	1.35	1.91	2.36	3.25	4.57	4.01	6.06
Growth year on year	%	N/A	38.8	21.6	41.5	23.6	37.7	40.6	-12.3	51.1
Imports	US\$bn	0.71	0.91	1.07	0.89	0.91	1.21	1.63	1.42	2.18
Growth year on year	%	N/A	28.2	17.6	-16.8	2.2	33	34.7	-12.9	53.5
Contracted FDI	US\$bn	0.51	0.96	1.64	2.43	2.45	3.37	5.01	5.61	N/A
Growth year on year	%	N/A	88.2	70.8	48.2	0.8	37.6	48.7	12	N/A
Used FDI	US\$bn	0.26	0.48	0.81	1.25	0.76	1.15	1.72	2.27	2.57
Growth year on year	%	N/A	84.6	68.8	54.3	-39.2	51.3	49.6	32	13.2
New FIEs	No	214	295	330	371	N/A	N/A	N/A	N/A	335
Growth year on year	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

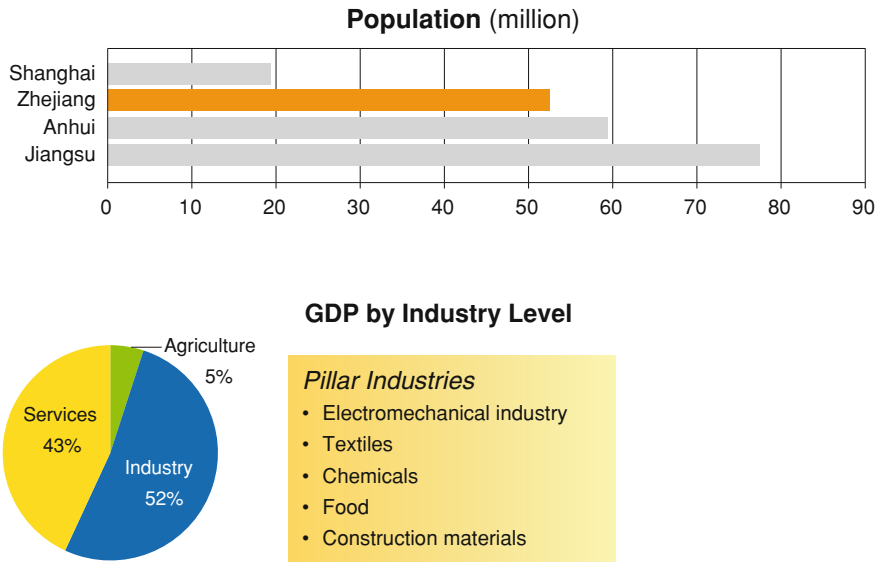
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ZHEJIANG PROVINCE

浙江省



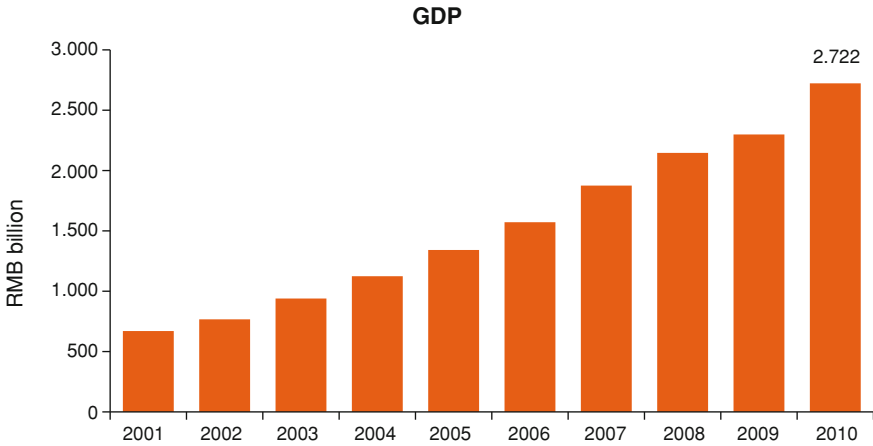
While neighboring Shanghai aims to become China's financial center, Zhejiang aims to become the SME financial center, with centers in Hangzhou, Ningbo and Wenzhou.



Zhejiang’s economic success has been largely home grown, as opposed to being built on support from the central government or huge inflows of FDI. While this is starting to change as multinationals relocate out of Shanghai and into the surrounding regions, the previous absence of outside help has helped to form an entrepreneurial spirit that some dub “the Zhejiang model.” This model emphasizes small businesses that are responsive to market fluctuations, large local government investments into public infrastructure and bulk production of low cost goods for both domestic consumption and export.

As such, the provincial capital of Hangzhou has the best business environment in China according to Forbes Magazine (2010), thanks in large part to its fast GDP growth and its business-friendly regulations. The provincial government is working to better connect smaller cities with Hangzhou and in 2011, approved the blueprint for the Hangzhou Urban Economic Circle development project. A joint initiative between four cities in the province (Hangzhou, Huzhou, Jiaxing, Shaoxing), the plan prioritizes transportation infrastructure improvements, including new public bus lines, a trans-city express railway system, and a restructuring plan for the canal to facilitate water transportation.

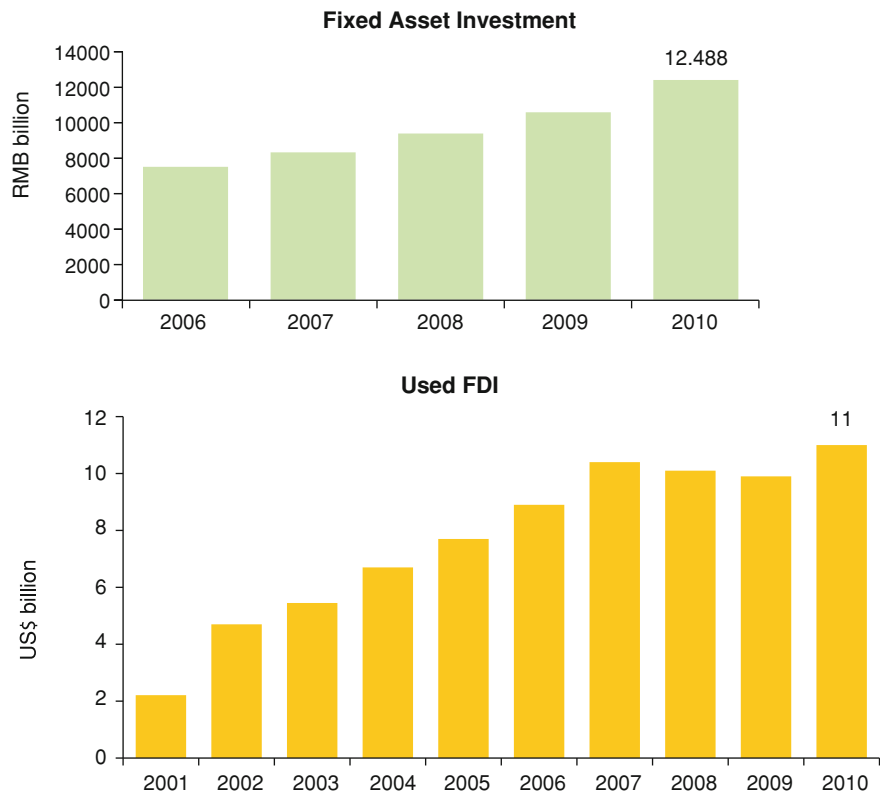
2.19 Economy



Zhejiang's wealth comes from its manufacturing industry, which is focused in electromechanical industries, textiles, chemical industries, food and construction materials. Over the last 10 years, heavy industries like electric equipment and machinery, raw chemical materials and chemical products have developed rapidly, accounting for more than 50% of the province's industrial output.

Zhejiang's economy was traditionally focused in light industry, but the province has been transitioning towards high potential industries like services, including biomedical services. It is projected that the services sector will account for 48% of Zhejiang's GDP growth rate by 2015.

Zhejiang is targeting an 8% annual GDP growth rate in its 12th Five-Year Plan. Given that annual GDP growth was 11.8% during the 11th Five-Year Plan, this reserved growth rate has drawn the attention of policy watchers. The government has indicated that this conservative growth rate will aid in the continual upgrade and reform of the local economic structure.



One of the provincial government’s major aims in the coming years is to further develop high-tech industries, particularly biotechnology, medicine and new materials. This development will focus on a few important economic belts: Beilun to Ningbo (cities along the Shanghai–Hangzhou–Ningbo Expressway, like Shaoxing, Jiaxing and Huzhou), the coastal cities of Wenzhou and cities along the Zhejiang–Jiangxi and Wenzhou–Taizhou railways.

Zhejiang attracted more than US \$11 billion in FDI in 2010, which represents a 10.7% increase year-on-year.

2.20 Infrastructure

2.20.1 Air

Zhejiang's airports by passenger throughput (2010)

City	Airport	Passenger throughput (# people)	Change y-on-y (%)
Hangzhou	Hangzhou Xiaoshan	17,068,585	14.2
Wenzhou	Yongqiang	5,326,802	10.5
Ningbo	Lishe	4,517,070	12
Yiwu	Yiwu	695,148	24.2
Taizhou	Luqiao	616,861	17.1
Zhoushan	Putuo Shan	356,869	−20.3
Quzhou	Quzhou	133,498	4

Source National Airport Throughput Rankings Civil Aviation Administration of China, March 2011

2.20.2 Ports and Waterways

Zhejiang ports by throughput (2010)

Port	Goods		Containers	
	National rank	Throughput (100 million tons)	National rank	Throughput (million TEU)
<i>Sea ports</i>				
Ningbo–Zhoushan	1	6.33	3	1,314.65
<i>River ports</i>				
Huzhou	4	1.44		

Source Transportation via public waterways development statistical report, Ministry of Transport, April 2011

2.20.3 Major Cities (by GDP)

- Hangzhou (Provincial capital)
- Ningbo
- Wenzhou

2.20.4 Resources

Zhejiang Provincial Government

www.zhejiang.gov.cn

Zhejiang Foreign Trade and Economic Cooperation Bureau

www.zftcc.gov.cn

Historical Context

Zhejiang was first established as a province during the Ming Dynasty and since then its borders have changed very little. Zhejiang's golden age began in 1100. Hangzhou, the province's present day capital, was also the capital of the Song Dynasty. Renowned for its prosperity and beauty, Hangzhou may have been the largest city in the world at the time with an estimated population of 1 million in 1275. Marco Polo, who visited Hangzhou in the thirteenth century, described the city as the "finest and noblest in the world."

The Taiping Rebellion shook Hangzhou in 1860, destroying the city and decimating its population. Regardless, Hangzhou managed to build its way back up to its former reputation of luxury and opulence.

Zhejiang received a lot of attention during the twentieth century. In the late 1920s, the province became a base of power for the Nationalist Party of Chiang Kai-shek and subsequently the Zhejiang elite soon came to dominate the nationalist regime. After the communists took control in 1949, the government established a rival Zhejiang provincial government that lasted until 1955.

Although southern Zhejiang is not suitable for farming and was traditionally underdeveloped, hard work and low labor costs have transformed the area into a major export hub. The success of the south together with the historical wealth of the north has allowed Zhejiang to become one of the richest provinces in China.

Zhejiang by numbers

	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	46.7	46.8	47.2	46	46.3	46.6	46.9	47.2	52
GDP	RMBbn	767	939.5	1,124.30	1,341.80	1,571.80	1,875.40	2,146.30	2,299.00	2,722.7
Proportion: primary industry	%	8.8	7.8	7.3	6.1	5.7	4.9	4.6	4.8	5
: secondary industry	%	51.2	52.5	53.7	46.6	45.6	45.4	47.3	50.3	51.9
: tertiary industry	%	40	39.7	39	34.2	34.1	33.5	35.5	38.3	43.1
GDP growth year on year	%	12.3	13.2	14.3	15.2	17.1	19.3	14.4	7.1	11.8
Per capita GDP (all residents)	RMB	16,570	19,730	23,942	27,661	31,825	37,358	42,166	44,641	52,059
Fixed asset investment	RMBbn	345.8	494.7	594.5	669.6	759.3	842	932.3	1,074.20	1,248.8
Growth year on year	%	24.9	38.1	20.2	10.5	13.4	10.9	10.7	15.2	16.3
Industrial production value	RMBbn	352.4	431	538.1	634.3	758.5	909	1,032.90	1,051.80	1,039.7
Growth year on year	%	13.5	16.4	17	17.9	19.6	19.8	13.6	1.8	16.2
Per capita disposable income of urban residents	RMB	11,716	13,180	14,546	16,294	18,265	20,574	22,727	24,611	27,359
Growth year on year	%	13.4	12.5	7.4	12	12.1	12.6	10.5	8.3	7
Retail sales	RMBbn	287.9	315.7	364.5	464.6	535.8	627.1	753.3	862.2	1016.3
Growth year on year	%	12.6	10.9	15.5	14.5	15.3	17	20.1	14.5	19
Exports	US\$bn	29.42	41.6	58.2	76.8	100.9	128.3	154.2	133	180.5
Growth year on year	%	28	41.5	39.8	32	31.4	27.2	20.2	-13.7	35.7
Imports	US\$bn	12.5	19.82	27.07	30.6	38.2	48.6	56.9	54.7	73
Growth year on year	%	27.7	58	36.6	13.3	24.8	27.2	17.1	-3.9	33.4
Contracted FDI	US\$bn	7.21	12.1	14.6	16.1	19.1	20.4	17.8	16	20.04
Growth year on year	%	0.5	77.5	20.8	10.3	18.6	6.8	-12.7	-10.1	25.2
Used FDI	US\$bn	4.7	5.45	6.7	7.7	8.9	10.4	10.1	9.9	11
Growth year on year	%	3.9	72.4	22.6	14.9	15.6	16.9	-2.9	-1.6	10.7
New FIEs	No	3,364	4,442	3,824	3,396	3,583	2,919	1,858	1,216	1,944
Growth year on year	%	45.6	32.1	-13.9	-11.2	5.5	-18.5	-36.3	-34.6	11.9

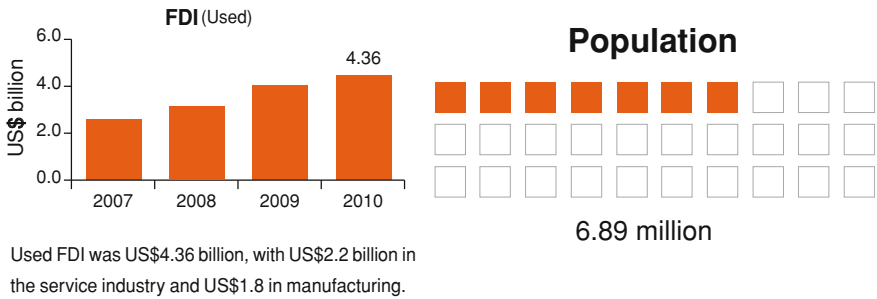
Hangzhou 杭州

Zhejiang's Capital City



Forbes Magazine rated the city as having the best business environment in China (2010) thanks to its high living standards, well-developed infrastructure and business friendly regulations.

Best known for its beautiful West Lake and silk industry, Hangzhou is the political, economic and cultural center of Zhejiang province and accounts for nearly a quarter of provincial economic output. Investors choose Hangzhou for a variety of reasons, including lower office set up costs, competitive government tax incentives and a strong network of local IT companies.



2.21 Infrastructure

The blueprint for the Hangzhou Urban Economic Circle, a major regional economic development project prioritizing transportation infrastructure improvements, was approved in 2011 as a joint initiative between four cities in Zhejiang Province (Hangzhou, Huzhou, Jiaxing, Shaoxing).

2.21.1 Railways

Hangzhou is an important rail transportation hub of east China. Shanghai–Hangzhou, Zhejiang–Jiangxi, Xiaoshan–Ningbo and Xuanchen–Hangzhou railways intersect here. Hangzhou is currently constructing its metro system and is expected to be completed by 2012.

2.21.2 Ports and Waterways

Shanghai and Ningbo’s seaports can be reached in around one and a half to two hours. The Beijing–Hangzhou Grand Canal and the Qiantang River are also in close proximity.

2.22 Economy and Investment

Zhejiang province is known for its private enterprises and its capital is no exception. The proportion of non-public economy reached 66% in 2010, up by 1.5% year-on-year.

Industry-wise, Hangzhou has made a name for itself in information technology, software development, telecommunications equipment and electronics. Other major industries include biological medicine, machinery and household appliances and food and beverages.

By the end of 2010, a total of 82 Fortune 500 companies had projects in Hangzhou. Of the 599 foreign-invested enterprises, 200 are non-trade enterprises. Toshiba has set up a global production base and Matsushita invested US \$240 million in its largest production base for home electrical appliances in China. China's largest food and beverage company, Wahaha, is headquartered in Hangzhou.

East of downtown, the Hangzhou Economic Development Area's (HEDA) export-oriented manufacturing park is one of the largest production bases for mobile telecommunications equipment in China.

Hangzhou aims to be a major center for research and development by utilizing its strong higher education resources. There are six higher education districts in the city and 37 higher educational institutions, such as Zhejiang University (see spotlight). The Xiasha High Education Park, located in the Hangzhou Economic and Technology Development Area, includes 15 higher education colleges. Some of the key subjects include electronic information engineering, computer science and technology, and manufacturing and automation.

Hangzhou is also a major retail center, with sales of social consumer goods increasing 19% year-on-year in 2010 to reach RMB 214.608 billion. By industry, sale of social consumer goods are approximately 88% of wholesale and retail trade sales and 12% of accommodations and catering industries.

2.22.1 Spotlight: Zhejiang University, #3 in China

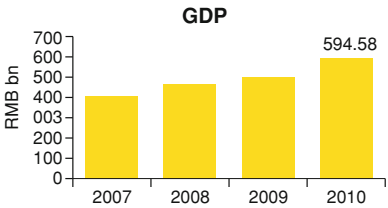
Zhejiang University, founded in 1897, is one of the oldest institutions of higher learning and ranks third among all Chinese universities (behind only Beijing's Peking and Qinghua Universities). It is particularly well known for its strength in the sciences—14 faculty members are from the Chinese Academy of Sciences and 12 from the Academy of Engineering. The university is also home to three national engineering and technology research centers: Applied Power Electronic Technology, Optical Instrumentation, and Electrohydraulic Control.

2.22.2 Resources

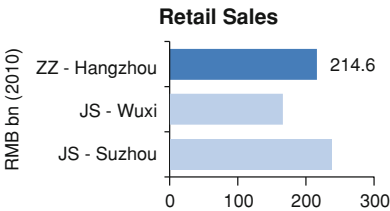
Hangzhou City Government
<http://eng.hangzhou.gov.cn/>
Hangzhou Economic and Technical Development Area
<http://www.heda.gov.cn/>

Key Industries

- Information Technology
- Software Development
- Telecommunications Equipment
- Electronics



Hangzhou's GDP was RMB594.58 billion in 2010, a 12 percent growth year-on-year.



Hangzhou's retail sales reached RMB214.6 billion in 2010, high (but less than neighboring Suzhou).

Hangzhou by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	6.37	6.43	6.52	6.6	6.66	7.86	7.96	8.1	6.89
GDP	RMBbn	178	209.2	251.5	294.27	344.1	410.39	478.12	509.87	594.58
Proportion: primary industry	%	6.3	6.1	5.5	0.05	4.5	4.1	3.7	3.7	3.5
: secondary industry	%	50.7	51.6	53	50.9	50.6	50.2	50	47.8	47.8
: tertiary industry	%	43	42.3	41.5	44.1	44.9	45.7	46.3	48.5	48.7
GDP growth year on year	%	13.2	15	15	13	14.3	14.6	16.5	10	12
Per capita GDP (all residents)	RMB	28,000	32,700	38,858	44,853	51,871	61,313	60,414	74,924	86,281
Fixed asset investment	RMBbn	76.94	100.62	120.52	127.78	146.05	168.41	196.17	229.17	275.31
Growth year on year	%	21.9	30.7	19.7	15.3	10.1	15.3	16.5	15.7	20.1
Industrial production value	RMBbn	77.3	93.5	117.5	132.96	157.15	187.79	N/A	1,064.8	12,821.9
Growth year on year	%	13.7	19.9	18.6	11.3	14.6	19.5	N/A	1.5	19.6
Per capita disposable income of urban residents	RMB	11,778	12,898	14,565	16,601	19,027	21,689	24,104	26,864	30,035
Growth year on year	%	8.1	9.5	12.9	14	14.6	14	11.1	11.5	11.8
Retail sales	RMBbn	52.35	58.75	70.43	97.54	111.24	129.63	155.8	189.40	214.61
Growth year on year	%	14.1	12.4	15.2	14	14	16.5	20	15.8	19.9
Exports	US\$bn	8.48	10.95	15.18	19.8	26.23	29.97	33.61	27.18	35.34
Growth year on year	%	16.4	29.2	38.6	30.5	32.4	14.3	12.2	-19.1	30
Imports	US\$bn	4.63	7.28	9.32	10.1	12.68	13.46	14.45	13.24	17.02
Growth year on year	%	15.2	57.5	28	8	26	6.2	7.4	-8.4	28.6
Contracted FDI	US\$bn	1.7	1.59	3.1	4.01	5.38	5.58	6.23	6.97	7.71
Growth year on year	%	64.6	-6.3	94.5	30.1	34.3	3.7	11.6	11.8	10.7
Used FDI	US\$bn	0.65	1.01	1.4	1.71	2.26	2.8	3.31	4.014	4.36
Growth year on year	%	29.2	93.3	39.8	21.5	31.7	24.2	18.2	21.2	8.5
New FIEs	No	587	869	802	756	747	574	483	N/A	599
Growth year on year	%	21.5	48	-7.7	-5.7	-1.2	-23.2	-15.9	N/A	N/A

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be available from other sources

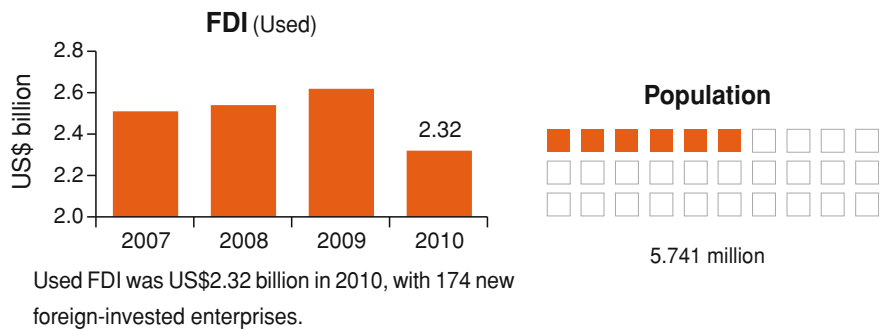
Ningbo 宁波

Zhejiang's Deepwater Port



Ningbo-Zhoushan Port is the largest general cargo port in China, surpassing Shanghai Port (2010), and ranks third in terms of annual throughput

The 12th Five-Year Plan (2011–2016) of Zhejiang province defines Ningbo as the “economic center of South YRD.” Government goals in this plan for the city include transforming it into a major base for advanced manufacturing, modern logistics, energy and raw material and a center for shipping finance. The latter goal is based on Ningbo’s excellent natural deepwater port, unique among nearby cities.



2.23 Infrastructure

Ningbo’s construction industry has developed rapidly, with a total production value of RMB 142.51 billion in 2010, an increase of 32.2% year-on-year.

2.23.1 Railways

Ningbo is three to 4 h from Shanghai by rail, with close connections to major cities in China. The Xiao Yong Railroad (connecting Hangzhou and Ningbo) and the Yong Tai Wen Railroad (connecting Ningbo and Wenzhou) are the main railroads in Ningbo. The Hu Hang Yong passenger line (connecting Shanghai, Hangzhou and Ningbo) is under construction. Upon completion, the travel time from Ningbo to Hangzhou will be shortened to 40 min, and the trip from Ningbo to Shanghai will be shortened to 1.5 h.

2.23.2 Ports and Waterways

In 2006, Ningbo Port and Zhoushan Port officially joined together to become Ningbo–Zhoushan Port. In 2010, Ningbo–Zhoushan Port saw its cargo throughput reach over 13 million TEUs, up 25.2% year-on-year. Ningbo–Zhoushan Port is the largest general cargo port in China, with throughput of 629 million tons in 2010, up 8.90% year-on-year. Ningbo Port has the largest number of deepwater berths and receives the most 100,000 DWT vessels in China (2010).

2.24 Economy and Investment

The Ningbo city government's General Plan (2006–2020) envisions the city as “the economic center of the YRD's southern wing” and “Southeast China's port city.” Over the next ten years (2010–2020), Ningbo plans to construct a “Smart City” by establishing intelligent application systems, industrial bases and infrastructure, investing RMB 500 million a year. Ningbo was ranked eighth on the Forbes Magazine “Best Cities for Business in Mainland China” (2010).

As such, Ningbo experienced a huge uptake in foreign-funded projects between 2009 and the end of 2010, mostly due to a greater number of large-scale projects. There were 13,336 foreign invested enterprises in Ningbo by the end of 2010. Scale of investment averaged US \$10.45 billion in 2010, up 130% year-on-year and projects included ten valued at over US \$50 million, mostly in the property sector. Most foreign investment was made in the property market, wholesale and retail businesses, computer services, software, science and technology research, technical assistance and geological exploration.

Home of the famous “Hong Bang” style tailors, Ningbo has a major national presence in garment production and home electric appliance manufacturing. Autoparts, mould and stationary production in the city are also significant. In May 2011, Shanghai Volkswagen Automotive Co., Ltd. announced plans to launch its sixth Chinese auto production plant in Ningbo. Strategic new industries in the city include new materials, new energy, environmental protection, and medical equipment—by 2015, these industries aim to have an industrial output value of RMB 60 billion, accounting for 15% of GDP.

Port development goals by 2015 include container throughput of 20 million TEUs, as well as further developing cooperation with Jiaxing, Wenzhou, Taizhou and other ports. Ningbo's 12th Five-Year Plan emphasized the importance of port development to the local government through emphasizing “soft power to enhance port competitiveness”. The government's plans include building a national training base for port logistics and using science, education, research and innovation to enhance the capacity of the port and actively promoting port museums, cultural festivals held in the port, port management training classes and other activities to enhance the international reputation of the port. The city aims to become a commodities trading center and “an influential national and even global trading platform,” with turnover of RMB 400 billion by 2015.

Goals for strengthening Ningbo's financial system include an SME focus, specifically expanding loans and financing channels available to SMEs. By 2015, the city also aims to form 1,000 corporate R&D institutions, establish more than 2,500 invention patents and increase R&D expenditures to reach 2.5% of GDP.

2.24.1 Resources

Ningbo Government
<http://english.ningbo.gov.cn/>

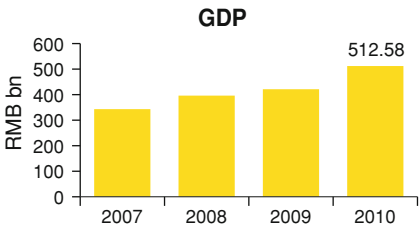
Ningbo Foreign Investment Development Board
<http://www.ningbochina.com/en/index.html>

Ningbo Economic and Technical Dev. Zone
http://www.netd.gov.cn/en/nbjj_en_gs.php

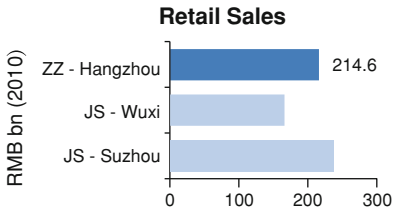
Ningbo Port Co. Ltd.
<http://www.nbport.com.cn/portal/wps/portal/en>

Key Industries

- Petrochemicals
- Steel
- Shipbuilding
- Equipment manufacturing
- Automobile and parts
- Textiles
- Non-ferrous metals
- Electronics and Telecommunication



Ningbo's GDP reached RMB512.58 billion in 2010, up 12.4 percent year-on-year.



Ningbo's retail sales reached RMB146 billion in 2010, approximately that of neighboring Wenzhou.

Ningbo by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	5,462	5,49	5,53	5,57	5,6	5,67	5,68	5,7	5,741
GDP	RMBbn	150.03	176.99	215.8	244.64	286.45	343.31	396.4	421.46	512.58
Proportion: primary industry	%	7	6.3	0.057	5.3	4.9	N/A	4.2	4.4	4.2
: secondary industry	%	55.2	56.9	0.57	55.3	55	N/A	55.4	53.3	55.6
: tertiary industry	%	37.8	36.8	0.373	39.4	40.1	40.5	40.4	42.3	40.2
GDP growth year on year	%	13.2	18	21.9	13.4	17.1	19.8	15.5	6.3	12.4
Per capita GDP (all residents)	RMB	27,468	32,239	39,024	43,921	51,152	60,549	69,789	73,940	68,162
Fixed asset investment	RMBbn	60.13	83.76	109.57	137.04	154.3	159.79	172.8	200.42	220.65
Growth year on year	%	27.9	39.3	30.8	25.1	12.6	3.6	8.1	16	10.1
Industrial production value	RMBbn	74.95	91.01	108.68	137.04	142.14	176.68	201.23	103	131.712
Growth year on year	%	15	21.4	19.4	26.1	3.7	24.3	13.9	-1.6	32.5
Per capita disposable income of urban residents	RMB	12,970	14,277	15,882	17,408	19,674	22,307	25,304	27,368	30,166
Growth year on year	%	18.8	10.1	11.2	9.6	13	13.4	13.4	8.2	10.2
Retail sales	RMBbn	46.29	52.15	59.56	75.98	88.25	103.55	123.8	143.44	146.04
Growth year on year	%	11.8	12.7	14.2	27.6	16.1	17.3	19.6	15.9	19.9
Exports	US\$bn	8.16	12.07	16.69	22.23	28.77	38.3	46.33	38.65	51.97
Growth year on year	%	30.7	47.9	38.3	33.2	29.4	33.0	21.1	-16.6	34.5
Imports	US\$bn	4.11	6.74	9.42	11.26	13.44	18.2	21.51	22.16	30.93
Growth year on year	%	55.4	64	39.8	19.5	19.4	35.7	17.9	3.0	39.6
Contracted FDI	US\$bn	3.2	3.44	4.14	4.21	4.43	4.5	4.12	3.42	4.05
Growth year on year	%	64	7.5	20.3	1.7	5.2	1.6	-8.4	-17	18.2
Used FDI	US\$bn	1.25	1.73	2.1	2.31	2.43	2.51	2.54	2.62	2.32
Growth year on year	%	43	38.4	21.4	10	5.2	3.3	1.2	3.1	-11.5
New FIEs	No	1,017	1,209	1,081	N/A	N/A	N/A	332	177	175
Growth year on year	%	26	18.9	-10.6	N/A	N/A	N/A	N/A	-46.7	-1.3

Sources National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be available from other sources

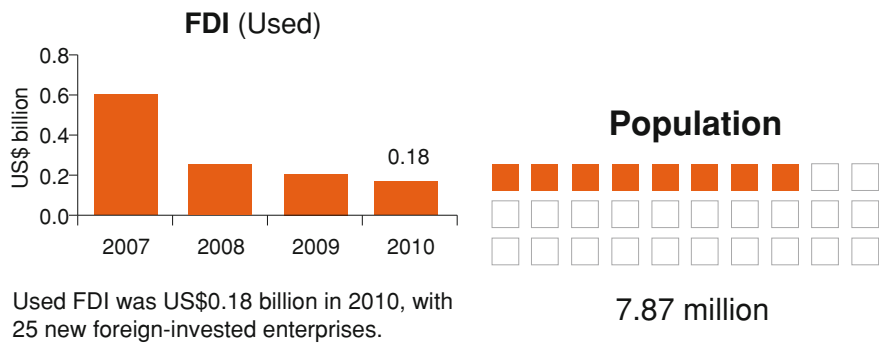
Wenzhou 温州

Home of China's Market Economy



The strength and vitality of Wenzhou's consumer market ranks second in China, after only Guangzhou, according to The Economist Intelligence Unit (Nov, 2010)

Wenzhou claims to be the “first city in China to launch a market economy.” While this may or may not be true, small scale market economy is thriving in the city. Individual industrial households still account for 78% of enterprises in the city, while private enterprises account for 19%—foreign-funded enterprises and state-owned enterprises are few and far between.



2.25 Infrastructure

Road and water ways are the key methods of transportation of goods in Wenzhou, with the former accounting for approximately 68% of tons of goods transported and the later accounting for 29% (2010).

2.25.1 Ports and Waterways

As of 2010, there are 232 productive berths, including 15 berths with a capacity of over 10,000 tons. Wenzhou Port is in the process of opening international container shipping routes, attracting 15 of the world’s top 20 shipping companies.

- Goals for the port by 2015 include:
- 1 million tons general cargo throughput
 - 100 million TEUs container throughput
 - 1.6 million tons total water transportation capacity

2.25.2 Spotlight: Wenzhou’s Exports

Wenzhou’s harbors allow the mooring of huge cargo ships opening a gateway for export and import commerce in Zhejiang. Major exports are mechanical equipment, synthetic grass, eyeglasses and lighters. Europe is Wenzhou’s largest export market.

Exports by region (2010)

Destination	Amount (RMB 100 billion)	%
Europe	59.57	41
Asia	40.24	28
North America	19.07	13
Latin America	13.31	9
Africa	10.86	7
Oceania	2.23	2

The city has been somewhat of a pioneer in utilizing marketing mechanisms to develop urban constructions. Major recently completed construction projects include:

- Zhejiang Yueqing Power Plant (Phase II)
- Multi-purpose Lingkun Port Terminal (Phase I)
- Emperor Ping Wind Farm Projects

Major ongoing construction projects include:

- A power station with capacity of 220 kV
- Construction of Wenzhou private economy Technology Park

2.26 Economy and Investment

After the Chinese government's reform and opening-up policies, Wenzhou became the first city to issue "individual business licenses" (1980) and the first city to release local regulations on private enterprises (1987).

The city's six key industries—electrical machinery and equipment manufacturing, leather and fur feathers (down), general equipment manufacturing, electricity and heat production, plastic products, and textiles—accounted for 85.5% of industrial output value.

Since around 2000, Wenzhou has become widely known for the large number of property speculators but the government hopes to encourage private equity to enter channels other than property, coal and stocks. The Wenzhou Venture Capital Research Institute, formed by Wenzhou Municipal Government, China Venture Capital Research Institute and Zhejiang Industry & Trade Vocational College, was established in 2010. The aim of the institute is to act as an "incubator" to promote the flow of private capital into the 20–50 top private equity/venture capital funds to be invested in "high-tech enterprises and innovative companies with convincing performances." The head of the institute estimated the city has private capital over RMB 600 billion (US \$87.90 billion).

2.26.1 Resources

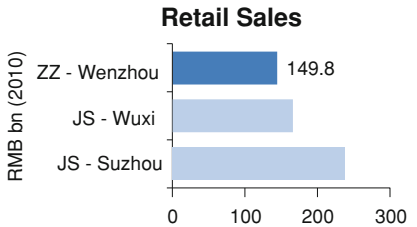
Wenzhou Government
<http://www.wenzhou.gov.cn/>

Key Industries

- Electrical machinery and equipment manufacturing
- Leather and fur feathers (down)
- General equipment manufacturing
- Electricity and heat production
- Plastic products
- Textiles



Wenzhou's GDP was RMB292.56 in 2010, a 15.7 percent growth year-on-year.



New Fortune 500 Enterprises (2010): 7

Wenzhou by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	7.39	7.42	7.46	7.5	7.56	7.65	7.72	7.79	7.87
GDP	RMBbn	105.5	122	140.26	160	183.44	215.7	242.43	252.79	292.56
Proportion: primary industry	%	5.3	4.7	4.6	4.1	3.5	3.3	3.1	3.2	3.2
: secondary industry	%	56.7	57.2	56.8	54.3	54.7	54.2	53.1	50.9	52.4
: tertiary industry	%	38	38.1	38.6	41.6	41.8	42.5	43.8	45.9	44.4
GDP growth year on year	%	13	15.6	15.0	14.1	14.7	17.6	12.4	4.3	15.7
Per capita GDP (all residents)	RMB	14,217	16,475	18,846	21,384	24,349	28,362	31,555	32,595	37,366
Fixed asset investment	RMBbn	38.78	44.86	50.73	54.2	64.56	73.7	75.84	83.78	93.03
Growth year on year	%	18	15.7	13.1	6.8	19.1	14.2	2.9	10.5	11.0
Industrial production value	RMBbn	52.45	63.16	72.15	79.48	91.59	106.33	117.03	116.37	138.93
Growth year on year	%	13.1	20.4	14.2	10.2	15.2	16.1	10.1	-0.6	19.4
Per capita disposable income of urban residents	RMB	14,591	16,035	17,727	19,805	21,716	24,002	26,172	28,021	31,201
Growth year on year	%	10.5	9.9	10.6	11.7	9.6	10.5	9.0	7.1	11.3
Retail sales	RMBbn	49.1	52.25	58.79	68.1	77.92	90.6	108.3	126.47	149.81
Growth year on year	%	12	6.4	12.5	15.8	14.4	16.3	19.5	16.8	18.5
Exports	US\$bn	2.65	3.42	4.58	6.18	8.1	10.1	11.9	10.93	14.54
Growth year on year	%	32	29.1	33.9	34.9	31.1	24.7	17.8	-8.2	33.0
Imports	US\$bn	0.8	1.05	1.39	1.68	1.81	2.1	2.09	2.34	2.55
Growth year on year	%	13.2	31.3	32.4	20.9	7.7	16.0	-0.5	12.0	9.0
Contracted FDI	US\$bn	0.12	0.29	0.51	0.89	1.05	1.05	0.46	N/A	N/A
Growth year on year	%	71.4	141.7	75.9	74.5	18.0	0.0	-56.2	N/A	N/A
Used FDI	US\$bn	0.08	0.12	0.21	0.36	0.46	0.62	0.26	0.23	0.18
Growth year on year	%	45.6	50.0	75.0	71.4	27.8	34.8	-58.1	-11.5	-21.7
New FIEs	No	124	174	157	224	223	141	69	21	25
Growth year on year	%	65.3	40.3	-9.8	42.7	-0.4	-36.8	-51.1	-69.6	19.0

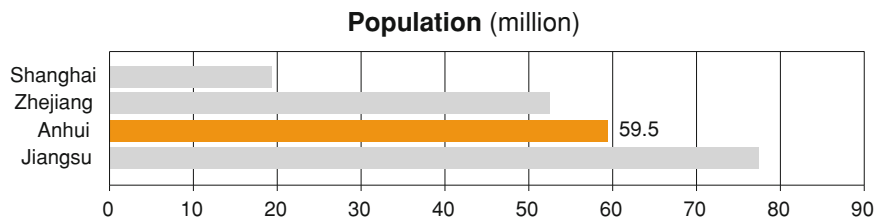
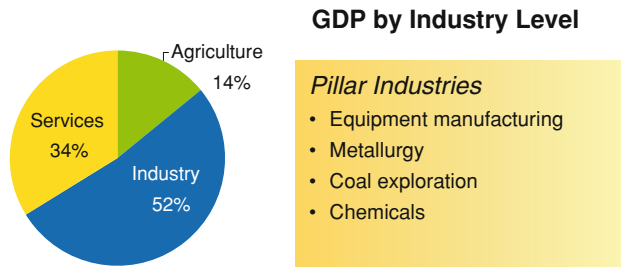
Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be unavailable from other sources

ANHUI PROVINCE

安徽省



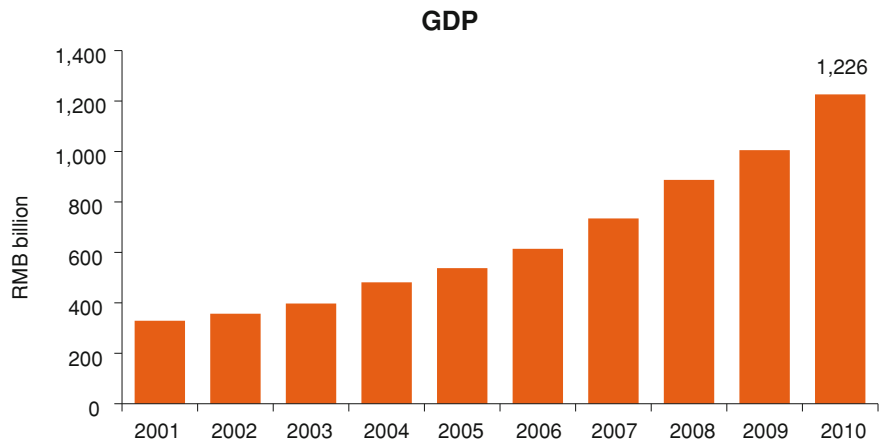
Hu Jintao, China's president (2011), is a native of Anhui, as is Wu Bangguo, chairman of the Standing Committee of the National People's Congress (2011).



Although most economists set a 3-h drive from Shanghai as the range of the YRD’s economic radius, Anhui province, out to the west, is looking to join the regional collective. With close proximity to Shanghai, Anhui has long been a source of migrant labor for the city. The economy is still mostly agricultural, but the province is also a national base for the material industry and a large provider of coal and energy to eastern China. Anhui boasts vast raw material resources, including iron, copper, and limestone reserves that rank among the top five largest in China. With its strong resource base, close proximity to Shanghai and Jiangsu and Zhejiang provinces, Anhui’s future development prospects are looking bright.

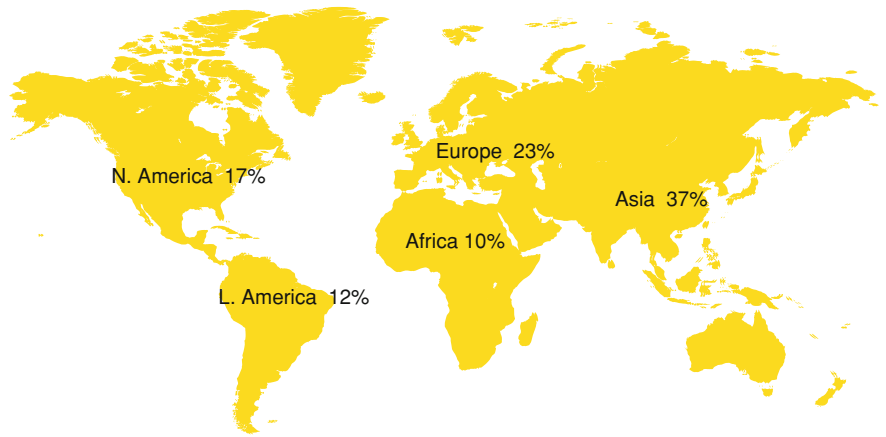
While the province’s capital is Hefei, one of China’s four main “science and education bases,” business is spread throughout the industrial regions close to the Yangtze River—including the cities of Anqing (the provincial capital until 1946), Huainan, Bengbu, Ma’anshan and Wuhu. For example, the headquarters of the province’s most famous corporation, Chery Automotive, is in Wuhu.

2.27 Economy

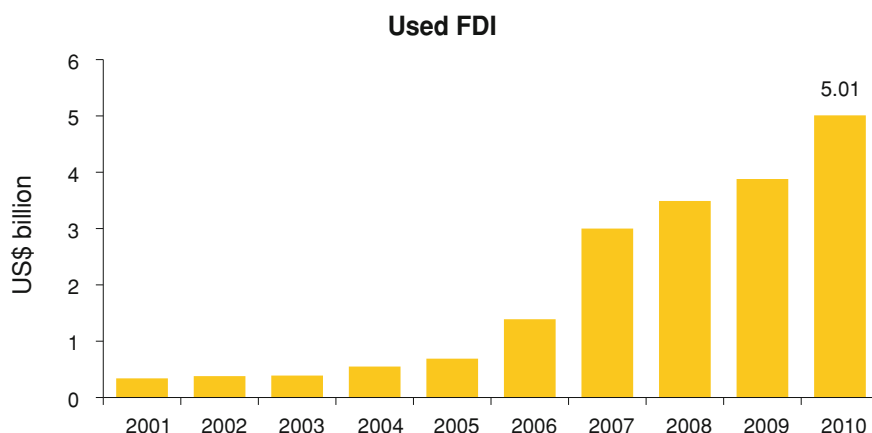


Anhui’s economy has been growing rapidly in recent years, with 22% growth year-on-year in 2010 to reach RMB 1.23 trillion. Anhui is a major exporter both within China and internationally. Total exports increased 39.7% year-on-year in 2010, approximately 30% were processed exports (raw materials were imported, processed into ready-made parts and exported).

2.27.1 Anhui’s Exports by Continent



Foreign investment amounted to approximately US \$20 billion during the 11th Five-Year Plan (2005–2010), according to the Anhui Development and Reform Commission. While Anhui's foreign investment levels remains the lowest in the YRD, it has been increasingly rapidly in recent years.



2.28 Infrastructure

Anhui's airports by passenger throughput (2010)

City	Airport	Passenger throughput (# people)	Change y-on-y (%)
Hefei	Luogang	3,817,051	19.1
Huangshan	Tunxi	343,033	20.3
Fuyang	Fuyang	108,630	524.1
Anqing	Anqing	76,330	152.9

Source National Airport Throughput Rankings Civil Aviation Administration of China, March 2011

Selected industrial products made in Anhui (2010)

Product	Amount produced		Growth Y-on-Y (%)
Rubber tire	37.44	Million units	116
Fabric	1.09	Billion meters	68
Air conditioner	16.67	Million units	63
Car	12.45	Million units	36
Metal cutting machine tools	0.03	Million units	33
Fridge	20.79	Million units	32
Power cable	1,282.80	Million meters	31

(continued)

(continued)

Product	Amount produced		Growth Y-on-Y (%)
Washing machine	12.67	Million units	29
Sulfuric acid	4.40	Million tons	25
10 non-ferrous metals	1.69	Million tons	21
Chemical fiber	22.00	1,000 tons	19
Synthetic detergent	7.46	Million tons	17
Yarn	56.50	1,000 tons	15
Steel	24.46	Million tons	14
Cement	78.74	Million tons	13

Major cities in Anhui (by GDP) include:

- Hefei (Provincial capital)
- Anqing
- Wuhu
- Ma'anshan

2.28.1 Resources

Anhui Provincial Government

apps.ah.gov.cn

Anhui Development and Reform Commission

www.ahpc.gov.cn

Anhui Provincial Foreign Trade and Economic Cooperation Bureau

www.ahbofcom.gov.cn

Historical Context

The province of Anhui was formed in the seventeenth century and before that, there was no coherent concept of “Anhui.” Northern Anhui was firmly a part of the North China Plain in terms of culture, while southern Anhui was closer to Hubei and southern Jiangsu province in culture. The hills of southeastern Anhui have a unique and distinct cultural sphere all on its own. Central Anhui constituted most of the fertile and densely-populated Huai River watershed.

Present day Anhui was first settled by the Han people and this was their first contact with southern China. After the fall of the Han dynasty in 220, unrest led the Han people to continue to migrate. The fourth century also saw an influx of nomadic tribes from Central Asia into north China which began several centuries of political division for northern and southern China. Being at the juncture of north and south, what comprises modern Anhui changed hands frequently and was politically bisected by the various tribes.

The Manchu Qing Dynasty conquered China in 1644 and established Jiangnan province, which eventually was divided in 1666 to form Jiangsu and Anhui provinces. This was the beginning of the modern Anhui, which over the years has maintained almost the same borders.

In the early 1850s, the Yellow River made one of its great changes in course, flowing north into the Bohai Sea instead of south into the Yellow Sea. This created a loss of water for the Huai Basin in Northern Anhui and resulted in many uprisings by the local farmers. This unrest, together with the Taiping Rebellion, resulted in widespread devastation for Anhui province. In 1938, the Yellow River was temporarily diverted south, purposefully this time, by the Nationalist government in the hopes of holding off the advancing Japanese. But the river waters continued south to the Hongze Lake on the Anhui border, flooding an enormous area and claiming 900,000 lives.

Anhui's provincial administration experienced relatively greater leadership turnover than other provinces in the 1950s and 1960s. During the Cultural Revolution, Anhui supported many of the radical programs of the time, but by the late 1970s, had become a base for many of the moderate reforms advocated by the post-Mao leadership.

Anhui by numbers

	Unit	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	63.28	63.38	64.1	64.61	65.16	65.94	66.78	61.4	61.3	59.5
GDP	RMBbn	329.01	356.9	397.3	481.3	537.58	614.19	734.57	887.42	1,005.29	1,226.34
Proportion : primary industry	%	22.9	21.7	18.9	19.4	17.9	16.7	16.5	16	14.9	14.1
: secondary industry	%	43	43.5	44.8	45.1	41.6	43.3	44.7	46.6	48.8	52.1
: tertiary industry	%	34.1	34.8	36.3	35.5	40.5	40	38.8	37.4	36.3	33.8
GDP growth year on year	%	8.6	8.48	11.32	21.14	11.69	14.25	19.6	20.81	13.28	21.99
Per capita GDP (all residents)	RMB	5,221	5,623	6,457	7,768	8,597	10,044	12,015	14,485	16,391	15,788
Fixed asset investment	RMBbn	96.26	113.33	147.76	191.42	252.1	354.47	510.59	678.89	926.32	1,184.94
Growth year on year	%	11	17.73	30.38	29.55	31.7	40.61	44.04	32.96	36.45	27.92
Industrial production value	RMBbn	119.15	129.05	144.56	173.6	183.32	220.05	275.21	N/A	N/A	N/A
Growth year on year	%	9.9	10.3	12.2	12.5	20.4	19.1	21.7	N/A	N/A	N/A
Per capita disposable income of urban residents	RMB	5,669	6,032	6,778	7,511	8,471	9,771	11,474	12,990	14,085	15,788
Growth year on year	%	7.1	6.4	12.37	10.81	12.78	15.35	17.43	13.21	8.43	12.09
Retail sales	RMBbn	114.3	122.88	133.1	150.3	176.5	202.94	240.37	296.55	352.78	415.15
Growth year on year	%	8.4	7.51	8.32	12.92	17.43	14.98	18.44	23.37	18.96	17.68
Exports	US\$bn	2.28	2.45	3.06	3.94	5.19	6.84	8.82	11.35	8.89	12.42
Growth year on year	%	5.1	7.5	24.9	28.76	31.73	31.79	28.95	28.68	-21.67	39.71
Imports	US\$bn	1.34	1.73	2.88	3.27	3.93	5.41	7.11	9.08	6.78	11.86
Growth year on year	%	13.9	29.1	66.47	13.54	20.18	37.66	31.42	27.71	-25.33	74.93
Contracted FDI	US\$bn	N/A	N/A	N/A	1.21	1.55	2.5	3.57	2.1	2.09	2.16
Growth year on year	%	N/A	N/A	N/A	17.9	29	60.9	42.8	-33.2	1.6	50.1
Used FDI	US\$bn	0.34	0.38	0.39	0.55	0.69	1.39	3	3.49	3.88	5.01
Growth year on year	%	5.7	11.76	2.63	41.03	25.45	101.45	115.83	16.33	11.17	29.12
New FIEs	No	260	338	431	472	421	592	520	256	303	281
Growth year on year	%	5.3	30	27.51	9.51	-10.81	40.62	-12.16	-50.77	18.36	-7.26

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be available from other sources

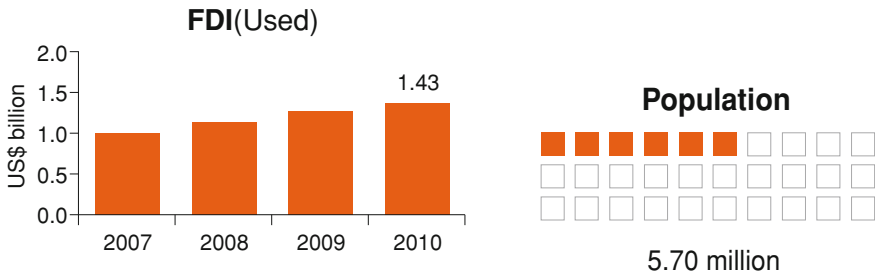
Hefei 合肥

Anhui's Coastal City



Hefei was identified as the number one fastest growing city in China at the Economist summit in November 2010

Hefei, the capital city of Anhui Province, is considered one of the four main “science and education bases” in China—along with Beijing, Chengdu and Xi’an. The city’s proportion of total provincial GDP jumped from 17.3 to 22% between 2006 and 2010 and the city aims to account for 25% of provincial GDP by 2015.



Used FDI was US\$1.43 billion in 2010, with 72 new foreign-invested enterprises. These numbers, while growing fast, pale in comparison to nearby cities.

2.29 Infrastructure

2.29.1 Railways

Hefei is connected with the Hefei–Wuhan high- speed railway, Hefei–Nanjing high-speed railway, Huainan railroad, Hefei–Jiujiang railroad, and Nanjing–Xi’an railroad. With the Shanghai–Wuhan–Chengdu high-speed train, travel time from Hefei to Shanghai is about 2.5 h. The Hefei–Bengbu section of the Beijing–Shanghai express railway is expected to start running before February 2012 and travel time from Hefei to Beijing will be reduced to 5 h.

2.29.2 Ports and Waterways

The Hefei Port is one of the 28 main river ports in China, and one of the nine major river ports in Anhui. It is located in Central Anhui between the Yangtze River and Huaihe River. Shipping ocean containers from Hefei is a less expensive option than shipment from Wuhu, Shanghai or Beijing. Currently there are four port operation zones at the Hefei Port.

2.30 Economy and Investment

Hefei’s popularity for FDI is expanding fast. The average scale of FDIs increased significantly in 2011—while 2010 saw 18 projects valued at US \$200 million, mid-2011 saw 9 projects valued at twice that amount (US \$492.81 million).

The eight key industries in Hefei are: auto-making, equipment manufacturing, household appliance, chemicals, IT and software, new materials, biotechnology and new medicine, and finally food and processing of agricultural/sideline

products. Of these, household appliance production is the leading industry and the city aims to be the “world’s leading home appliances manufacturing base.” New energy vehicles are receiving a major push from the government, with goals including production capacity for 500,000 new energy vehicles by 2015.

Selected 2015 industrial output goals by industry (12th Five-Year Plan)	Electronic information	RMB 250 billion
	New energy	RMB 200 billion
	Home appliances	RMB 200 billion
	Vehicle and auto parts	RMB 150 billion
	Equipment manufacturing	RMB 150 billion

Hefei High-tech Industrial Development Zone (Hefei HIDZ), located southeast of Hefei, has received a good deal of attention in recent years. The zone was opened to member nations of the Asia Pacific Economic Cooperation in 2007 and has a software park, university hi-tech park, biomedical park, automobile park and an incubator park.

Hefei will have the second fastest population growth in China between 2009 and 2014 (46% between start and end year), according to Economist Intelligence Unit predictions in November 2010, a boom that will fuel city GDP growth and present social challenges. Industrial pollution in Hefei is also a challenge for the city—it currently ranks seventh highest in the nation, above cities like Wuhan, according to the same source.

2.30.1 Spotlight: One of China’s Four Science and Education Bases

Hefei is considered one of the four main “science and education bases” in China—along with Beijing, Chengdu and Xi’an. The city has three national laboratories, second in number only to Beijing. The National Laboratory for Nuclear Fusion is administered by the Hefei Institute of Physical Sciences, Institute of Plasma Physics, while the National Synchrotron Radiation Laboratory and the Hefei National Laboratory for Physical Sciences at the Microscale are administered by the University of Science and Technology of China. In addition, Hefei is part of the first group of technical innovation experimental cities and the Ministry of Science and Technology and the Chinese Academy of Sciences are in the process of creating a 50 km² “science city of China” by 2020.

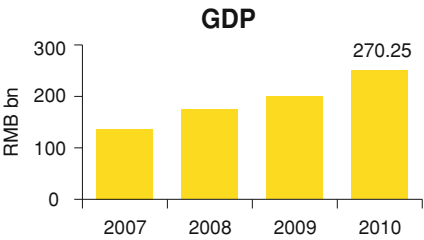
2.30.2 Resources

Hefei Government
<http://www.hefei.gov.cn>

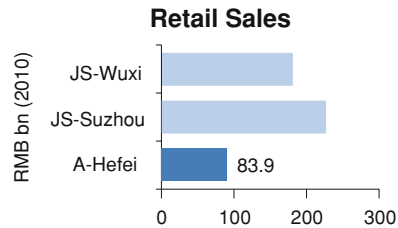
Hefei National Laboratory for Physical Sciences at the Microscale
<http://en.hfnl.ustc.edu.cn/>

Key Industries

- Autos and autoparts
- Equipment manufacturing
- Household appliance
- Chemicals
- IT and software
- New materials
- Biotechnology and new medicine
- Food and processing of agricultural/sideline products



Hefei's GDP was RMB270.25 billion in 2010, a 28.56 percent increase year-on-year.



Hefei's retail sales reached RMB83.9 billion in 2010, significant growth year-on-year.

Hefei by numbers

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	m people	4.48	4.57	4.45	4.56	4.70	4.79	5.01	5.10	5.70
GDP	RMBbn	41.24	47.78	58.97	85.36	107.39	133.42	166.65	210.21	270.25
Proportion: primary industry	%	9.70	8.50	9.20	6.20	5.80	6.00	6.30	5.20	4.90
: secondary industry	%	50.10	49.90	50.40	44.80	47.50	48.80	50.20	52.60	53.90
: tertiary industry	%	40.20	41.60	40.40	49.00	46.70	45.20	43.50	42.20	41.20
GDP growth year on year	%	13.10	13.30	16.20	16.90	17.50	18.10	17.20	26.14	28.56
Per capita GDP (all residents)	RMB	9,203	10,464	13,261	18,732	22,854	27,854	33,263	41,218	47,412
Fixed asset investment	RMBbn	16.87	25.51	36.15	49.53	82.48	131.04	183.86	246.84	306.70
Growth year on year	%	19.30	51.24	41.71	37.01	66.53	58.87	40.31	34.25	24.25
Industrial production value	RMBbn	17.56	18.48	22.94	29.22	109.85	148.84	208.00	274.92	376.89
Growth year on year	%	14.70	13.30	16.80	17.20	22.50	35.49	39.75	32.17	37.09
Per capita disposable income of urban residents	RMB	7,145	7,785	8,610	9,684	11,013	13,427	15,591	17,158	19,051
Growth year on year	%	10.30	8.96	10.60	12.47	13.72	21.92	16.12	10.05	11.03
Retail sales	RMBbn	18.48	20.74	23.98	32.44	38.43	46.90	58.84	70.34	83.90
Growth year on year	%	12.30	12.23	15.62	35.28	18.46	22.04	25.45	19.55	19.28
Exports	US\$bn	1.50	1.82	2.19	2.79	3.41	4.30	5.43	4.45	5.63
Growth year on year	%	6.50	21.33	20.33	27.40	22.22	26.10	26.28	-18.08	26.48
Imports	US\$bn	0.80	1.20	1.32	1.39	1.47	1.95	2.28	1.98	4.33
Growth year on year	%	23.70	50.00	10.00	5.30	5.76	32.65	16.82	-13.08	118.79
Contracted FDI	US\$bn	0.23	0.25	0.27	0.35	0.92	1.15	0.78	N/A	7.43
Growth year on year	%	4.50	8.70	8.00	29.63	162.86	25.00	-32.52	N/A	103.00
Used FDI	US\$bn	0.18	0.26	0.32	0.41	0.72	1.01	1.20	1.30	1.43
Growth year on year	%	58.80	44.44	23.08	28.13	75.61	40.28	18.81	8.33	10.00
New FIEs	No	73.00	102.00	101.00	91.00	155.00	122.00	70.00	59.00	72.00
Growth year on year	%	23.70	39.73	-0.98	-9.90	70.33	-21.29	-42.62	-15.71	22.03

Sources: National Bureau of Statistics China Statistical Yearbooks, city government publications, media sources deemed reliable. N/A is data not announced in the city government's annual economic and social report and growth data is calculated based on in house data for the previous year. May be available from other sources

The Yangtze River Delta

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