Selected regional cities

The majority of regional cities featured in this guide are located on the east coast, particularly in the economically-advanced regions of the Bohai Rim (comprising the Jing-Jin-Ji, Liaoning and Shandong clusters), the Yangtze River Delta and the Pearl River Delta.

The remaining cities are more widely distributed through the country. Each one of the 35 featured cities offers UK companies particular opportunities, as well as challenges, in a wide range of sectors. They do, however, share certain key characteristics, including rapid economic growth, lower input costs, large and developing consumer and industrial markets, and strong local government support and policy momentum for regional economic development.

As developments are taking place so fast in China, do ask the CBBC to advise on updates and help you identify where the very latest opportunities can be found among China’s regional cities.

Regional city 1 – Baotou (Inner Mongolia Province)

Population 3 million

Insights:

- Largest industrial city of inner Mongolia
- Centre of China’s rare-earth industry
- GDP/capita is one of the highest in China

Key Industries:

- Iron & steel
- Rare-earth mining and manufacturing
- Non-ferrous metals
- Excavating machinery
- Heavy-duty transport
- Chemical
- Electric power & electronics
- Aluminium processing

Baotou is the largest economy of the Inner Mongolia Autonomous Region.

The main industries are mining, iron & steel and rare-earth metals, while developing sectors include heavy trucks and wind-power equipment.

The development of machinery, equipment and components for trucks, earth-moving equipment and wind power is encouraged.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Forestation
- Water treatment
- Monitoring of water quality
- Monitoring of air quality
- Non-fossil fuel energy, mainly nuclear and wind.

Due to industrial upgrading and efficiency requirements there are opportunities for UK companies to be involved in the supply chain and for training within the mining and electric-generation industries.

**Projections:** Further investment in rare-earth metals will continue to drive Baotou’s GDP and FDI. Although environmental issues have been sidelined in favour of economic development, they are being addressed, generating further opportunities.

**Useful local government contacts:**

Baotou City Government: www.baotou.gov.cn
Baotou Economic Commission: www.btetc.gov.cn

Regional city 2 – Changchun (Jilin Province)

**Population 8 million**

**Twinned with Birmingham**

**Insights:**
- Provincial capital of Jilin Province
- Second-largest city of the North East after Harbin
- Strong automotive sector, with numerous foreign investments

**Key Industries:**

- Automotive
- Agriculture, food and food processing
- Bio-medical
- Optoelectronics
- ICT

The pillar industries of Changchun include the production of automobiles, agricultural product processing, biopharmaceuticals, construction materials and energy. The automotive industry accounts for over 60% of the city's industrial output.

Agriculture, food and food processing constitute Changchun's second-largest sector. Grain production accounts for over 5% of the national total and other crops are also produced in high volume.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- R&D and the manufacture of rail passenger coaches (high speed, metro, light rail) with Changchun Railway Coach Co. and Changchun Railway Vehicle Co. (subsidiaries of CNR) for both domestic and overseas markets

- Extension of the light-rail transfer system to over 100km

- Upgrade and extension to existing coal and gas power stations

- Development of new bonded zone

There are supply-chain opportunities for UK companies in automotive, as well as opportunities in training, tech-transfer and agri-business.

**Projections:** It is expected that growth will continue at a stable, if not dramatic, rate, based on further investment in the automotive and rail sectors.

**Useful local government contacts:**
Regional city 3 – Changsha (Hunan Province)

**Population 8 million**

**Insights:**

- Provincial capital of Hunan Province
- Largest economy of Hunan Province

Together with Zhuzhou and Xiangtanm, Changsha is part of the Chang-Zhu-Tan cluster of cities. Businesses within this cluster have ease of access to resources and opportunities.

**Key Industries:**

- Machinery
- Chinese Traditional Medicine
- Automotive and parts
- Biopharmaceuticals
- Agriculture (grain and pigs)
- New materials

Changsha is the largest economy in Hunan Province and is central to its economic development. The city’s geographical importance has been enhanced by the new high-speed rail connections to Wuhan and Guangzhou. This is a boost to Changsha's position as a trade and financial service centre and creates new opportunities in tourism, real estate and retail.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Development of photovoltaic industry with an intelligent grid
- Prioritising the production of methane, solar, biomass and geothermal energy
- Extension of metro system to over 140km
- Construction of five road tunnels under the Xiang River
- Construction of at least 100 public gardens
- Boosting demand in high-end and luxury consumer markets

Changsha is one of four provincial capital cities that are partners in the UK-China Sustainable Cities initiative. Working with MOFCOM and the local city authorities, this is a programme of active project identification to develop opportunities for UK and Chinese companies to partner in delivering sustainable urban development and low-carbon solutions.

**Projections:** Changsha and the surrounding cities in the Chang-Zhu-Tan cluster should continue to develop. Due to their geographic position between Guangzhou and Wuhan, and proximity to Chongqing, their importance in Central China is set to increase.

**Useful local government contacts:**

Invest in Changsha: www.csinvest.gov.cn
Changsha Commercial Bureau: www.cstrade.gov.cn
Changsha Administration for industry and Commerce: www.csaic.gov.cn

Regional city 4 – Changzhou (Jiangsu Province)

**Population 6 million**

**Insights:**

- One of the top six cities by GDP in the Yangtze River Delta
- High concentration of service-outsourcing companies

**Key Industries:**

- Biomedical
- Automotive
- Electronics
- Chemical production
- Textiles

The economy of Changzhou ranks in the top four among all the cities in Jiangsu. The industrial sector, made up of automotive, chemicals, biomedical, electronics and textiles, is dominated by heavy industry and high-tech enterprises.

Changzhou has the largest cluster of outsourcing enterprises in Jiangsu Province.

The number of biomedical companies is very high, although still behind Nanjing and Hangzhou.

**Opportunities:** Opportunities in Changzhou predominantly lie in the renewable energy and low-carbon sectors. In addition, there are specific objectives to:

- Extend tap water availability to 95% of households and volume by 200% to 1.4 million tonnes per day
- Convert more than 8,000 hectares to green land areas

Business in the neighbouring cities of Suzhou, Nanjing and Nantong can easily access the resources and opportunities of Changzhou. In particular, there are opportunities for automotive and aerospace companies to supply to first-tier manufacturers in Shanghai, Nanjing and Hangzhou.

**Projections:** Comparatively lower land and labour costs should continue to attract more high-tech and service outsourcing, although Changzhou does lack a major university.

**Useful local government contacts:**

Changzhou Ministry of Commerce: changzhou.mofcom.gov.cn
Changzhou City Government: www.changzhou.gov.cn
Changzhou Administration of Industry and Commerce: www.czgsj.gov.cn

Regional city 5 – Chengdu(Sichuan Province)

**Population 15 million**

**Insights:**

- Provincial capital of Sichuan Province
- Together with Chongqing, the centre of a large cluster of regional cities

**Key Industries:**
- Pharmaceuticals
- Food processing
- Automotive
- Aerospace
- Petrochemicals
- ICT

Chengdu has witnessed rapid economic development in recent years. Closely linked with Chongqing, they form the two largest economies in the region.

Chengdu's major industrial sectors include pharmaceuticals, food processing, automotive, aerospace, petrochemicals and ICT. The city’s service sector already accounts for at least 50% of the economy and is predicted to grow to 60% within the next 5 years. Tourism is growing particularly quickly.

Chengdu has a strong history of Traditional Chinese Medicine (TCM) and over 6,000 medical equipment and pharmaceutical companies are registered there. Together with approximately 150 registered drug brands, this ranks Chengdu as one of China’s pre-eminent pharmaceutical centres.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Forming a Western China rail hub by upgrading the Chengdu-Kunming line and extending lines to Ya’an, Chongqing, Lanzhou, Xi’an and Guizhou

- Boosting energy provision of non-fossil fuels (solar, nuclear, wind) to 30% of supply.

**Projections:** Hi-tech industries such as integrated circuit design and software development should continue to be attracted by good local R&D and educational facilities.

The strengthening of rail and air logistics will strengthen Chengdu’s position as the vanguard of Southwest China. However, most growth will be in the service industries and ICT rather than Chengdu’s more traditional sectors of aerospace and pharmaceuticals.

**Useful local government contacts:**

Chengdu City Government: www.chengdu.gov.cn/echengdu
Chengdu Administration of Industry and Commerce: www.cdgs.gov.cn
Invest Chengdu: www.chengduinvest.gov.cn
Regional city 6 – Dalian (Liaoning Province)

Population 7 million

Twinned with Glasgow

Insights:
- The southern port of Liaoning Province and the ocean gateway to China's Northeast
- By GDP, has overtaken Shenyang as the largest city of Liaoning Province
- GDP/capita is over US $10,000

Key Industries:
- Petrochemicals
- Shipbuilding
- Electronics
- ICT
- Machinery

Dalian was established by the Ministry of Commerce as the service-outsourcing centre of China, aiming at target markets in Japan and South Korea. Five years ago the total industrial output of the software industry in Dalian exceeded RMB 400 billion. However, this has since created intense competition for skilled labour and pushed up relevant labour costs.

Dalian is the financial centre of Northeast China, being the location for the largest number of foreign banks, the region's foreign-exchange centre and four commodity exchanges. Dalian is the second-largest agricultural product exchange in the world.

Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Continued development of Dalian as Northeast China's international shipping and logistics centre linking Northeast Asia (Japan, Korea)
- RMB 12 billion investment into redevelopment of the electricity grid
- Support of strategic industries such as new-energy automotive and energy-saving industrial systems.

**Projections:** High wage inflation in software will put pressure on established industries and may discourage new market entrants. However, wage inflation does not extend beyond software and Dalian's position as the sea freight and logistics centre for Northeast China should continue to grow.

**Useful local government contacts:**

Dalian City Government: www.dl.gov.cn
Dalian Industrial and Commercial Administration Bureau: www.digs.gov.cn

Regional city 7 – Dongguan (Guangdong Province)

**Population 10 million**

**Insights:**

- One of China's key centres for global manufacturing
- Hit heavily by the global economic crisis
- SMEs account for 75% of industrial output

**Key Industries:**

- ICT
- Textiles and garments
- Pulp and paper
- Furniture
- Machinery
- Chemicals

Long regarded, together with Shenzhen, as the world's manufacturing centre, Dongguan's economy suffered in the global economic crisis, when many companies experienced falls in their international trade. As such, there were a number of bankruptcies. However, many key enterprises and their supply chain remain, and many more have since diversified their markets to include the Chinese domestic market as well as focusing on closer international territories.
Local government encouragement for cleaner industries, hi-tech plants and the expansion of the service sector is now changing the appearance of Dongguan’s business environment.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- The local government is continuing to subsidise local healthcare, and has created a special fund for the purchase of hospital equipment and funding the construction of public hospitals

- 12 key energy projects related to clean coal to IGCC

- Compulsory green standards for construction, with 0.5 million sqm of new-built housing and 2.5 million sqm of redevelopments.

**Projections:** As with other PRD cities, high wage inflation continues to be a problem for recruitment. However, the PRD is no longer the only region with this issue.

The service sector has room for growth.

**Useful local government contacts:**

Dongguan City Government: www.dongguan.gov.cn
Dongguan Administration of Industry and Commerce: www.dgaic.gov.cn
Dongguan Foreign Promotion Centre: www.dgfipc.gov.cn

Regional city 8 – Dongying (Shandong Province)

**Population 3 million**

**Insights:**

- At the centre of the Shengli oil field (China’s second largest) and centre of Shandong Province’s petrochemical industry

- GDP/capita of over RMB 100,000 ranks in the top 12 in China

- FDI remains low

**Key Industries:**

- Oil refining and processing

- Rubber products (tyres)
- Paper
- Textiles
- Agriculture

75% of industries in Dongying are either directly or indirectly related to oil & gas.

In 2009, exports of rubber and tyres amounted to US $910 million, accounting for more than half of the city's total. Exports of electronic and high-tech products saw high growth. Over half of Dongying's exports go to Asian countries.

There is a growing solar photovoltaic industry.

**Opportunities:** There continue to be opportunities for industrial processes to move up the value chain in Dongying's hydrocarbon industry as well as in machinery, paper and food processing. Of these, machinery for the oil & gas industry appears the most promising, and for companies established in Dongying there is the opportunity to capture sales within Shandong Province and other areas such as Tianjin. The city is also promoting the development of a Centre for Disease Control and Prevention.

**Projections:** A growing solar photovoltaic industry offers new opportunities in Dongying. Further market diversification and enterprises which can capture opportunities derived from Dongying's high GDP/capita may see new growth.

**Useful local government contacts:**

Dongying City Government: www.dongying.gov.cn
Dongying Administration of Industry and Commerce: www.dygs.gov.cn
Dongying Municipal Bureau of Commerce: www.dongyingbusiness.gov.cn

Regional city 9 – Foshan (Guangdong Province)

**Population 8 million**

**Twinned with Medway**

**Insights:**

- Major manufacturer of white goods, household appliances and ceramics for the construction industry

- In the top 12 Chinese cities by GDP, and the third-largest economy in Guangdong Province after Guangzhou and Shenzhen
- Manufacturing accounts for 60% of Foshan's GDP

- Foshan is characterised by its prosperous private sector

**Key Industries:**

- Home appliances
- White goods
- Ceramics
- Plastics
- Machinery

Foshan is an important household appliance production base in China and is the headquarters for domestic giants such as Midea, Macro, Kelon and Galanz. There is also a large cluster of ceramic manufacturers specialising in bathroom suites and tiles.

In addition, the city is home to a large number of aluminium forging and engineering companies.

**Opportunities:** In the main, opportunities in Foshan are related to urban regeneration, improving domestic utility services and environmental protection. The local government is continuing to subsidise local healthcare and has created a special fund for the purchase of hospital equipment and funding the construction of public hospitals.

**Projections:** Secondary industry makes up a high proportion of the local economy. With a high GDP per capita, there is room for growth in the service sector. Transport infrastructure integration with the provincial capital, Guangzhou, should further incentivise service-sector growth. As a growing automotive manufacturing centre, the region of Foshan and Guangzhou requires more representation from companies which manufacture automotive components.

**Useful local government contacts:**

Foshan City Government: www.foshan.gov.cn
Foshan Administration of Industry and Commerce: www.fsaic.gov.cn
Foshan Bureau of Foreign Trade and Economic Cooperation: www.fsboftec.gov.cn

Regional city 10 – Hangzhou(Zhejiang Province)

**Population 9 million**
Twinned with Leeds

Insights:

- Third-largest city in the Yangtze River Delta (YRD) by GDP after Shanghai and Suzhou
- Provincial capital of Zhejiang Province
- Diverse manufacturing and service sector

Key Industries:

- ICT
- Food processing
- Logistics
- Light machinery
- Electronics
- Automotive components

Hangzhou’s economy benefits from the diversity of industry based in the city. In addition, Hangzhou, despite its relative proximity to Shanghai, has a large service sector attracting many international offices and branches.

The city has been successful in attracting and developing investment in new industries, particularly ICT.

Recent transport investment is enhancing Hangzhou’s position as a manufacturing, service and logistics hub, not just for Zhejiang Province but for the YRD as a whole including other surrounding provinces and cities.

Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Encourage private investment in education and social training
- Explore public resources to support non-profit private school development
- Complete the construction of dedicated passenger lines Hangzhou-Changsha, Hangzhou-Ningbo, Nanjing-Hangzhou and Hangzhou-Huangshan
- 13-18 new hospitals to be constructed and creation of a hospital network of no more than 15 minutes walk from each other.

**Projections:** Hangzhou is a signatory to the Enabling Innovation UK-China Partnership in ICT. Enabling Innovation raises awareness of the proven track record and capability of the UK’s technology sector. The initiative highlights that the UK technology industry is home to technology organisations which compete on the global stage.

Hangzhou is a partner in the UK-China Sustainable Cities Initiative. This initiative supports UK and Chinese companies to partner in delivering sustainable urban development and low carbon solutions, covering the built environment, mass transport and water & wastewater resource management.

**Useful local government contacts:**

Hangzhou City Government: www.hangzhou.gov.cn
Hangzhou Administration of Industry and Commerce: www.hzaic.gov.cn
Hangzhou Municipal Trade and Economic Cooperation Bureau: www.hzwjm.gov.cn

Regional city 11 – Harbin (Heilongjiang Province)

**Population 11 million**

**Insights:**

- Provincial capital of Heilongjiang Province
- Primary industries of aircraft and power generation
- Maintaining stable growth in GDP and FDI

**Key Industries:**

- Biomedical
- Pharmaceutical
- Automotive
- Chemicals
- Petrochemical

Despite first impressions that Harbin is a city dominated by heavy industry, the range of enterprise is surprisingly diverse. As well as power generation and aviation, there is
also a large agriculture and food processing sector. The service sector makes up 50% of the local economy, with tourism (in Winter) and retail particularly strong.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Construction of high-speed rail between Harbin and Jiamusi, and Mudanjiang and Manzhouli (border with Russia)
- Expansion of current metro system
- Development of Harbin as an international tourist city, increasing the proportion of GDP from tourism to 15%.

Harbin remains an important aviation and rail centre. Opportunities exist for UK companies to integrate themselves in the supply chain. There are also potential opportunities within the luxury and mid-high retail sectors.

**Projections:** Extending high-speed rail within Heilongjiang Province and connecting it to Jilin Province to the south, Inner Mongolia to the west and Russia to the north should develop Harbin's position as a strong logistics hub. Its development as a trading centre will bring further investment in retail and leisure

**Useful local government contacts:**

- Harbin City Government: www.harbin.gov.cn
- Harbin Administration of Industry and Commerce: www.hrbgs.gov.cn
- Harbin Economic Cooperation Promotion Bureau: www.hecpb.gov.cn

Regional city 12 – Hefei (Anhui Province)

**Population 8 million**

**Twinned with Belfast**

**Insights:**

- Provincial capital of Anhui Province
- Becoming more closely integrated with the Yangtze River Delta (YRD) region
- Fast-growing middle class

**Key Industries:**
- Automotive
- Home appliances
- ICT
- Biopharmaceutical
- Machinery
- Food processing

Hefei's dominant industries are automotive, equipment manufacturing and the manufacture of home appliances.

The service sector, currently accounting for over 40 per cent of the local economy, is growing quickly, with the largest growth in tourism.

The University of Science and Technology of China, based in Hefei, is ranked within the top 75 universities worldwide for engineering, technology and computer science.

**Opportunities:**

The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Completion of passenger lines linking Hefei-Bengbu (north Anhui), Hefei-Fuzhou (Fujian), and Shangqiu (Henan)-Hefei-Hangzhou (Zhejiang)
- Planning and construction of intercity high-speed rail systems within Anhui Province
- Upgrading Hefei West Railway Station and building the city into a national rail hub
- Promotion of solar, PV, biomass, windpower industries and integrating them with the city grid
- Encouraging local universities to cooperate with overseas counterparts
- Complete construction of Xinqiao International Airport (operations started in Spring 2012), increase international and domestic air services, accelerate the construction of further airports in neighbouring cities.

**Projections:** There is a national strategy to integrate Hefei further with other cities in the YRD and Anhui Province. Ambitious national rail and international air strategies will not just extend the YRD to Hefei, but also boost the economic strength of Anhui Province as a whole. Due to Hefei being the economic and political centre of Anhui,
companies investing there can integrate with the provincial economy as a whole, as well as with the western parts of neighbouring Jiangsu Province. Success is most likely in automotive supply, ICT and high-level retail.

**Useful local government contacts:**

Hefei City Government: www.hefei.gov.cn
Hefei Administration for Industry and Commerce: www.hfaic.gov.cn

Regional city 13 – Jinan (Shandong Province)

**Population 7.5 million**

**Twinned with Coventry**

**Insights:**

- Provincial capital of Shandong Province
- Connected to Beijing and Shanghai by high-speed-rail

**Key Industries:**

- Iron and steel
- Pharmaceuticals
- Petrochemicals
- Food processing
- ICT
- Heavy vehicles

Jinan's industry is concentrated in three sectors: iron and steel, heavy vehicles (Sinotruk) and petrochemicals. There is also significant automotive and rail rolling-stock manufacturing.

The service sector already accounts for over 50% of the economy. This includes Inspur Group, one of China's first IT companies.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):
- Optimise Jinan as a rail hub by speeding up the construction of intercity lines (Qingdao-Jinan and Shijiazhuang-Jinan) and the freight-line systems (Jinan-Yantai, Beijing-Jinan-Shanghai and Qingdao-Jinan)

- Construction of a new 50km urban light-rail system

- Upgrades in the following public services: electricity, gas, water and heating

- Government support for solar, wind and biomass energy initiatives

- Establishment of Jinan Nursing Professional College

- Expansion of Jinan International Airport; completion of airport support facilities.

Supply-chain opportunities may exist for UK companies in the rail and automotive sectors. Other cities around Jinan which can be easily accessed for business include Qingdao, Dongying and Zibo.

**Projections:** Located away from the coast, Jinan has historically not attracted the same levels of FDI as the port cities of Shandong Province. The new high-speed rail links to Beijing, together with additional provincial rail links and other connections to Shijiazhuang (Hebei) and Tianjin, will certainly boost Jinan's attractiveness as a commercial hub and are likely to push GDP/capita ahead of other cities in Shandong.

**Useful local government contacts:**

Jinan City Government: www.jinan.gov.cn
Jinan Administration of Industry and Commerce: www.jngsj.gov.cn
Department of Commerce of Shandong Province: www.shandongbusiness.gov.cn

Regional city 14 – Nanajing (Jiangsu Province)

**Population 8.5 million**

**Twinned with Sunderland**

**Insights:**

- Provincial capital of Jiangsu Province

- Second-largest commercial centre in the Yangtze River Delta (YRD)

**Key Industries:**

- Automotive
Nanjing's industrial strengths are very focused on the six pillar industries highlighted above.

Fiat, Ford and Mazda have helped draw-in a large number of component manufacturers and suppliers. MG Rover, which was the first overseas acquisition by any Chinese auto manufacturer, is now established in the market and is a flagship example of Sino-UK industrial co-operation.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Investment of RMB 40 billion in rail transport. Nanjing South Railway Station is one of four major projects planned to make Nanjing a hub with one-hour rail links to the major surrounding cities of Shanghai, Hangzhou and Hefei

- Investment of RMB 100 billion in urban rail transportation system, including an airport line. The length of this system to reach 250 km by end of 2015

- Development of track engineering systems, rail passenger coaches and other equipment and components

- Development of wind power and PV as a priority

- Development of aviation electromechanical systems and ground support equipment focused on automated air traffic control

- Second-stage expansion of Lukou Airport

- Finish construction of Liuhe Maan Airport and relocation of Daxiao and Tushan Airports

**Projections:** Transport is key to Nanjing's continued success. As the YRD's metropolitan city clustering continues to expand further north and north-west, Nanjing's provincial links and connections between Anhui Province and Shanghai will further enhance its status and bring other benefits to the existing financial and consumer service sector.
Useful local government contacts:

Nanjing City Government: www.nanjing.gov.cn
Nanjing Administration of Industry and Commerce: www.njgs.gov.cn
Nanjing Foreign Affairs Office: www.njfao.gov.cn

Regional city 15 – Nantong (Jiangsu Province)

Population 7.5 million

Twinned with Swansea

Insights:

- Chong Hai bridge opened in 2009, opening road links to Shanghai Pudong
- Second-largest inland river port in China
- Completion of the Su-Tong bridge in 2008 reduced road-travel time to Suzhou and Shanghai (one hour)

Key Industries:

- Textiles and garments
- Biopharmaceutical
- Chemicals
- Shipbuilding
- ICT

Nantong has moved very quickly from a traditional textile (cotton and silk) manufacturing centre to absorb companies expanding from or moving out of Shanghai in the sectors of automotive components, ICT and biopharmaceutical.

Shipbuilding and oil and gas are industries which have developed due to Nantong’s advantageous geographic position just north of Shanghai, as well as the quick development of its port facilities, which allow ease of access to central and northern Jiangsu and beyond.

Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Encouragement to private investment in healthcare; hospitals
- Expansion of inshore wind power development in the Qidong and Rudong Wind Power Projects

- Formation of a Yangtze River Delta energy base, starting with construction projects for LNG and oil and gas storage and transportation

- Protection of the historical urban centre

- Accelerated construction of Xingdong Airport, with the aim of it becoming an auxiliary airport for Shanghai international passenger and freight transport

**Projections:** Nantong is very close to Shanghai but, due to being cut off by the Yangtze River to the south, has not seen the same levels of development as more-accessible cities. The opening of two bridges into Shanghai and the Shanghai-Suzhou corridor, together with Nantong’s lower operational cost base and prospects for urban expansion both east and west, are likely to see accelerated growth and Nantong’s integration with other nearby cities such as Suzhou.

**Useful local government contacts:**

Nantong City Government: www.nantong.gov.cn
Nantong Administration of Industry and Commerce: www.njgsj.gov.cn
Nantong Office of Foreign Affairs: www.ntwqb.gov.cn

Regional city 16 – Ningbo (Zhejiang Province)

**Population 8 million**

**Twinned with Nottingham**

**Insights:**

- Major deep-sea container port of eastern China, with designated liquid chemical berths

- Donghai Offshore Wind Farm, operational in 2010, was China’s first offshore wind farm

- Hangzhou Bay bridge opened in late 2008, allowing travel to Shanghai in under two hours

**Key Industries:**

- Household products

- Textiles and garments
- Paper and pulp
- Petrochemicals
- Light machinery

Ningbo's main industries are closely related to the function of the port: shipping, ship building, petrochemical and oil refining.

The newly established and currently promoted industries of offshore wind and tidal power highlight the continuing importance of the sea to Ningbo.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Completion of the Hangzhou-Ningbo passenger rail line
- Plans For new Shanghai-Ningbo railway (across Hangzhou Bay)
- Opening of the CSR Ningbo industry Park to companies involved in rail equipment
- Requirement to build an integrated healthcare system between clinics and hospitals (e-health)
- Opening of the Zhejiang Ocean Economy Demonstration Zone for the commercialisation of offshore wind and tidal power and expansion of the Donghai Field
- Encouragement of inshore wind, solar, geothermal and biomass energy

**Projections:** Ningbo has set a national standard for the exploitation of ocean power. With continued development and expansion, the prospects for Ningbo to become a national centre in these technologies and expand commercial enterprises north and south along the coast are high.

**Useful local government contacts:**

Ningbo City Government: www.ningbo.gov.cn
Ningbo Administration of Industry and Commerce: www.nbaic.gov.cn
Ningbo Foreign Affairs Bureau: www.nbfao.gov.cn
Ningbo Foreign Trade and Economic Cooperation Bureau: www.nbfet.gov.cn

Regional city 17 – Ordos (Inner Mongolia Province)

**Population 2 million**
Insights:

- Very large reserves of coal, oil and gas and minerals for the construction industry

- Well developed, though not necessarily utilised, urban development

- Highest level of GDP per capita in China

Key Industries:

- Household products

- Textiles and garments

- Paper and pulp

- Petrochemicals

- Light machinery

Industry in Ordos falls into three areas – mining, oil & gas and wool. Cashmere makes up around 10 per cent of the local economy.

There are 150 billion tonnes of proven coal reserves in four major coalfields. It is estimated there may be one million tonnes of reserves in total.

Construction material exploration and production, including ceramics, relies on large deposits of gypsum, limestone, sandstone, loess and marble.

Newly discovered oil and gas fields are still under survey, but appear promising. There is also shale oil, which, like coal, lies at very shallow depths, allowing for ease of exploitation.

Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Development of large-scale wind and solar farms

- Promotion of clean coal and low-carbon technologies to upgrade coal exploration and power generation

- Development of Ordos as a tourist destination

- Encouragement to restaurants and hotels to establish themselves in the city
Completion of Ordos Airport, with the intention of expansion to allow international connections

Trade opportunities for UK companies are predominantly related to the key industries in Ordos. The city is closely linked geographically and industrially to Hohhot (provincial capital), Baotou and Datong (Shanxi Province).

**Projections:** Within the next few years coal production will be limited to 550 million tonnes per annum, due to limitations on fossil-fuel electricity generation. This will be replaced by extremely large wind and solar farms.

**Useful local government contacts:**

Ordos City Government: www.ordos.gov.cn
Ordos Administration of Industry and Commerce: www.ordosgswj.gov.cn
Ordos Development and Reform Commission: www.ordosfgw.gov.cn

Regional city 18 – Qingdao (Shandong Province)

**Population 9 million**

**Twinned with Southampton**

**Insights:**

- Headquarters of China’s largest consumer electronics manufacturers, Haier and Hisense

- High standard of living – home of Tsingtao Beer and location of 2008 Olympic Sailing Centre

**Key Industries:**

- Household appliances
- Electronics
- Automotive
- Biopharmaceuticals
- Rail
- Shipbuilding
The most famous company in Qingdao is Haier, which is the world's largest white-goods manufacturer with five per cent global market share.

Qingdao is a major transportation hub of northern China. The port has established 90 sea routes, connecting it with 450 ports in 130 countries.

Rail, automotive and aviation R&D, manufacture and supply are all strong in the local economy, with many international joint ventures (JVs) and investors.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Construction of second airport. Intention to build to standards allowing development of routes to South Korea, Japan and other Far East destinations

- Development of aircraft maintenance, aviation manufacture and component supply, and logistics

- Build second tunnel linking the areas on the west of Jiaozhouwan to the city centre

- Completion of Qingdao North Railway Station and Qingdao-Rongcheng and Haitian-Qingdao lines

- Continued development of HSR technology

**Projections:** The established presence of CNR, CSR’s international JVs with Bombardier and KHI, and designated R&D facilities will continue Qingdao's strength in the supply of rail rolling stock nationally.

For further development it is important that Qingdao expands its domestic and international air routes, as the HSR hub around Jinan should draw investment and development to western Shandong.

**Useful local government contacts:**

Qingdao City Government: www.qingdao.gov.cn
Qingdao Industrial and Commercial Bureau: www.gdaic.gov.cn
Qingdao Bureau of Commerce: www.qdbofcom.gov.cn

Regional city 19 – Quanzhou(Fujian Province)

**Population 8.5 million**

**Insights:**

- The homeland of many Taiwanese, leading to high density of Taiwanese investment
- Traditionally an exporter of ceramics, stone and tea, the petrochemical industry is now at the forefront of the city's development

**Key Industries:**

- Automotive
- Petrochemicals
- Biopharmaceutical
- Shipbuilding
- Textiles and garments

The textile and garment industry is Quanzhou's most competitive sector, with over 8,000 companies.

Newly emerging industries include petrochemicals, electronics, automobiles and auto parts, shipbuilding and biopharmaceuticals. Of these, petrochemicals is the largest and receives the most local government encouragement and support. **Opportunities:**

The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Construction of ten wind-power plants
- Development of two oil refinery projects with combined capacity of 24 million tonnes per year
- Encouragement of new petrochemical projects
- Encouragement of new energy projects, technology and engineering: solar, biomass, methane, biodiesel, wind
- Construction of five hospitals and relocation projects

**Projections:** With the opening of direct flights to Taiwan, Quanzhou aims to capitalise on their common ancestry. However, further international routes will be required to keep pace with other coastal cities.

Businesses established in Quanzhou can capitalise on resources and opportunities in the other cities of Fujian, including Xiamen and Fuzhou.

**Useful local government contacts:**
Regional city 20 – Shaoxing (Zhejiang Province)

Population 5 million

Insights:
- Traditionally a centre for textile and garment manufacturing
- Prime location between Hangzhou and Ningbo

Key Industries:
- Textiles
- Pharmaceuticals
- ICT
- Electronics
- Chemicals

Pharmaceuticals, chemicals, electronics and IT are all newer industries. There are also many enterprises which complement and support the textile and garment sectors. Shaoxing accounts for 47 per cent of all chemical fibre textiles and 55 per cent of all aluminium motorcycle wheels made in China. It is also a centre for low-energy light-bulb manufacture.

Opportunities: The following is one of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Construction of a new Shaoxing Municipal Hospital and Children's Hospital

Projections: Shaoxing’s primary asset is its location. It is very well placed as a southern Yangtze River Delta (YRD) trading hub for clothing and other domestic goods. The local government is investing in local highways to the surrounding cities in Zhejiang Province.

Future development may arise through the city being a lower-cost base for industry expanding or relocating from Hangzhou, Ningbo and even Shanghai.
Other cities within the Yangtze River Delta, such as Shanghai, Nanjing and Hangzhou, have key industries which are in some ways mirrored in Shaoxing. Examples include the development of automotive component manufacturing.

The opportunity exists for businesses in Shaoxing to utilise the infrastructure across the YRD, particularly in the wider Zhejiang Province, to develop local supply chains.

**Useful local government contacts:**

Shaoxing City Government: www.sx.gov.cn
Shaoxing Administration of Industry and Commerce: www.sxgs.gov.cn
Shaoxing Municipal Foreign & Overseas Chinese Office: www.sxwqb.gov.cn

Regional city 21 – Shenyang (Liaoning Province)

**Population 8.5 million**

**Insights:**

- The lynchpin of China's north-east to Beijing and the rest of China, and also to the southern Liaoning sea ports of Dalian and Yingkou
- Provincial capital of Liaoning Province

**Key Industries:**

- Automotive
- Aerospace
- Agriculture
- ICT

Shenyang has always had a large number of state-owned enterprises (SOEs). Notorious for their low efficiency and heavy debt, they have gone through dramatic restructuring, with most having now completed shareholding reform.

In addition, the service sector in Shenyang has grown rapidly in recent years and now accounts for over 45 per cent of GDP.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):
- Development of aircraft and components, aero engines, utility aircraft, and aircraft maintenance and service. Companies are encouraged to locate in two new aviation-specific industrial parks

- Reconstruction of Taoxian international Airport

- Expansion of existing metro lines

- Further development of the Kangping and Faku wind power projects. In total, 13 projects with overall investment of RMB50 billion are expected to be launched in the electricity generation, wind-power and heating sectors by the end of 2015

- Initiation of inter-provincial railway systems to surrounding cities, including Tieling, Xinmin, Liaozhong and Liaoyang

- Upgrades to Shenyang's four railway stations

- Passenger HSR to Dandong (border with North Korea), Beijing and Harbin/Daqing (Heilongjiang)

**Projections:** Shenyang is modelling itself to become a 'National City' on a par with Beijing, Shanghai, Tianjin, Guangzhou and Chongqing. Its geographical position connecting the ports and the rest of China to the northern provinces of Jilin and Heilongjiang makes this possible.

**Useful local government contacts:**

Shenyang City Government: www.shenyang.gov.cn
Shenyang Administration of Industry and Commerce: www.sygsj.gov.cn

Regional city 22 – Shijiazhuang (Hebei Province)

**Population 11 million**

**Twinned with Corby**

**Insights:**

- Provincial capital of Hebei Province

- At the centre of Hebei's iron and steel industry

**Key Industries:**

- Biopharmaceuticals
- Chemicals
- ICT
- Textiles and garments
- Petrochemicals
- Iron & steel

Shijiazhuang is one of China’s largest centres for biological-related industries. Key companies in this area include North China Pharmaceutical Hasheng Corp and North China Pharmaceutical Beta Corp.

The chemicals sector is also important. The city’s Shijiao Group, established in 1914, was the first coke manufacturer in China.

Shijiazhuang is also home to Sanlu Group, one of China’s major dairy producers.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Building of new terminal at Zhengding Airport
- New logistics facility at Zhengding Airport
- 460,000 new low-income apartments to accommodate 25% of the population
- E-health system to cover all urban facilities
- Construction of two new hospitals

**Projections:** As heavy industry continues to be encouraged to move away from Beijing and Tianjin to cities in Hebei, more are expected to relocate to Shijiazhuang due to its position as a transport hub south of the capital. Transport links to Jinan (Shandong Province) and Zhengzhou (Henan Province) are being improved allowing companies with bases in these cities to expand their sales, marketing or procurement across a much wider area.

**Useful local government contacts:**

Shijiazhuang City Government: www.sjz.gov.cn
Shijiazhuang Administration of industry and Commerce: www.sjzgs.gov.cn
Shijiazhuang Foreign Affairs Office: www.sjzfao.gov.cn
Regional city 23 – Suzhou (Jiangsu Province)
Population 11 million

Insights:
- Second-largest economy in the Yangtze River Delta after Shanghai, and 50 per cent larger than third-placed Wuxi

Key Industries:
- ICT
- Chemicals
- Textiles and garments
- Electronics
- Machinery and mechanical components

As a city within a city, the China-Singapore area of Suzhou industrial Park covers an area of 80 sq km and is home to over a million people. Boasting the highest GDP/capita in China, it has been extremely successful in attracting multinationals.

As a prefectural city, Suzhou also includes the county-level cities of Kunshan, Changshu and Taicang. They lie between Shanghai and Suzhou and are developing well, absorbing new investment and expansion from both.

Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):
- Three new Metro lines will be added by end of 2015, criss-crossing Suzhou
- Suzhou will take new energy as a strategic competitive industry and develop the application areas of solar, PV and wind power by end of 2015
- Fifty electricity transformer stations will be established to complete the city’s intelligent grid.

Projections: Labour rates, recruitment and retention have been a problem for a few years, but this is no longer an issue unique to Suzhou.

Useful local government contacts:
- Suzhou City Government: www.suzhou.gov.cn
- Suzhou Administration of Industry and Commerce: www.szsgsj.gov.cn
- Suzhou Foreign Affairs Office: www.sfao.gov.cn
Regional city 24 – Tangshan (Hebei Province)

**Population 7.5 million**

**Twinned with Lincoln**

**Insights:**

- Largest economy in Hebei Province, 20 per cent larger than the provincial capital Shijiazhuang, though half the size of Tianjin and a third the size of Beijing

- The Caofeidian Port Development Zone is becoming northern China’s major port for crude oil and iron-ore imports.

**Key Industries:**

- Coal
- Mining and equipment
- Iron and steel
- Rail rolling stock
- Automotive components
- Cement
- Ceramics
- Textiles
- Petrochemicals

Tangshan’s major industries include metallurgy, mining, coal and relevant engineering manufacturing.

Tangsteel is one of China's top ten steel manufacturers. In 2008 it was merged into Hebei Iron and Steel Group. Together they produce over 40 million tonnes of steel per annum.

Tangshan Railway Transportation Equipment was the first rolling-stock manufacturer in China. It is now a division of China Northern Railways (CNR).
Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Preparations for the 2016 World Gardening Exhibition require dramatic landscaping in the city
- Encouragement of private foreign investment in schools and universities
- Continued expansion of Caofeidian business area and diversification to petrochemical refinement
- Development of Leting, Luannan and Nanbao wind-power projects

Projections: In the last few years Tangshan has been successful in attracting enterprises from home and abroad, and with a development plan clear and balanced between industry and social requirements, long-term growth looks promising. The service sector, currently accounting for 35 per cent of the economy, has plenty of room for growth.

Useful local government contacts:

Tangshan City Government: www.tangshan.gov.cn
Tangshan Administration of Industry and Commerce: www.tsgsj.gov.cn

Regional city 25 – Tianjin

Population 15 million

Insights:

- Tianjin’s position as the economic centre of the Bohai rim is supported by preferential policies, including the establishment of a free-trade zone and pilot reforms in the financial sector, within the Binhai New Area
- Provincial-level municipality under direct control of the central government

Key Industries:

- ICT
- Metallurgical process
- Petrochemicals
- Machinery
- Automotive
- Pharmaceuticals
- Financial services

Tianjin's industrial development owes much to the rapid growth of the hi-tech industry, particularly electronics and information technology. Several domestic companies have become very competitive in hi-tech but investment from overseas enterprises has made the biggest impact on recent growth in this area.

The service sector has developed very rapidly, with wholesale and retail, logistics, finance and real estate being the largest sub sectors.

Emerging industrial sectors include automotive, petrochemical, pharmaceuticals and energy (wind power). Vestas has six production facilities in Tianjin.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Expansion of Binhai Airport to make it north China’s air logistics hub
- Development of public traffic network, with high-speed rail, intercity rail and metro
- Construction of five metro lines
- Construction of South-to-North water conservancy project
- Construction of 60 new water-treatment plants

**Projections:** The financial services, hi-tech and energy industries have all grown rapidly in the last few years. There are now opportunities for further R&D operations to establish themselves in the city.

**Useful local government contacts:**

Tianjin Municipal Government: www.tj.gov.cn
Tianjin Administration of Industry and Commerce: www.tjaic.gov.cn
Tianjin Foreign Service Company: www.tjwf.com

Regional city 26 – Weifang(Shandong Province)

**Population 9.5 million**

**Insights:**
- A nationally and internationally important vegetable-producing region
- Developing as a clean and hi-tech city
- Lower cost base development compared to other Shandong Province cities

**Key Industries:**
- Automotive
- Agriculture
- Agricultural vehicles
- ICT
- Pharmaceuticals
- Paper and pulp

Industry in Weifang is very varied, with established automotive, ICT, pharmaceutical and paper and pulp sectors.

Agriculture and the agro industry are very strong and make the city one of the most important fresh food-producing areas of Shandong Province and nationally.

Machinery and agricultural produce are major exports via the ports of Qingdao and Yantai.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Upgrading of rail and road links to Jinan and Qingdao
- Enhancing Weifang's reputation as a national clean city
- Increase forestation of rural areas to 25%
- Development of various wind power, biomass and solar PV projects
- Encouragement for the exploitation of oil and gas reserves

**Projections:** Weifang promotes tourism (it is the world's Kite Capital), oil & gas and automotive-supply engineering. Heavy industry is encouraged, which further promotes the city's credentials.
Better road and rail links will further integrate Weifang's economy into the whole of Shandong Province, including the cities of Qingdao, Yantai, Dongying and Zibo.

**Useful local government contacts:**

Weifang City Government: www.weifang.gov.cn
Weifang Administration of Industry and Commerce: www.wfaic.gov.cn
Weifang Foreign and Overseas Chinese Affairs Office: wqb.weifang.gov.cn

Regional city 27 – Weihai(Shandong Province)

**Population 3 million**

**Twinned with Cheltenham**

**Insights:**

- Eastern port of Shandong Province, with strong commercial links with South Korea
- Strong in animal husbandry and aquaculture (kelp)
- High percentage growth in local government investment
- Highest GDP per capita of all Shandong cities

**Key Industries**

- Textiles
- Electronics
- Petrochemicals
- Aquaculture
- ICT
- Food processing

Traditionally, local industry in Weihai has been based on the areas of food, fishing and textiles. The city government has invested in local infrastructure and encouraged new enterprises in hi-tech (ICT, electronics and petrochemicals). This has been largely successful in attracting sustainable businesses.
The majority of hi-tech investment comes from South Korea and visitors from that country also make up the greatest number of overseas tourists.

Traditional industries, especially animal husbandry and fishing, are quickly adopting modern technology and processes to increase productivity and quality.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Expansion of Weihai Airport, including an international terminal
- Opening of new air routes to South Korea, Japan and Hong Kong
- Encouragement to private investment in healthcare

**Projections:** Weihai city government has been very successful to-date with its plans to attract new and hi-tech businesses.

This bodes well for the next stage of furthering non-fossil fuel, green-energy development, whilst at the same time encouraging oil and gas exploitation and related petrochemical industries.

**Useful local government contacts:**

Weihai City Government: www.weihai.gov.cn
Weihai Administration of Industry and Commerce: www.wh-aic.gov.cn

Regional city 28 – Wenzhou(Zhejiang Province)

**Population 10 million**

**Insights:**

- Birthplace of Chinese private enterprise
- Third-highest level of disposable income in China after Dongguan and Shenzhen
- Centre for the manufacture of small everyday items (eye glasses frames, lighters), shoes, garment components (zippers, buttons) and low-voltage domestic electronic items

**Key Industries:**

- Electrical machinery
- Textiles and garments
- Leather products (shoes)
- Power equipment

Wenzhou is a city of varied and vibrant businesses. It was the first in China to set up individual and private enterprises, as well as to introduce a model of the shareholding co-operative economy.

The city government is keen for all its traditional enterprises to move up the value chain by developing brands and incorporating better design and manufacturing processes.

Shipbuilding, related engineering and the manufacture of valves are new industries which have been developing and have created a foothold in the local economy.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Expansion of Yongqiang Airport, with the opening of routes to Taiwan
- New water-treatment plants
- RMB 4.5 billion investment in sewage treatment
- Reconstruction and expansion of hospitals

**Projections:** As a southern coastal city of Zhejiang Province, Wenzhou is as close to Fuzhou (provincial capital of Fujian Province) as it is to Shanghai. Unfortunately, it is not on the Beijing-Fuzhou rail link, but it is still connected by rail to Fuzhou and to Shanghai and Hangzhou via Ningbo.

Fully embracing new product development in the manufacture of traditional yet in-demand products and adopting branding techniques should help local manufacturers maintain and possibly expand sales.

**Useful local government contacts:**

Wenzhou City Government: www.wenzhou.gov.cn
Wenzhou Foreign Affairs Office: www.wzfao.gov.cn
Wenzhou Administration of Industry and Commerce: www.wenzhou315.gov.cn

Regional city 29 – Wuhan(Hubei Province)
Population 10.5 million

Twinned with Manchester

Insights:
- Provincial capital of Hubei Province
- The Yangtze and Han rivers divide Wuhan into three districts: Wuchang, Hankou and Hanyang. Wuchang is known as the educational centre, Hankou as the commercial region, and Hanyang as the industrial area

Key Industries:
- Automotive
- Equipment manufacturing
- Household appliances
- ICT
- Pharmaceuticals
- Iron and steel

Wuhan has well-established industrial capabilities in iron and steel, automotive and advanced engineering. Current city plans are to build upon this success and develop national aerospace and rail-industry clusters.

Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):
- Adoption of solar PV, biomass and wind power as the key sectors to boost the new energy industry
- Development of a city-wide e-health system
- Three new metro lines connecting suburban districts with the city
- Enhancement of Wuhan's position as one of China's big four railway hubs by improving facilities at Wuhan, Hankou and Wuchang railway stations, and constructing Wuhan-Xi'an high-speed rail
- Establishing China's biggest R&D and manufacturing base for rail carriages and rolling stock
Wuhan is one of four provincial capital cities that are partners in the UK-China Sustainable Cities initiative. Working with MOFCOM and the local city authorities, it has initiated a rolling programme of active project identification to develop opportunities for UK and Chinese companies to partner in delivering sustainable urban development and low-carbon solutions, covering the built environment, mass transport and water/wastewater resource management.

**Projections:** Taking full advantage of its position as one of China's north-south / east-west transportation hubs, Wuhan is encouraging rail and aerospace to reach the same levels as automotive production, thus enhancing Wuhan’s status. Wuhan currently has over 10,000 construction sites and will be opening a new underground line every year for the next five years.

The first new British Consulate in China will be opening in Wuhan later this year (2015).

**Useful local government contacts:**

Wuhan City Government: www.wuhan.gov.cn
Wuhan Administration of Industry and Commerce: www.whhd.gov.cn
Wuhan Foreign Affairs Office: www.whfao.gov.cn

Regional city 30 – Wuxi (Jiangsu Province)

**Population 7 million**

**Twinned with Chelmsford**

**Insights:**

- The second-largest city of Jiangsu Province
- Forms urban cluster with Suzhou and Changzhou (Su-Xi-Chang)
- Target city for relocation by many Shanghai-based manufacturers

**Key Industries:**

- Heavy industry
- Machinery
- Petrochemical
- Electronics
- Textiles and garments
Together with Suzhou and Changzhou, the “Su-Xi-Chang Area”, Wuxi forms the most advanced economic and industrial region in Jiangsu. Wuxi is 20 miles from Suzhou to the south-east and Changzhou to the north-west, as well as only 50 miles from Shanghai.

Private enterprises are major contributors to the city's economic growth, accounting for 60% of value-added output and employing 2 million people. The city is dominated by heavy industries, but compared with most regional cities, these are at the higher end of the value chain.

New energy is an important and supported sector, with the largest sub-sector being solar PV.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Completion of Sunan international Airport
- Improvement of sewage treatment to 98% of emissions
- Development of secondary use of industrial water to 80%
- Proposals to increase green coverage to 45% of developed areas
- Promotion of low-carbon technologies and adoption of solar, wind and biomass power
- Development of preferential policies to encourage private and foreign investment in the health sector

**Projections:** Investments in ICT, bio-pharmaceuticals, fine chemicals and precision engineering are all encouraged in Wuxi. These industries will add to the mix of all enterprises in Wuxi which have a good reputation for quality and innovation.

As with some other Jiangsu cities, Wuxi's economy is likely to benefit from the expansion and relocation of companies from other higher-cost cities in the Yangtze River Delta.

**Useful local government contacts:**

Wuxi City Government: www.wuxi.gov.cn
Wuxi Administration of Industry and Commerce: www.wxgsj.gov.cn
Wuxi Bureau of Commerce: mofcom.wuxi.gov.cn

Regional city 31 – Xiamen(Fujian Province)
Population 4 million

Twinned with Cardiff

Insights:

- Key port for international and cross-straits (Taiwan) trade
- One of the first four Special Economic Zones (SEZs) of the 1980s

Key Industries:

- Electronics
- Machinery
- Chemicals
- Banking

The main industries of Xiamen are electronics, machinery and chemicals. Of these, the electronics industry is the largest. Major products include computers and TVs. Dell, Lenovo and NEC are major investors in this sector. Other developing industries include pharmaceuticals, chemical production and processing, medical equipment, shipping, logistics and warehousing.

There is a high number of overseas banks in Xiamen, which has a large financial services industry.

Service outsourcing is an industry which the local government is actively promoting.

Xiamen has attracted significant investment including a lot of investment from Taiwan and there are two Taiwanese business parks in the city.

Opportunities: The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Establishing R&D centre for the completion of aircraft-maintenance projects to enhance services to large commercial aircraft
- Promotion of aircraft component manufacturing
- Promotion of Xiamen as a major Asian aviation maintenance service centre
- Completion of Xiamen Gaogi Airport and and start construction of Xiang'an International Airport
- Upgrading three water processing and two sewage treatment plants
- Construction of waste-incineration plant
- Promotion of wave and off-shore wind power
- Construction of two new hospitals and expansion of existing ones

**Projections:** At over 50% of the local economy, the service sector is already large in comparison to other Chinese cites.

The city government is keen to continue the development of Xiamen's aviation and shipping industry, enabling it to be a major logistics hub and service centre. This also brings opportunities to UK companies in the form of integration within local supply chains.

**Useful local government contacts:**

Xiamen City Government: www.xm.gov.cn
Xiamen Administration of Industry and Commerce: www.xm.fjaic.gov.cn
Xiamen Investment Promotion Area: www.xiameninvest.com

Regional city 32 – Xi'an (Shaanxi Province)

**Population 9 million**

**Twinned with Birmingham and Edinburgh**

**Insights:**

- Provincial capital of Shaanxi Province (and earlier capital of China for many centuries)
- 48 colleges and universities. Strong in ICT and engineering R&D capability
- China's 3G and Wireless standards were developed in Xi'an

**Key Industries:**

- Aerospace
- Automotive
- ICT
- **Tourism**

Hi-tech industries play an important role in the city's economy, accounting for almost 50% of industrial output. This is split between ICT, automotive and aerospace. Xi'an is the most developed engineering centre of north-west China.

The service sector, accounting for 54% of GDP, is one of the highest rates in China. Outsourcing and tourism are major contributors to this.

Xi'an was one of the first service-outsourcing cities in China. There are currently over 800 enterprises engaged in software and service outsourcing. There are plans to complete the build of a designated Software Town by the end of 2015.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Completion of Terminal 3 at Xi'an Xianyang Airport, expanding direct international services, including to Europe
- Redevelopment of three and construction of six water processing plants
- Redevelopment of four arid construction of five water treatment plants
- Construction of four new hospitals
- Completion of the Xi'an-Yanan railway and plans to build Xi'an-Yinchuan (Ningxia Province) and Xi'an-Lintong lines
- Completion of Xuzhou-Lanzhou High-Speed Rail with extension to Urumqi
- Two new metro lines to be in operation by end of 2015, increasing the length of the city’s metro system to 95km

**Projections:** Xi'an is part of China's major east-west transport route extending to the western provinces of Gansu, Qinghai, Ningxia and Xinjiang. Infrastructure has been upgraded to improve transport and logistics and Xi'an is now the largest hub on the new Europe-Asia land routes.

The Xi'an-Xiangyang New District aims to be China's fourth state-level new district, after Pudong New Area in Shanghai, Binhai New Area in Tianjin and Liangjiang New Area in Chongqing.

**Useful local government contacts:**

- Xi'an City Government: www.xags.gov.cn
- Xi'an Administration of Industry and Commerce: www.xags.gov.cn
- Xi'an Economic Council: www.xaec.gov.cn
Regional city 33 – Yantai (Shandong Province)

**Population 7.5 million**

**Twinned with Angus**

**Insights:**

- Second-largest industrial city in Shandong Province
- Known for apple and wine production (home of Changyu Wines)
- Largest shipbuilding base in Shandong
- Growing automotive centre

**Key Industries:**

- Automotive
- Ship building
- Food processing
- Electronics
- Gold mining

Yantai’s established industries include machinery, electronics, food processing and gold mining. In the field of machinery, Yantai focuses on automobiles and shipbuilding. There are over 350 auto parts manufacturers in the area. The county-level city of Penglai has become the largest shipbuilding base in Shandong.

With the increased capacity at Dong Yue, the annual output of completed cars produced in Yantai is anticipated to reach one million units by end of 2015. This level of expansion in the automotive sector is expected to lead to an additional 120 parts manufacturers and 360 other suppliers setting up in Yantai.

**Projections:** The development of Dong Yue is a significant boost to Yantai’s automotive sector. Opportunities for new suppliers in the automotive sector have increased substantially. There are also good opportunities for trade and investment in Yantai’s agri-business and other key industries.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):
- Construction of a new airport, adding international and domestic services

- Development of a $15 \text{km}^2$ energy-generating area

- Development of the Laizhou and Changdao inshore wind-power projects and the Qixia Tianli biomass energy project

- Encouragement for private investment into the healthcare sector

**Useful local government contacts:**

Yantai City Government: www.yantai.gov.cn
Yantai Administration for Industry and Commerce: www.ytaic.gov.cn
Yantai Foreign Affairs Office: wsb.yantai.gov.cn

Regional city 34 – Zhengzhou (Henan Province)

**Population 9 million**

**Insights:**

- Provincial capital of Henan Province

- A key north-south, east-west transport hub

**Key Industries:**

- Coal mining

- Automotive

- Food processing

- Electronics

- Textiles

Non-metal product manufacturing and coal mining are Zhengzhou’s two largest industries. Other major sectors include textiles, machinery, building materials, automobiles and energy.

Zhengzhou Yutong Bus Company is the largest bus manufacturer in China with ambitions to be one of the world's top five. The company has developed international markets in Africa, South America and the Middle East.
Zhengzhou Nissan has been in operation since 2007, producing over 20,000 MPVs and SUVs per annum.

Zhengzhou is the centre of trade in Henan province and is an important commercial hub nationally.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- Construction of second runway and second terminal at Zhengzhou Xinzheng international Airport
- Investment of RMB 22 billion to build 100 electricity transformers
- Construction of four rural hospitals and 30 community health service centres

**Projections:** In recent years, Zhengzhou has been very successful in attracting foreign investment from a wide range of countries. Domestic and international investment in logistics and transportation has established Zhengzhou as a major trading hub and is generating opportunities for growth in a variety of industries, such as energy, environmental protection and infrastructure.

**Useful local government contacts:**

Zhengzhou City Government: www.zhengzhou.gov.cn
Zhengzhou Administration of Industry and Commerce: www.zzgs.gov.cn
Henan Foreign and Overseas Chinese Affairs Office: www.hnfo.gov.cn

Regional city 35 – Zibo(Shandong Province)

**Population 5 million**

**Insights:**

- Economy focused around heavy industry related to oil, gas, coal and mineral extraction, and manufacturing industries based on these raw materials
- Important city of central Shandong Province

**Key Industries:**

- Coal mining
- Food processing
- Textiles
- Automotive
- Electronics

Equipment manufacturing, metallurgy, machinery, construction materials, ceramics, pharmaceuticals, chemicals and textiles are the major industries in Zibo.

The city and its surrounding region abound in natural resources. Zibo is the main source in Shandong Province of coal, iron, bauxite, limestone and minerals for the ceramics industry. The northern area of Zibo also has large reserves of oil and natural gas. Initially established as a mining city, Zibo is adopting technology and industrial transformation to promote further development.

There is already a developing Radio Frequency identification (RFID) industry in the city, and Zibo is to position itself as a global centre of RFID manufacture, R&D and utilisation through preferential policies.

**Opportunities:** The following are some of the projects which the city government has been promoting in the current Five-Year Plan (2011-2015):

- RMB 8.2 billion to be spent in infrastructure projects by end of 2015
- Three waste water treatment plants to be established with treatment rate to reach 95% of the city emissions
- RMB 3.9 billion to be invested in ecological construction projects
- Three hospitals expansion projects

**Projections:** Zibo city government has recognised the importance of adopting new technology to support growth in the traditional heavy-industry economy.

Output from heavy industries is in demand across the province and into central China.

In addition, to support growth the city government has recognised the need for a stronger legal and financial sector.

**Useful local government contacts:**

Zibo City Government: www.zibo.gov.cn
Zibo Administration of Industry and Commerce: www.zbgs.gov.cn
Zibo Foreign Affairs Office: www.zbfao.gov.cn

Source: UKTI/CBBC

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