Business Environment in Chengdu

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Chengdu-Chongqing Economic Circle

- Leading cities
  - Chengdu
  - Chongqing
- The fourth economic circle
- The fourth pole of economic growth
Finnish Companies in Chengdu

- Nokia Siemens Network
- TietoEnator
- Mesto (Energy and Environment Technology)
- Kone
- Beneway Oy
- Flander Oy
- Gaia Oy
- Digia Oy
Chengdu Basics

- The Capital of Sichuan province
- The fifth big city in China
- Administration: 9 districts, 4 cities and 6 counties
- Area: 12,400 km²
- Population: 11.396 million (2009)
- National Famous Historical and Cultural City
Economic basics

In 2009

• GDP RMB 437.5 billion, up 10%
• Primary industry: RMB 26.78 billion, up 3.7%
• Secondary industry: RMB 200.18 billion, up 17.7%
• Tertiary industry: RMB 223.3 billion, up 13.4%
• Ratio of three industries: 5.9 : 44.5 : 49.6
Economic Basics

In 2009

• Per capita GDP RMB 35613, up 15.42%.
• Fiscal revenue RMB 38.75 billion, up 22.3%.
• Foreign trade turnover US$ 17.86 billion, up 15.4%.
• Total volume of retail sales RMB 195 billion, up 20.3%.
Investment Environment

- The first choice in inland China for foreign investors
Market Coverage

- Chengdu market
  - cover 87 million people of Sichuan
  - radiates six provinces and cities with 250 million population in southwest China
  - affects the whole west region with 57% of Chinese territory

- One of the five major computer markets in China
- The third rank of private cars ownership in China
- The best exhibition city in terms of service facilities
Universities and Institutes

• One of the cities with the highest number of universities and research institutes.
• 42 universities and colleges, with annual graduates over 100,000.
• 2,700 research organizations, with a technical personnel of 600,000.
Human Resources

• Labor cost is 2/3 of that of coastal cities
• Annual average salary RMB 24691 (2008)
• High loyalty of employees with less than 10% of turnover
Financial Service

- The regional headquarters
  - the People’s Bank of China
  - China Securities Regulatory Commission
  - China Insurance Regulatory Commission
- 15 branches and 2 representative offices of foreign banks
  - Bank of Tokyo-Mitsubishi
  - Standard Chartered Bank
  - Citigroup
  - National Bank of Paris
  - OCBC Group
  - HSBC
- The city with the largest financial transaction volume and highest number of foreign banks in central and western China.
Communication Service

• One of six hubs of telecommunications and postal services of China.
• 4.374 million fixed line subscribers (2009).
• 14.49 million mobile users (2009).
• Communication services for more than 180 foreign countries and regions as well as 600 domestic cities.
Transportation Service

- Chengdu Shuangliu International Airport
  - One of five major airports in China
  - 26 international air routes in operation
  - Passenger throughput 30.35 million (2009)
  - Cargo handling volume 68 million tons (2009)
- Southwest China’s railway hub
  - capacity of 1 million containers and 12 million tons of goods per year
- Highest density of highway in China
  - 19813 km (2009)
    - 439 km express way (2009)
  - two expressways leading to the harbors
IPR Service

• One of the first nine national intellectual property model cities (the only one in west China).
• The first rank of patents application and approval in central and western regions.
• An intellectual property protection mechanism
  – industrial self-discipline
  – government precaution
  – judiciary protection
  – severe customs investigation
  – lawful penalization
Living Environment

• One of the cities with the most favorable living environment
  – awarded several times by the UN and other international organizations

• The Best Tourist City
  – National Garden City
  – National Model City of Environment Protection
  – National Forest City

• Annually over 300 days are rated good air quality

• More than 90% of sewage is treated
Key Industries

- Electronic Information Industry
- Machinery Manufacturing Industry
  - Automobiles
  - Aviation
- Bio-Pharmaceutical Industry
- Food Processing Industry
- Metallurgy and Building Materials Industry
- Petrochemical Processing Industry
Encouraged Industries for Investors

- Electronic information technology
- Aerospace technology
- High-tech services
- Resource and environmental technology
- Biotechnology and new pharmaceutical technology
- New material technology
- New energy and energy-saving technology
- High-technology transforming traditional industries
Electronic Information

• The most competitive IT Industry in West China.
• The National Software Industry Base (Chengdu)
• Chengdu Base of Industrialization of National IC Design
• (Sichuan) Base of Industrialization of National Information Security Result Transformation.
• Industrial chains of IC
• Photoelectrical display equipment
• Digital video and audio
• Optical communication products
• Intel, Microsoft, SMIC, Motorola, SAP, Nokia, etc.
Medicine

- One of the first national pharmaceutical export bases
- The bio-industry base with high congregation of medical companies
- 350 bio-pharmaceutical companies
- The medical industrial output RMB 20.2 billion and sales revenue RMB 18 billion (2008)
- Medicine export reached RMB 160 million (2008)
Automobiles

• The automobile manufacturing base of Sichuan
• Sales account for 70% of the province’s total
• Toyota’s Costa, Prado made in Chengdu
• FAW Volkswagen production of Jatta cars
• The automobile industrial system - developing, producing and trading of cars, buses, jeeps, trucks and auto parts
Aerospace

• China’s first-class R&D in aviation and aerospace industries.
• 70% of Boeing’s orders in China fulfilled in Chengdu.
• Designed and assembled J-10 and FC-1 fighter.
• Assembled “Long-march” launch vehicle.
• Participated in producing important components of Shenzhou Spaceship.
Opening-up to the World

- 10 foreign and 17 domestic sister cities.
- Trade relationship with more than 189 countries and regions.
- 120 Global Fortune 500 companies in Chengdu.
• The Consulates General in Chengdu
  - US, Germany, Korea, Thailand, France, Singapore and Pakistan
• American Chamber of Commerce
• European Chamber of Commerce
• China-Britain Business Council
• Hong Kong Trade Development Council
For Investors

• A standardized and service-oriented government
• Short approving time
• A sound investment environment
• Efficient and professional services
Chongqing

- 300 km away from Chengdu
- The only municipality directly under the Central government in western China
- The largest industrial and commercial centre, the traffic pivot at the upper reaches of Yangtze River
Key industries in Chongqing

- Automotive industry
- Logistics industry
- Animation industry
- Electronic information industry
- Chemical industry
- Pharmaceutical industry
- Equipment manufacturing
- Agriculture industry
- Light industry
Basics of Chongqing

- Area: 82,400 km²
- Population: 32 million
- 4,554 foreign invested enterprises (2008)
- 102 of Fortune Top 500 enterprises
- Trade relationship with 180 countries and regions
- The Consulates General in Chongqing
  - UK, Canada, Korea, Japan, Denmark and Cambodia
- Austria Agency of Chamber of Commerce
- Germany Agency of Chamber of Commerce
Transportation in Chongqing

• Chongqing Jiangbei International airport
  - capability of 16 million passengers
  - Two sub-airports: Wanzhou and Qianjiang
• Chongqing railway
  - 2,000 km “one circle and nine radiating lines”
• Chongqing port
  - capability of cargos 125 million tons
  - container 1.6 million TEU
  - 760,000 vehicles of automobile Ro/Ro
  - 18,000-tonage fleet and single ship of 3,000-tonage
• Express way
  - 2,000 km “two circles and eight radiating lines”
Universities and Institutes

• 57 universities and collages
• 356 vocational schools
• 300,000 graduates per year
• More than 1,000 institutes
• Technical personnel 700,000
Further Reading

• More info about Chongqing