

## Major Economic Indicators of Guangdong, Guangxi, Fujian and Hainan

Economic Indicators of 2010	China	Guangdong	Fujian	Guangxi	Hainan
Gross Domestic Product (US\$ bn)	5,879.10, 10.3% growth over 2000	699.60, 12.2% growth over 2009	212.30. 13.8% growth over 2009	146.20, 14.2% growth over 2009	31.60, 15.8% growth over 2009
Per Capita GDP(US\$)	3,744	7,000	5,393	2,800	3,050
Added Value Output					
- Primary industry (US\$ bn)	623	35.2	21	25.7	8.3
- Secondary industry (US\$ bn)	2,868.9	352.60	113.3	69.4	5.7
- Tertiary industry (US\$ bn)	2,630.8	311.8	86.6	51.1	14.6
Increase of value-added Industrial Output (%)	17.50	17.6	20.3	23.70	5.9
Fixed-assets Investment (US\$ bn)	4,279	247.9	127.3	110.2	20.5
Retail Sales (US\$ bn)	2,377.8	267.9	80.3	50.3	9.6
Inflation (Consumer Price Index, %)	3.3	3.1	3.2	3.0	4.8
Exports (US\$ bn)	1577.90	784.67	71.5	9.61	10.8
Imports (US\$ bn)	1394.80	331.46	37.3	8.96	8.41
Utilized Foreign Direct Investment (US\$ bn)	105.74	20.26	10.32	2	1.522

## China Major Economic Indicators, 2010-2011

The table below shows China's major economic indicators in 2010 and 2011.

China Major Economic Indicators, 2010-2011

Year	2010	2011(E)
GDP (%)	10.3	9.8
Urban Fixed-Asset Investment (YoY%)	23.8	22
Total Retail Sales of Consumer Goods (YoY%)	18.4	22
Urban Per Capita Disposable Income Growth Rate (%)	11.3	15
CPI (YoY%)	3.3	3.5
PPI (YoY%)	5.5	5
Industrial Added Value (YoY%)	15.7	16
Newly-Increased Loans (Trillion)	7.95	8.5
Trade Surplus (USD 100 million)	1831	1500
FDI (USD 100 million)	1057.4	1200

## **GUANGDONG PROVINCE**

### **Major Economic Indicators**

Economic Indicators of 2009	2009		2010	
	Volume	Growth. %	Volume	Growth. %
Gross Domestic Product (US\$ bn)	574.7	9.5	699.6	12.2
Per Capita GDP (US\$)	5992.4	8.4	7,000	
Added Value Output				
- Primary industry (US\$ bn)	29.5	4.9	35.2	4.4
- Secondary industry (US\$ bn)	283.4	8.7	352.6	14.5
- Tertiary industry (US\$ bn)	261.8	11	311.8	10.1
Value-added Industrial Output (US\$ bn)	263.9	8.3	155.9	17.6
Fixed-assets Investment (US\$ bn)	196.4	19.5	114.2	20.7
Retail Sales (US\$ bn)	219.0	16.3	267.9	17
Inflation (Consumer Price Index. %)	97.7	-2.3	102.7	3.1
Exports (US\$ bn)	359.0	-11.5	453.2	26.3
Imports (US\$ bn)	252.2	-9.7	311.46	31.5
Utilized Foreign Direct Investment (US\$ mn)	19.5	1.9	20.26	

### **General Background**

Guangdong has a total area of 179,757 square kilometers. Total population stood at 96.4 million at the end of 2009. The Pearl River Delta (PRD<sup>1</sup>) Economic Zone is the province's economic hub, its Per Capita GDP in 2009 reached RMB67321 (\$9,855.2), marking the highest in China, which is seen as a sign the region has entered the late stage of industrialization and is one step closer to modernization,. The PRD Economic Zone covers 9 cities -- Guangzhou, Shenzhen, Zhuhai, Foshan, Jiangmen, Dongguan, Zhongshan, Huizhou city and Zhaoqing city.



<sup>1</sup> To increase regional cooperation and integration, Guangdong initiated the Pan-PRD development concept in 2003. Pan-PRD comprises nine provinces on the Mainland that include Guangdong, Guangxi, Fujian, Hainan, Jiangxi, Hunan, Guizhou, Yunan and Sichuan, and the two Special Administrative Regions -- Hong Kong and Macau. A framework agreement on cooperation among all Pan-PRD constituents was signed in June 2004. A major part of the Pan-PRD development plan is to speed up construction of an integrated transportation network within the region.

## Major Economic Indicators of PRD Cities, 2009

Cities	Gross Domestic Product (US\$ bn)	Per Capita GDP (US\$)	Value-added Industrial Output (US\$ bn)	Retail Sales (US\$ bn)	Exports (US\$ bn)
Guangzhou	134.0	13063.8	45.7	53.6	37.4
Shenzhen	120.6	13642.8	52.9	38.2	162
Zhuhai	15.3	10268.2	7.3	6.1	17.8
Foshan	70.8	11849.9	43.0	21.0	24.6
Huizhou	20.7	5251.5	8.9	7.4	17.2
Dongguan	55.3	8322.2	24.9	5.4	55.2
Zhongshan	23.0	9150.7	12.7	8.2	17.7
Jiangmen	19.9	4777.1	11.0	8.4	7.9
Zhaoqing	12.4	3236.5	4.1	4.1	2.1

### Economic Competitiveness and Future Development

Guangdong's economy kept leading the country in many aspects in 2009:

- The largest GDP, accounting for 11.7% of the national total,
- The largest exports value, accounting for 29.9% of the national total,
- The largest retail sales value of consumer goods, accounting for about 11.88% of the national total,
- The biggest R&D investment, e.g, BYD invests more than 1 Billion per year,
- The biggest number of public listed companies, accounting for 225 by 2009,
- The biggest percentage of Hi-tech companies,
- The most patent applications and grants, etc.

Guangdong has a strong private sector. Many indigenous enterprises have also developed a strong brand name in their specialised areas and become market leaders in China, such as Galanze, Midea, Gree etc.

### Industries

Guangdong's manufacturing industries developed rapidly as a result of foreign investment, particularly in the PRD. Guangdong is a major export-processing base for foreign investors mainly from Hong Kong and Taiwan. Cities that have the largest industrial production include Guangzhou, Shenzhen, Dongguan, Foshan, Huizhou, Jiangmen and Shantou.

Composition of GDP (%)		
	1980	2009
Primary	33.2	2.5
Secondary	41.1	48.4
Tertiary	25.7	49.1

The growth rates of Leading Industry Groups reaches 9% in 2009, the details is as below:

	Growth, %
Leading New Industries	6.6
Electronic Information	10.3
Electric equipment and Special Purpose Equipment	4.9
Petroleum and chemistry	2.9
Leading Traditional Industries	13.4
Textile and garments	12.7
Food and beverage	16.1
Building materials	11.0
Leading Potential Industrial	16.9
Logging and Papermaking	15.6
Medicine	20
Motor Vehicle	16.8

As for the service sectors which accounted for 49.1% of GDP in 2009, Guangdong aims to further increase their overall relative share in GDP within its 11th five-year programme. While development of the service sectors will be expedited across the board, their structure will be optimized to develop Guangdong into a regional financial center, modern logistics hub in southern China, as well as an international business travel and shopping center. Development of specific sectors such as wholesale and retail, logistics, finance, convention and exhibitions and business (professional) services will be strengthened and encouraged.

### **Foreign Trade and Investment**

Guangdong as a leading industrial base as well as an export processing base for a wide range of products contributed markedly to the country's export growth. Major export product types included automatic data processing equipments, garments and shoes, mobile phones, etc. In 2009, Hong Kong was still the largest export market, accounting for 32.3% of the total, other major export markets included the US, the EU and the ASEAN.

Being a manufacturing base, Guangdong imports a large number of capital and intermediate goods. Leading import product types include intermediate plastic, crude oil and petroleum, rolled steel, etc. In 2009, the ASEAN was the largest source of import accounting for 14.5% of the total. Other major import sources included Japan, Korea, the EU and the US.

Up to end-2009, Guangdong accounted for 21.7% of China's total utilized FDI. Foreign investments in Guangdong are mainly engaged in manufacturing industries (56.8% of the utilized FDI in 2009) including utilities (74.6% of the growth), financial industry (534.2% of the growth). For tertiary industry, real estate was one of the most attractive areas, absorbing 15.1% of the total utilized FDI in 2009.

FDI in Guangdong

	1979 - 2008	2009
No. of contracts	144667	4346
Contracted amount (US\$ bn)	352.1	17.6
Utilised amount (US\$ bn)	213.7	19.6

Many world leading multinationals such as IBM, Intel, Hitachi, Samsung, Nokia, Sony, General Electric, P&G, Amway, ICI, Ericsson, Siemens, Panasonic, Bosch, Toshiba, Sanyo, Nestle, Pepsi, Coca-Cola, Toyota and Mitsubishi have established their presences in Guangdong. Israeli companies also have presence in Guangdong, such as NICE, Comverse, Keyking, etc.

### Trade with Israel.

Billion USD

Year	Import & Export		Import from GD		Export from Israel	
	Volume	Growth, %	Volume	Growth, %	Volume	Growth, %
2007	1.3	18.6	0.83	29.2	0.47	3.3
2008	1.5	12.6	0.92	11.5	0.54	14.5
2009	1.4	-5.6	0.92	-0.4	0.46	-14.6
2010-Jan to Aug	1.2	37.2	0.78	33.3	0.38	45.8

Products import to Israel mainly including: Garment and garment accessories, air conditioner, porcelain, furniture and furniture accessories, TV set, data processing equipments, etc. Products export from Israel mainly including: Diamond, automatic computation and analysis apparatus, capacitors, molectron, transformation, commutate inductance machine and relevant hardware, etc.

## **FUJIAN PROVINCE**

### **Major Economic Indicators**

Economic Indicators of 2009	2009		2010	
	Volume	Growth. %	Volume	Growth. %
Gross Domestic Product (US\$ bn)	175.7	12	212.3	13.8
Per Capita GDP (US\$)	4860.4	11.3	5,393	
Added Value Output				
- Primary industry (US\$ bn)	17.4	4.7	21	3.3
- Secondary industry (US\$ bn)	85.5	12.9	133.3	18.5
- Tertiary industry (US\$ bn)	72.9	12.5	86.6	9.7
Value-added Industrial Output (US\$ bn)	72.3	12.1		20.3
Fixed-assets Investment (US\$ bn)	93.6	20	113.6	29
Retail Sales (US\$ bn)	65.9	16.5	80.3	18.7
Inflation (Consumer Price Index. %)	98.2	-1.8	103	3.2
Exports (US\$ bn)	53.3	-6.4	71.5	34.1
Imports (US\$ bn)	26.3	-5.4	37.3	
Utilized Foreign Direct Investment (US\$ bn)	5.7	1.2	10.32	

### **General Background**

Fujian is located in the south eastern coast, opposite to Taiwan. It has a total area of 124,000 square kilometers. Total population stood at 36.27 million by 2009.

The Southeast Fujian area which comprises five cities and counties -- Fuzhou, Xiamen, Putian, Quanzhou and Zhangzhou, is the economic hub of Fujian, accounting for about 75% of the province's GDP in 2009.

### **Economic Indicators of Major Cities (2009)**

Cities	Gross Domestic Product (US\$ bn)	Per Capita GDP (US\$)	Value-added Industrial Output (US\$ bn)	Retail Sales (US\$ bn)	Exports (US\$ bn)
Fuzhou	37.1	5419.3	14.8	19.6	12
Quanzhou	44.1	5642.4	24.4	15.5	5.9
Xiamen	23.9	9472.5	9.9	7.2	27.7
Zhangzhou	16.4	3421.2	6.5	6.1	3.4
Putian	10.2	3569.3	5.0	3.5	1.7

In 2004, Fujian proposed a new strategy- *Westbank Economic Zone*, a zone along the west coast of the Taiwan Straits (including parts of Guangdong and Zhejiang provinces) for socio-economic development. In May 2009, the State Council passed the *Several Opinions on Supporting Fujian Province to Accelerate Construction of the Economic Zone West of the Taiwan Straits*.

## Industries

Agriculture still plays an important role, although the sector's share in GDP has been decreasing over the years. In 2009, heavy industry accounted for 50.6% of the total industrial value-added while light industry took up the rest.

### Composition of GDP (%)

	2000	2009
Primary	17.0	9.9
Secondary	43.3	48.6
Tertiary	39.7	41.5

Within the Secondary sector, the production and supply of LPG was the fastest growing industry in terms of value-added in 2009, recording an increase of 141.2%.

### Foreign Trade and Investment

Major export markets included the US, Japan and Hong Kong. Hong Kong was the third major export market of Fujian in 2008. Fujian's exports to Hong Kong increased by 3.8% in 2008 to US\$3.7 billion. Fujian's major export items included machinery and transport equipments, clothing and accessories and footwear etc.

Major import goods included machinery and transport equipments, special, scientific and controlled instruments and equipment. Major import sources included Japan, the US and Germany. Fujian's import from Hong Kong stood at US\$109 million in 2008.

Fujian recorded continued increase in inflow of FDI in recent years. Hong Kong is the largest source of FDI in Fujian, accounting for 41.7% of the province's utilized FDI in 2008. Singapore, Macao, U.S. and Philippines are other major investment sources.

Many world leading multinationals such as Dell, Boeing, Nokia, Siemens, GE, Swire, TDK, ABB and Panasonic have established a presence in Fujian.

Increasing amounts of foreign investments have been channeled into infrastructure, agriculture, capital & technology-intensive projects in recent years. Given China's WTO commitment to further liberalize its services sector, there are signs that more FDI are engaged in services. For example, the amount of contracted FDI going into "wholesale & retail trade and catering services" increased from US\$138 million in 2004 to US\$566 million in 2008. The

amount of contracted FDI going into “real estate, business and social services” increased from US\$681 million in 2004 to US\$1,466 million in 2008.

## **GUANGXI ZHUANG AUTONOMOUS REGION**

### **Major Economic Indicators**

Economic Indicators	2009		2010	
	Volume	Growth, %	Volume	Growth, %
Gross Domestic Product (US\$ bn)	113.2	13.9	146.2	14.2
Per Capita GDP (US\$)	2341.6		2800	
Added Value Output				
- Primary industry (US\$ bn)	21.5	5.3	25.7	4.6
- Secondary industry (US\$ bn)	49.7	17.6	69.4	20.5
- Tertiary industry (US\$ bn)	42.1	13.8	51.1	20.4
Value-added Industrial Output (US\$ bn)	39.5	15.7	46.3	23.7
Fixed-assets Investment (US\$ bn)	83.9	50.8	110.2	38.8
Retail Sales (US\$ bn)	41	19.3	50.3	19
Inflation (Consumer Price Index, %)	97.9	-2.1		3.0
Exports (US\$ bn)	8.4	13.9	9.61	14.8
Imports (US\$ bn)	5.8	-0.9	8.96	37.8
Utilized Foreign Direct Investment (US\$ bn)	1035	6.6		

### **General Background**

Guangxi Zhuang Autonomous Region - abbreviated as Gui - is situated on the coast of the Beibu Gulf, a leading fishery and fish farming area. It assumes an important role in the Western Region Development Program, especially as a hub of sea transportation. Guangxi's population stood at 50.92 million by 2009. The China-ASEAN Expo<sup>2</sup> is a major annual event in October and Guangxi is aiming to leverage on its geographic location in bridging trade and investment flows between China and ASEAN.

### **Economic Indicators of Major Cities (2009)**

Cities	Gross Domestic Product (US\$ bn)	Per Capita GDP (US\$)	Value-added Industrial Output (US\$ bn)	Retail Sales (US\$ bn)	Exports (US\$ bn)
Nanning	21.9	3158.7	5.8	11.1	2.4
Liuzhou	15.2	4102.8	8.6	5.9	0.4
Guilin	13.8	2712.2	5.2	4.9	0.5
Wuzhou	6.6		3.2	2.5	0.4
Qinzhou	5.8	1795.9	1.7	2.1	0.2
Yulin	10.0	1765.7	3.5	3.9	0.2

<sup>2</sup> At the 7<sup>th</sup> China-ASEAN Summit on October 8, 2003, Premier Wen Jiabao of the People's Republic of China proposed that a China-ASEAN Expo be held annually in Nanning, Guangxi, China from the year 2004 onwards. His initiative was welcomed by the ASEAN leaders and was written into the Chairman's Statement released after the Summit. The Chinese Premier also suggested that a China-ASEAN Business and Investment Summit be held simultaneously with the China-ASEAN Expo. The 7<sup>th</sup> CAEXPO will be held on October 20-24<sup>th</sup> 2010.

Guangxi is rich in natural resources. Among the 96 kinds of mineral deposits found in the Region, the deposits of tin, manganese, antimony and lime are the largest in China. Besides, Guangxi is also rich in timber and forestry resources. Guangxi produces a large number of cash crops, including sugarcane, palm-oil seeds, bananas, pineapple and rosin. Among them, output of sugarcane and fruits is the largest in the country.

## **Industries**

### **Composition of GDP (%)**

	<b>2000</b>	<b>2009</b>
Primary	26.8	7.0
Secondary	35.2	55.2
Tertiary	38.0	37.8

A marked share of Guangxi's industrial production is related to the Region's rich mineral deposits and agricultural and aquacultural outputs, such as sugarcane and food processing, nonferrous metal, etc. Machinery industry is another major sector including automobiles, heavy mining machinery, electrical & electronics, instruments & apparatus, standard parts and component. Given its coastal location, the Region has also developed a strong chemical and oil refinery sector in recent years.

The manufacturing of transportation equipment realized 33.8% growth rate, leading the Secondary sector in 2009. Guangxi is planning to capitalise on its location advantage to develop into a trade and logistics centre for the free trade region of ASEAN and China.

## **Foreign Trade and Investment**

The ASEAN was the largest export market in 2009 followed by the EU and the US. Imports mainly come from the ASEAN, Latin America and Oceania.

## **HAINAN PROVINCE**

### **Major Economic Indicators**

Economic Indicators	2009		2010	
	Volume	Growth. %	Volume	Growth. %
Gross Domestic Product (US\$ bn)	24.2	11.7	31.60	15.8
Per Capita GDP (US\$)	2818.5	10.5	3,050	
Added Value Output				
- Primary industry (US\$ bn)	6.8	7.2	8.3	6.3
- Secondary industry (US\$ bn)	6.5	12.6	5.7	19.2
- Tertiary industry (US\$ bn)	10.9	14.1	14.6	19.62
Value-added Industrial Output (US\$ bn)	4.4	7.4	5.9	17.6
Fixed-assets Investment (US\$ bn)	83.9	41.4	20.5	65.1
Retail Sales (US\$ bn)	41.0	18.6	9.6	19.5
Inflation (Consumer Price Index. %)	99.3	-0.7		4.8
Exports (US\$ bn)	1.9	2.0	10.8	25.8
Imports (US\$ bn)	7.1	-18.5	8.41	20
Utilized Foreign Direct Investment (US\$ bn)	943.0	-26.6	1.522	61.5

### **General Background**

Hainan has a total area of 33,920 square kilometers. The total population stood at 8.64 million in 2009. Hainan - abbreviated as Qiong, is composed of the Hainan Island, Xisha Islands, Nansha Islands and Zhongsha Islands. Hainan used to be a special administrative region of Guangdong province, but was designated as a province and a special economic zone (SEZ) in 1988.

The island is rich in natural resources. Its inland and offshore deposits of oil and natural gas rank one of the highest in China. Hainan has gas reserves of 99.6 billion cubic meters in the main sea basins including the Yingge Sea. Hainan is rich in certain mineral resources. Its reserve of Titanium is about 70% of the national total. It is also China's major sea salt production base. The Yinggehai Salt Field, one of the top salt fields in China, is located in the province. In its 11<sup>th</sup> Five Year Programme, much emphasis has been put on modernising agriculture and providing ancillary infrastructure and assistance; and developing the province into a recreational international tourist destination. Development of the natural gas and petrochemical industries is also the focus.

### **Economic Indicators of Major Cities (2009)**

Cities	Gross Domestic Product (US\$ bn)	Per Capita GDP (US\$)	Value-added Industrial Output (US\$ bn)	Retail Sales (US\$ bn)	Exports (US\$ mn)
Haikou	7.2	3877.4	1.2	4.1	1000
Sanya	2.6	5303.7	0.5	0.8	46.2
Wenchang	1.4	2514.7	0.1	0.4	0.03
Qionghai	1.2	2801.8	0.1	0.4	0.03
Danzhou	1.5	1761.2	0.2	0.4	0.2

## Industries

Hainan has the largest share of primary sector in its GDP among all provinces of China. Fishery is an important contributor to the agricultural sector. The island's long coastline makes it a favorable breeding ground for shrimp, shellfish and other aquatic products. Sanya and Qionghai are Hainan's major fishing ports.

## Composition of GDP (%)

	1996	2009
Primary	36.2	28.1
Secondary	20.9	26.9
Tertiary	42.9	45.0

Hainan has an abundance of tropical cash crops like coconuts, pepper, coffee, tea and rubber. It is the most important tropical fruit production base and seeds-breeding base in China. Major fruits include pineapple, lychee and longan. Hainan is one of the largest banana producers in China. The province is also a herbal medicine production base. It produces more than 2,500 kinds of herbal medicines.

In recent years, sectors such as fishery, vegetables and fruits developed rapidly. In 2009, the gross output of fishery grew by 13.5% while that of fruits and vegetable grew by 8.1% and 7.9% respectively.

Hainan's manufacturing sector is relatively small. Besides transport equipment, other major industries are relating to the natural resources. Rubber, foodstuffs and other light industries used to be the major traditional industries of Hainan. Over the past decade, the province has expanded its industrial base to include metallurgy, petrochemicals, chemicals, pharmaceuticals, automobiles, food processing, tobacco, textiles, building materials, machinery and electronics.

Hainan is the largest rubber production base in China. A wide range of rubber products such as tyres, conveyor belts and latex gloves are produced. Electronics is an emerging industry in Hainan. Industries related to food processing and beverages are also growing strongly. "Yeshu" Brand Natural Coconut Juice is one of the best-known brands in China.

## Tourism

Hainan is keen on utilizing its tropical tourism resources such as mangrove forest, coral reefs, beaches, tropical cash crop plantations and rainforest.

Sanya, a tropical beach resort located in the south of the island, is designated as one of China's 11 major tourist and holiday resorts by the State Council. Hainan also offers numerous tourist festivals and celebrations. "The Hainan Coconut International Festival" which is held annually attracts thousands of overseas and domestic visitors. Other cultural and recreational activities included film festivals and international golf contests. The Boao Forum for Asia, modelled on the World Economic Forum, is held every year in Boao of Hainan for Asian leaders to discuss issues.

The local government strives to turn Hainan into an international tourist destination and has developed four resort areas: Sanya Beach Holiday Development Zone, Haikou Entertainment & Shopping Development Zone, Tongza Li & Miao Ethnic Traditions & Holiday Development Zone and Xinglong Hot-spring Resort Development Zone.

### Total number of tourists and receipts of tourism (2009)

	2009	Growth,%
Number of domestic tourist (million)	22	11.9
Income generated (RMB bn)	19.3	16.9
Number of overseas tourist (thousand)	552	-43.7
Foreign exchange income ( RMB bn)	1.9	-29.1

Aviation is vital to Hainan as an island. It has 2 international airports in Haikou and Sanya. To facilitate tourism, the Civil Aviation Administration of China has agreed to open the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> aviation freedoms in Hainan. Hainan is the first place to enjoy such treatment in China. As a result, it would be easier for foreign airlines to establish a presence and run international services.

### Foreign Trade and Investment

The ASEAN was the leading export market and the only growing market (the growth rate as 97% with the volume of US\$516 mn) for Hainan in 2009. Other major export markets included Hong Kong, the EU and the US. Major imports used to include steel, equipment and appliances and electrical products etc. Foreign-invested projects mainly engaged in transportation and telecommunication services, tourism and hotels and real estate development, and energy. Haikou and Sanya were the leading cities in Hainan to attract foreign investment.