



**DEZAN SHIRA & ASSOCIATES**

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## Crash Course: Doing Business and Investing in **Chengdu and Chongqing**

**China's New Frontier for Foreign Investment**



# Today's Speakers



**Guilherme Campos**

Manager, International Business Advisory  
Dezan Shira & Associates



Shenzhen



[Guilherme.campos@dezshira.com](mailto:Guilherme.campos@dezshira.com)



**Christoph Hering**

Business Consultant  
Laowai Here



Munich



[Christoph.h@laowaihere.com](mailto:Christoph.h@laowaihere.com)



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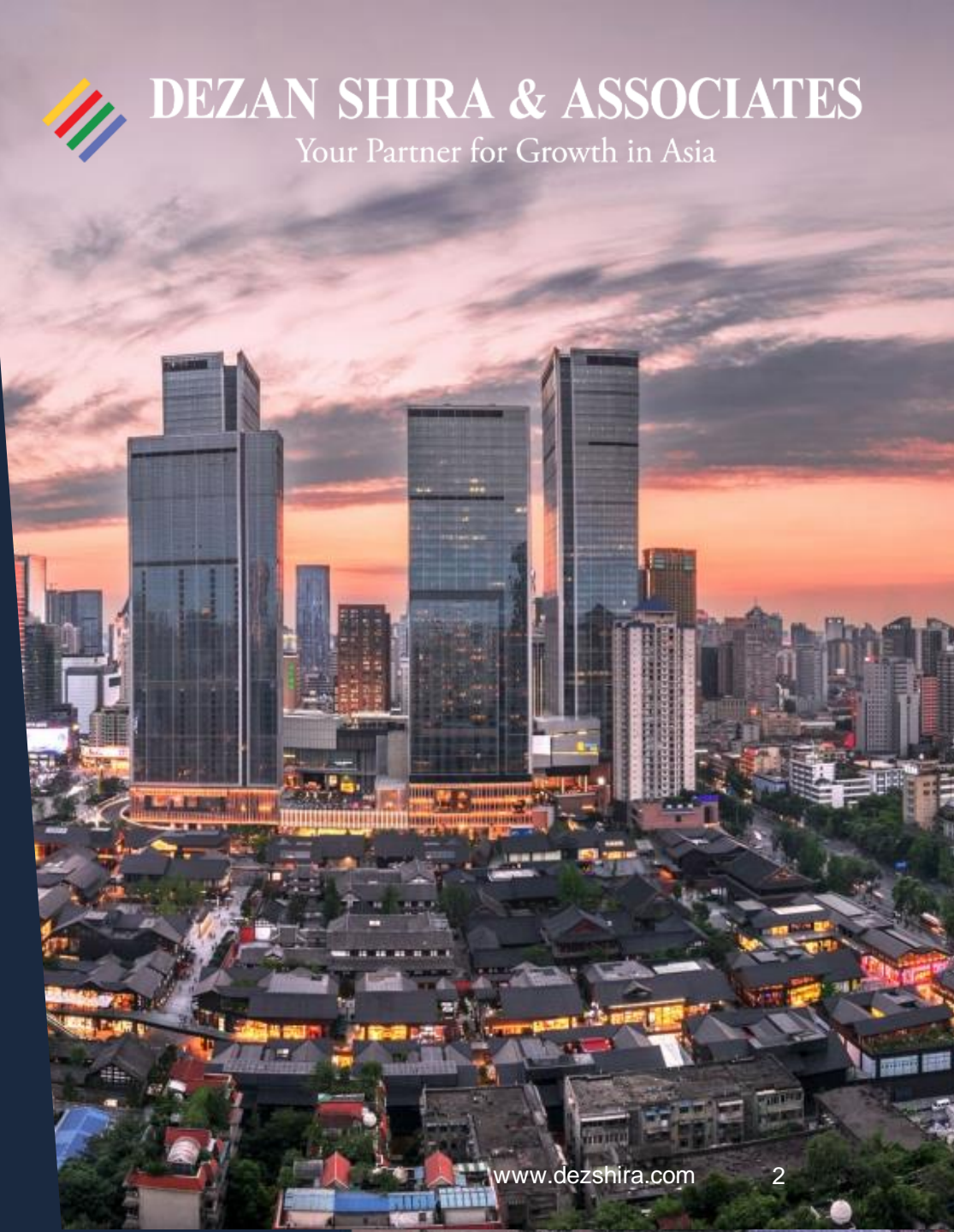
# Agenda

- Overview of Chengdu and Chongqing city profile
- Chongqing in-depth analysis
- Chengdu in-depth analysis
- Chengdu-Chongqing Economic circle and Go west initiative
- Q&A



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**20.94 million**  
Total Population



**\$276.3bn**  
GDP



**14,335 km<sup>2</sup>**  
Area



**\$ 13,195**  
GDP per capita

**Chengdu**



**33.92 million**  
Total Population



**\$385.5bn**  
GDP



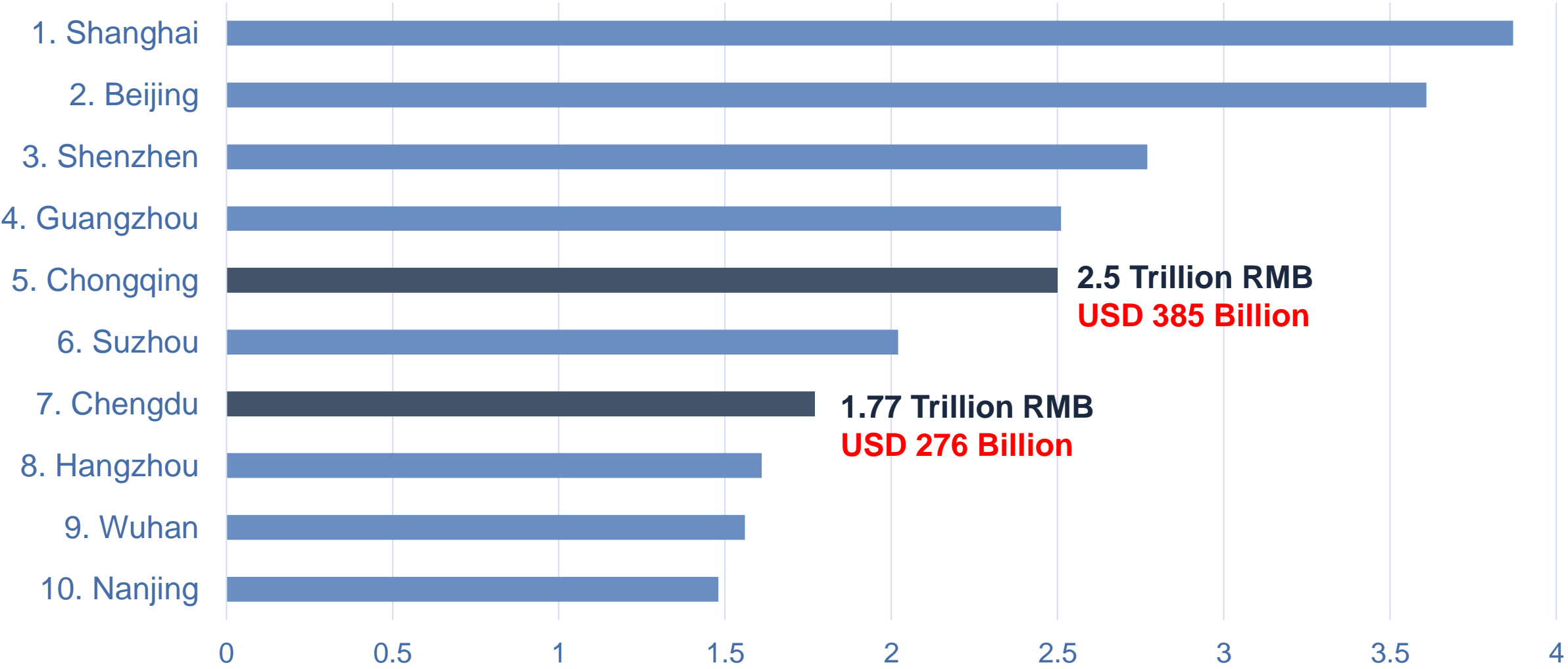
**82,400 km<sup>2</sup>**  
Area



**\$12,176**  
GDP per capita

**Chongqing**

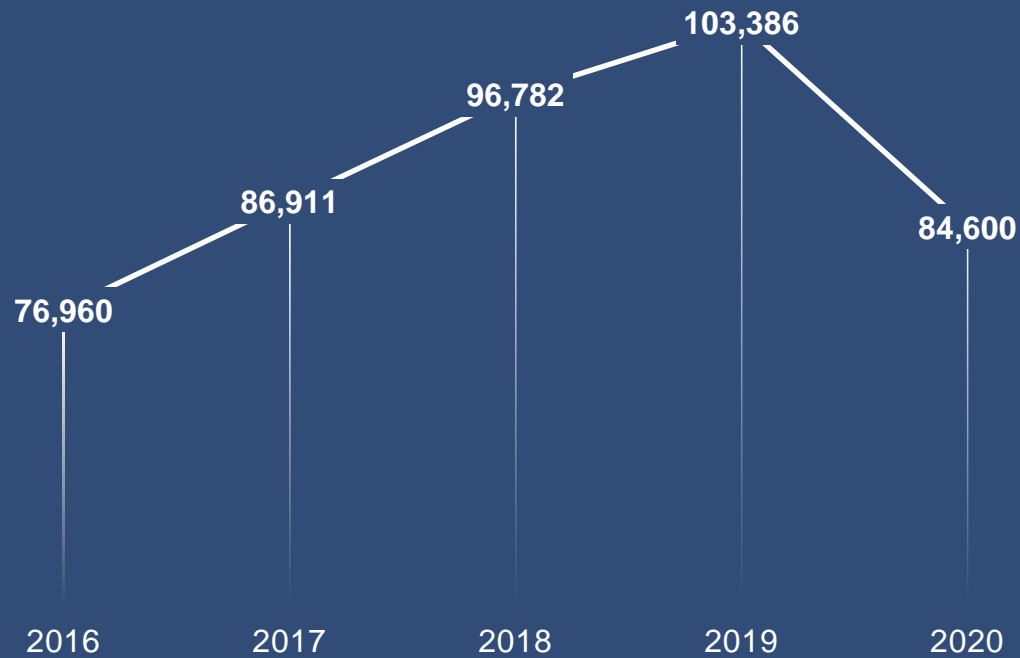
# GDP Ranking of Chinese cities (2020, in trillion RMB)



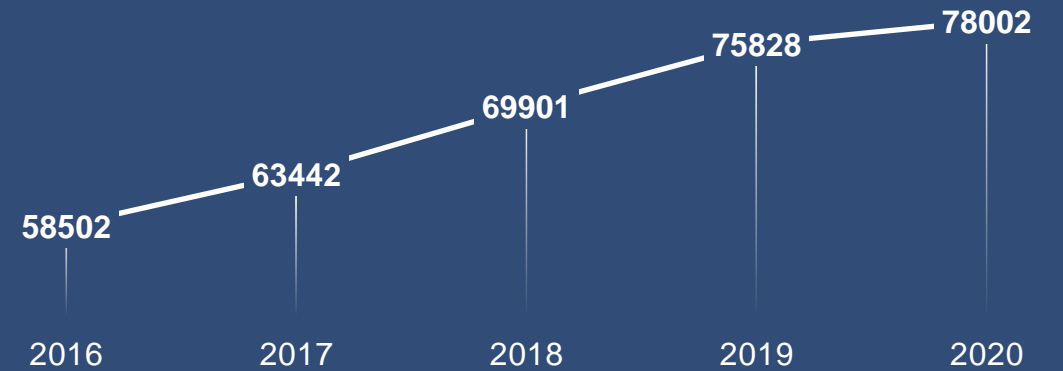
Numbers from Tencent

# GDP per capita Chengdu and Chongqing (in RMB)

## CHENGDU GDP PER CAPITA



## CHONGQING GDP PER CAPITA



# Chongqing

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	Area	82,402 km <sup>2</sup>
	Population	33.9 million
	GDP	RMB 2.5 trillion (US\$385.5 billion)
	GDP growth rate	3.7%
	Disposable income per capita	RMB 30,824 (US\$4746) Urban residents: RMB 40,006 (US\$6,159) Rural residents: RMB 16,361 (US\$2,519)
	Total volume of import-export	US\$94.2 billion
	Actual use of FDI	US\$2.1 billion

Key transportation infrastructure

- Airports:  
Chongqing Jiangbei International Airport, Wanzhou Wuqiao Airport, Qianjiang Wulingshan Airport, Chongqing Wushan Airport, Chongqing Xiannvshan Airport
- Railway stations:  
Shapingba Railway Station, Chongqingbei Railway Station, Chongqingxi Railway Station, Wanzhoubei Railway Station, Rongchangbei Railway Station

Prominent universities

- Chongqing University, Southwest University

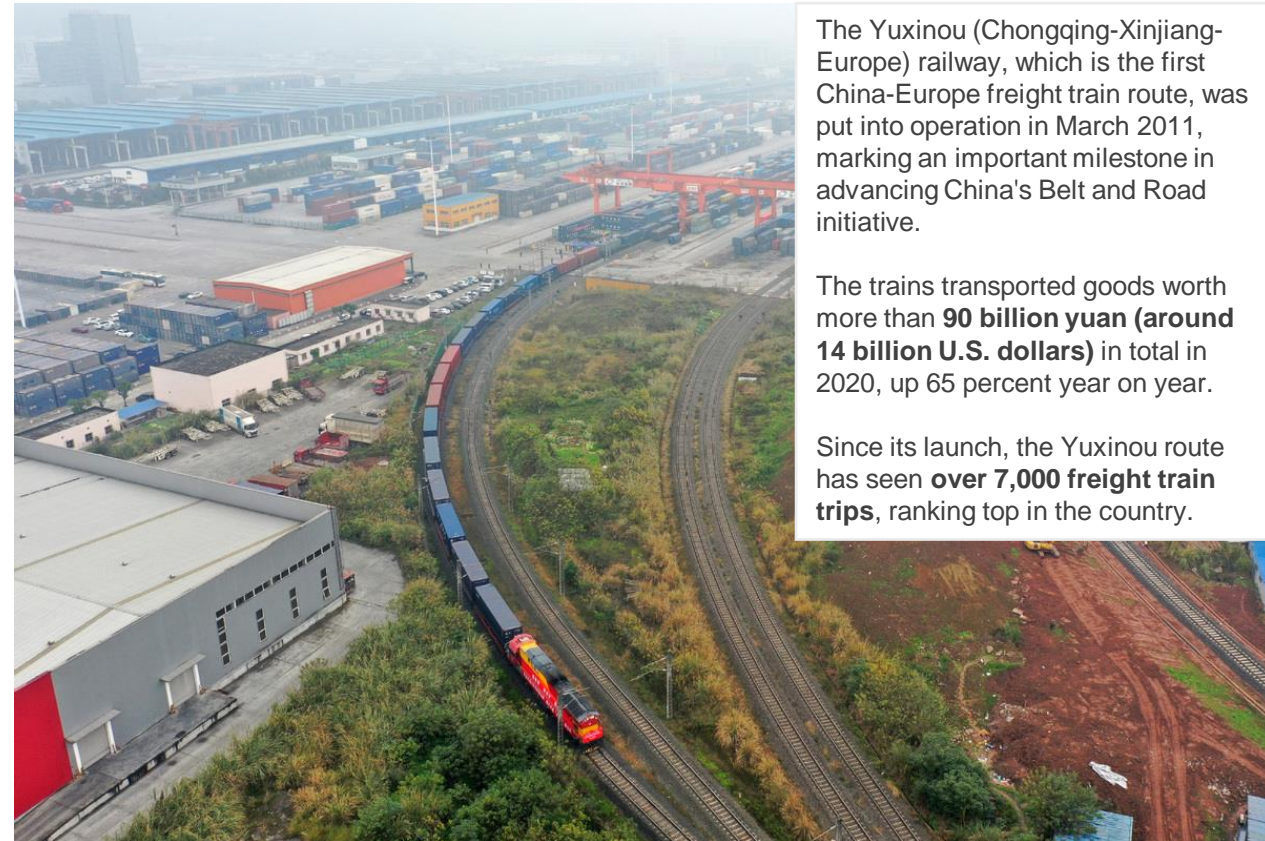
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## Chongqing's Strategic Geographical Position



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The Yuxinou (Chongqing-Xinjiang-Europe) railway, which is the first China-Europe freight train route, was put into operation in March 2011, marking an important milestone in advancing China's Belt and Road initiative.

The trains transported goods worth more than **90 billion yuan (around 14 billion U.S. dollars)** in total in 2020, up 65 percent year on year.

Since its launch, the Yuxinou route has seen **over 7,000 freight train trips**, ranking top in the country.

# Important facts about Chongqing

Minimum Wage in Chongqing and Other First-Tier Cities, 2021					
Chongqing	Chengdu	Beijing	Shanghai	Shenzhen	Guangzhou
RMB 1,800/mo RMB 18/hr	RMB 1,780/mo RMB 18.7/mo	RMB 2,200/mo RMB 24/hr	RMB 2,480/mo RMB 22/hr	RMB 2,200/mo RMB 20.3/hr	RMB 2,100/mo RMB 20.3/hr

Graphic©Asia Briefing Ltd.

## Chongqing Office Rental Market



Source: Cushman and Wakefield

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## Chongqing's Economic Indicators in 2020



Source: Statistics Bureau of Chongqing Municipality; Oxford Economics; Cushman and Wakefield Research

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## Output and Growth Rate of Chongqing's Major Industrial Products (2020)

Industrial products	Output (number)	Growth rate
Automobiles	1,580,000	12.7%
*New energy vehicles (NEVs)	43,200	16.8%
Microcomputer equipment	91,302,600	19.9%
*laptops	78,822,100	22.7%
Smart phones	77,541,300	-21.5%
Liquid crystal display (LCD)	280,000,000	28.2%
Steel	13,099,500 tons	15.2%
Aluminum	2,196,100 tons	2.8%
Cement	65,052,300 tons	-3.7%

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**Liangjiang New Area** is China's first inland national-level new area. It covers an area of 1,200 square kilometers, including regions of Jiangbei, Yubei and Beibei districts. Liangjiang's permanent resident population was 2.7 million people in 2020.

Liangjiang's open economy development ranks among the top in Chongqing. By developing opening-up platforms such as Guoyuan Port, Lianglu Cuntan Free Trade Port Area, Chongqing International Expo Center, Jiangbeizui central business district and Cuntan International New Town, Liangjiang is **home to half of Chongqing's Fortune Global 500 companies** and has contributed to **two-thirds of Chongqing's cross-border e-commerce trade**.

**Yuzhong District** is Chongqing's administrative center and center of government affairs.

30-minute drive from Chongqing Jiangbei International Airport and Chongqing High-speed Railway Station.

12 Consulate Generals in Chongqing gather in Yuzhong.

Finance, high-end commerce, professional service, cultural tourism, Internet information, and healthcare and medical industry, are highly concentrated.



Chongqing Internet Industrial Park



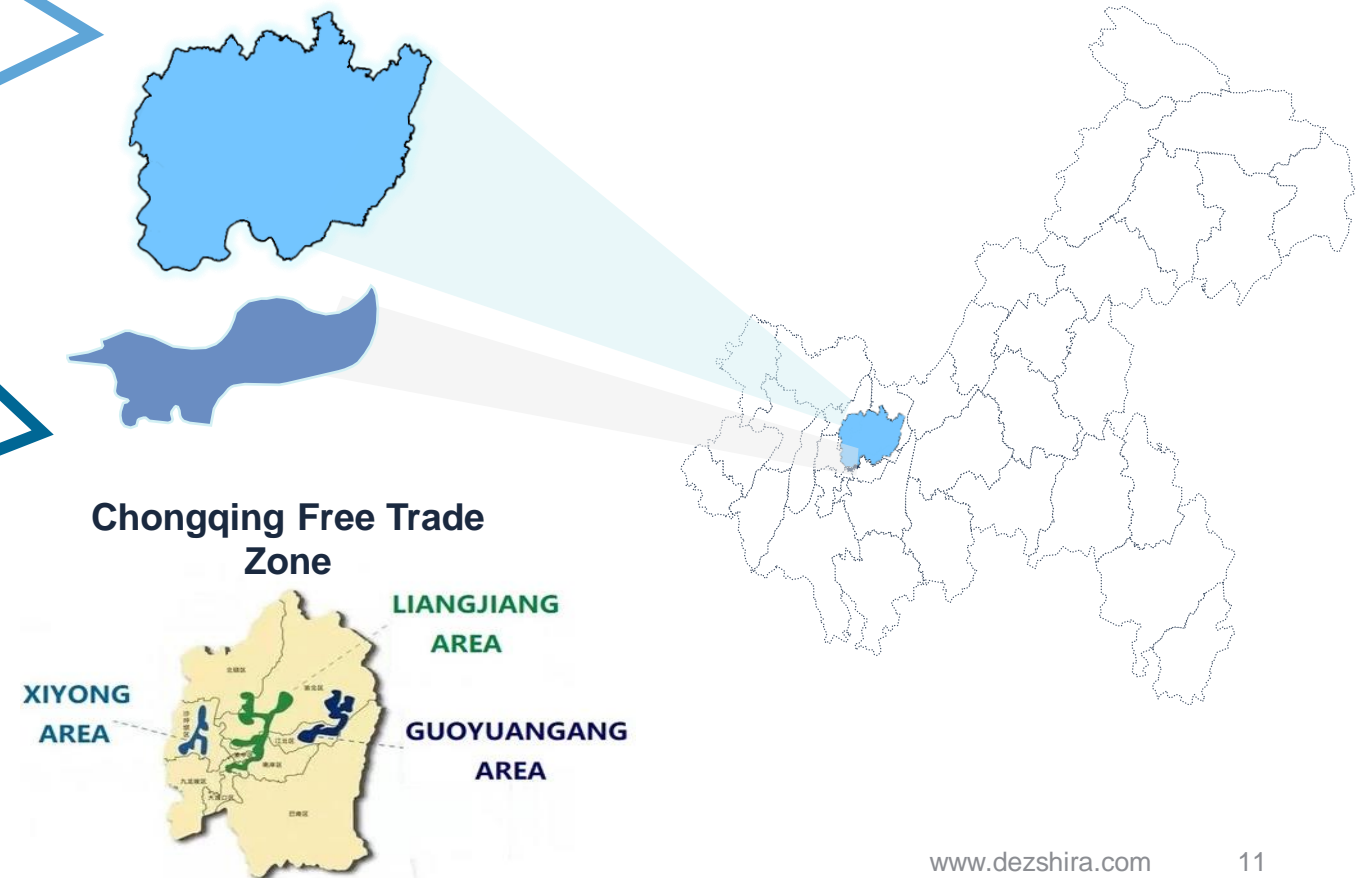
Liangjiang New Area Service Trade Industrial Park



Zhaomushan Technology Innovation Park



Intelligent equipment park to open in Liangjiang New Area





Actual utilization of foreign capital in 2020  
**US\$3.26 billion**



Newly added foreign-funded enterprises in 2020  
**79 enterprises**

**25%**



Contractual foreign investment in 2020  
**\$2.545 billion**

**164.4%**



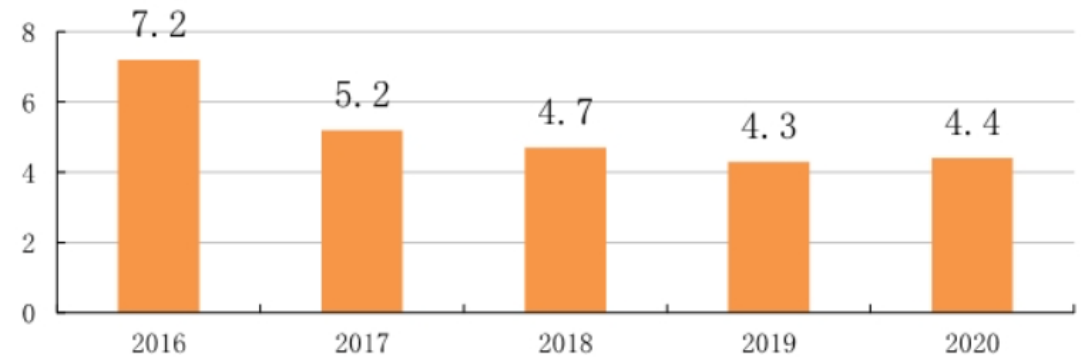
Import and export volume in 2021 Q1  
**US\$2.545 billion**

**75%**

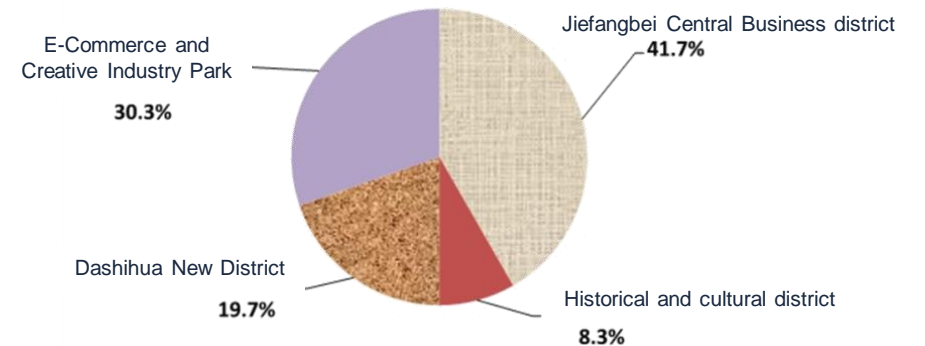
# Yuzhong District

## 2016-2020 actual utilization of foreign capital

in 100M US\$



Contribution of the four core functional areas to the GDP of the whole district

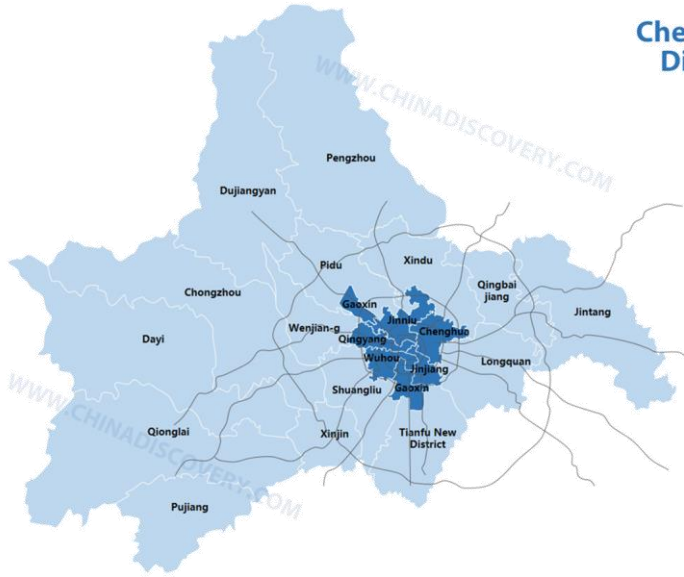


An aerial night view of Chengdu, China, featuring the Oriental Pearl Tower as the central landmark. The city is illuminated with various lights, and a river flows through the foreground. A blue horizontal bar is located in the top left corner.

# Chengdu

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## Chengdu District Map



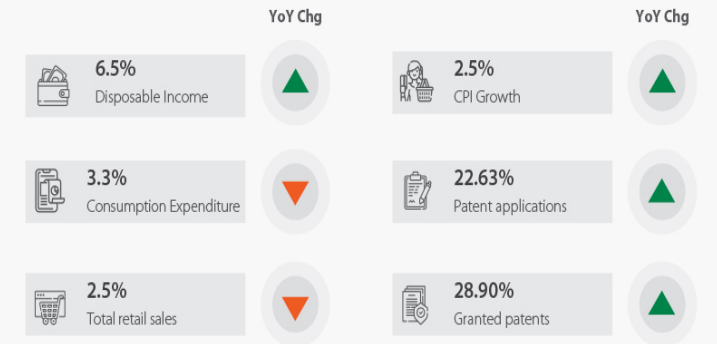
## Profile of Chengdu



Area	14,335 km <sup>2</sup>	Consumption Expenditure	28736 RMB
Population	20.94 million	Total retail sales	811.85 billion RMB
GDP	US\$276.3 billion	Main industries	Food, medicine, machinery and information technology
GDP per capita	\$13,195	Prominent university	Chengdu University
GDP Ranking (Chinese cities)	7		
Disposable income	42,075 RMB		

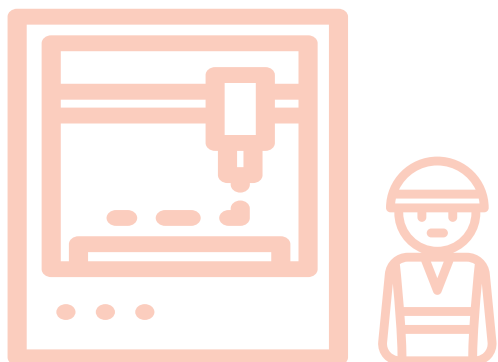
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## Chengdu's Economic Indicators in 2020



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# Chengdu Overview



## Output and Growth Rate of Chengdu's Major Industrial Products (2020)

Industrial Products	Output (number)	Growth rate%
Automobile	605000	13.5
Microcomputer equipment	74437000	14.7
Mobile communication handsets (cell phones)	5442000	-50.9
Integrated circuits	687000	31.0
Feed	3704000 tons	-3.1
Dairy products	649000 tons	5.1
Cigarettes	8952000	2.9
Liquor	312000 Kiloliters	22.1
Leather shoes	12380000 pairs	-32.5
Wooden furniture	10671000	-0.8
Agricultural nitrogen, phosphorus and potassium chemical fertilizers	177000 tons	-23.0
Original chemical medicines	32000 tons	-40.6
Chinese patent medicine	27000 tons	11.5
Plastic products	1003000 tons	8.1
Cement	15662000 tons	-5.9
Plate glass	30882000 weight cases	-2.6
Steel	5420000 tons	7.3
Seamless steel pipe	147000 tons	-1.1
Natural gas	Natural gas 33000000 m <sup>3</sup>	9.7
Power generation	64230000 kWh	3.7

Source: Statistic Bureau of Chengdu Municipality

Graphic © Asia Briefing Ltd.



# Chengdu High-tech Industrial Development Zone ("CDHT")

- Set up in 1988 and in 1991 it was approved as one of the first national high-tech zones.



2020 GDP

**240 Bn yuan (37.5 Bn USD)**



8.3%



Foreign trade import and export volume in 2020

**507.8 Bn yuan (79.5 Bn USD)**



Newly signed projects in 2020

**156**

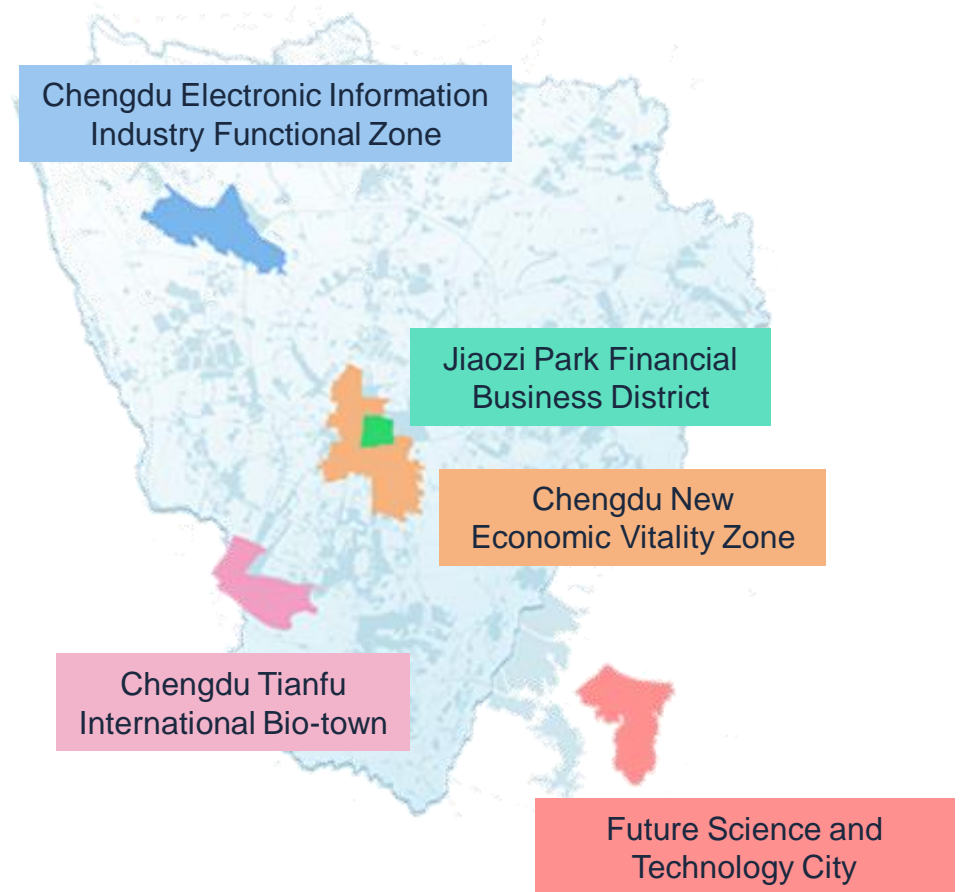
## 2020 to 2035 Target

CDHT will be one of the world-class high-tech parks and become an important hub of the national innovation network.

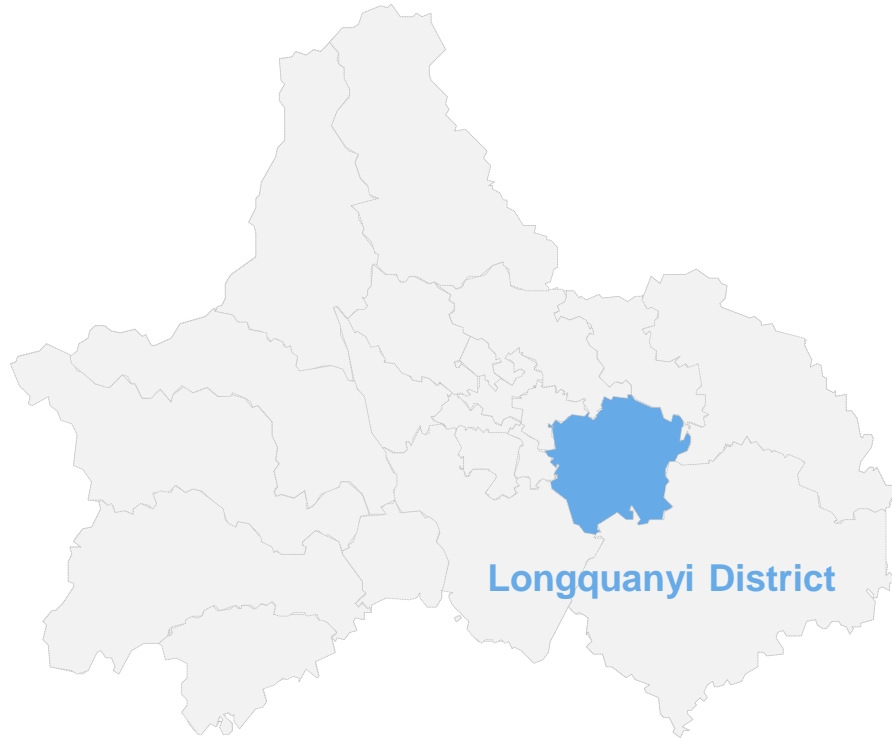


## 2035 to the mid-21st Century Target

CDHT will become one of the world's leading high-tech parks and one of the main sources of innovation in science and technology and industries all over the world.



# Chengdu Economic & Technological Development Zone



Area  
557 km<sup>2</sup>



2020 GDP  
135.52 Bn RMB



2020 Industrial output value  
174.5 Bn RMB

- The economic aggregate ranks **1st** in the county-level administrative regions of Sichuan Province for 8 consecutive years
- The comprehensive development level ranks **18th** among the 218 national economic development zones in the country, and **27th** among the top 100 national comprehensive strength districts.
- The **6th** largest automobile industry base in the country



# *Invest in Deyang* **FDI Conference**

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**Munich + Webinar**

July 2021



Invest in Deyang July 2021



# Deyang

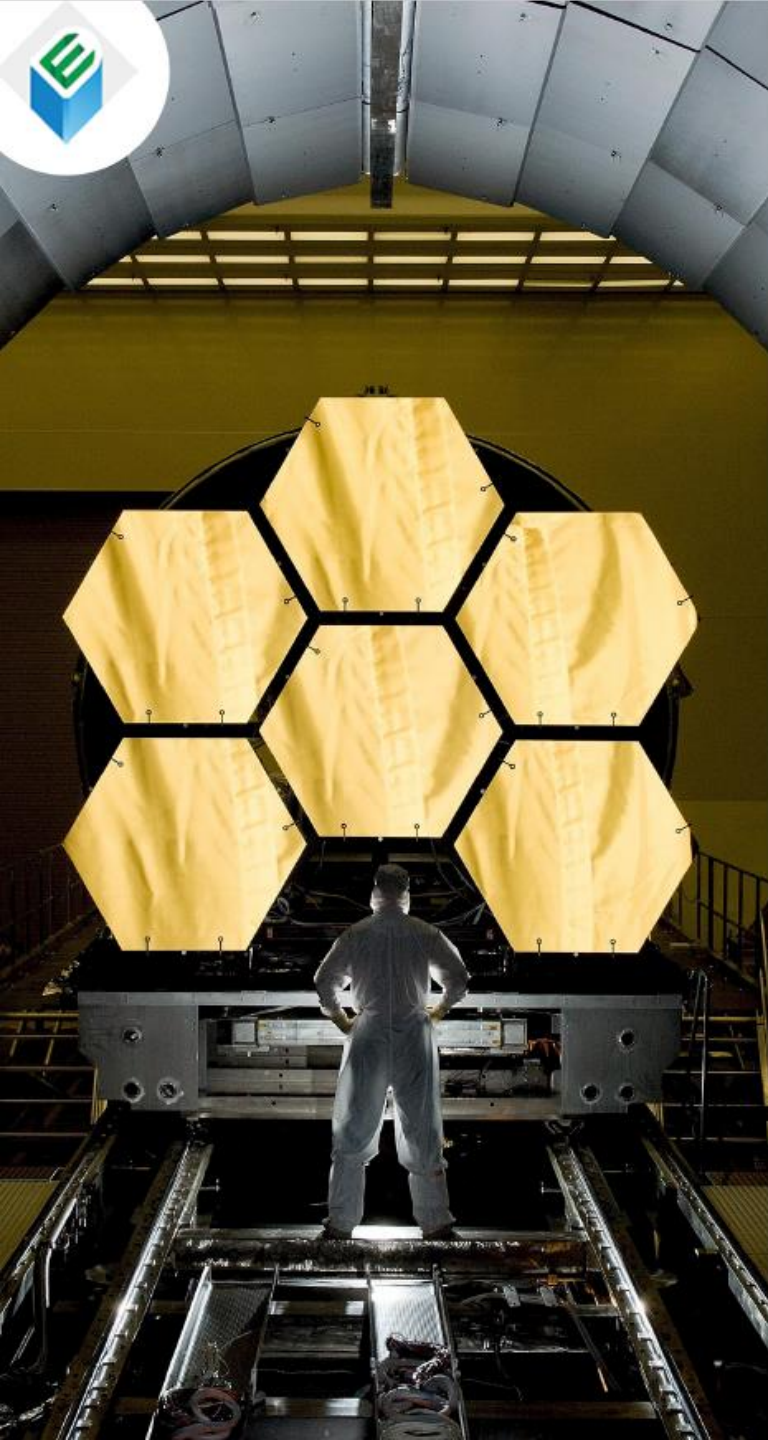
The Capital of Heavy Equipments

## Deyang NETDZ

- Founded 1992
- North of Chengdu, Sichuan
- Industry 4.0 Transformation, Clean Technologies & New-Energy Equipment Manufacturing
- 1500 Chinese SME and 155 foreign investments Enterprises, 17 from Fortune 500

## Deyang & Sichuan is home to:





# *Deyang is for following key industries:*

## **Heavy Equipment Manufacturer**

- Energy (Electric Power Engineering) & Mobility (Automotive, Ships & Trains, Aerospace) Manufacturing and tooling
- Industrial Automation
- Applied Materials

## **Renewable Energy**

- Leader in Nuclear, Hydro & Thermal power generator manufacturing
- Recycling & Material R&D

## **Industrial Service Industry**

- Industrial Design Service, Equipment Leasing
- Heavy Equipment Logistics
- Business & Strategy Consulting
- Industry 4.0

## **Software Development**

- Fincance, Manufacturing, Logistic, Gaming, Social Media, E-commerce, etc.



# *Deyang NETDZ* FDI Conference

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July 2021

More Info:

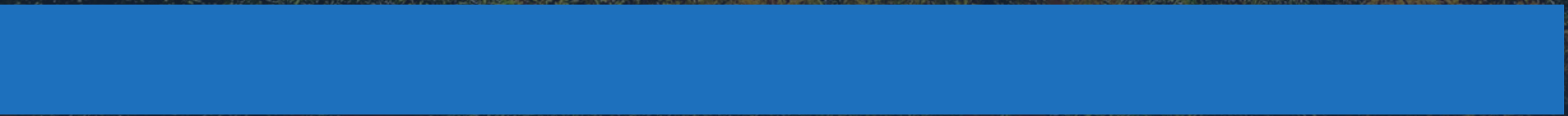
[www.linkedin.com/company/investindeyang](http://www.linkedin.com/company/investindeyang)



Invest in Deyang July 2021



# Go West Initiative & The Chongqing-Chengdu Economic Circle





# CHENGDU-CHONGQING ECONOMIC CIRCLE

## A China's New Growth Pole

- Driving force in the promotion of coordinated regional development.
- Founded on January 3, 2020, as part of the national strategy
- Will act as a growth pole for high-quality development in western China and create an inland strategic high ground for opening-up
- Priority: new infrastructure and new urbanization initiatives and major projects
- Giving full play to Chengdu-Chongqing's unique location advantages of connecting China's Southwest and Northwest, connecting domestic and foreign countries, and promoting the interaction between the Yangtze River Economic Belt and the Silk Road Economic Belt.

## All-round Cooperation in Various Fields

- Co-opening-up Demonstration Zone of China (Sichuan) Pilot Free Trade Zone & China (Chongqing) Pilot Free Trade Zone
- Jointly establishing a cross-regional complaint handling mechanism for private enterprises
- Cooperation in transportation infrastructure: Shuangchang Avenue
- Continuous improvements on inter-provincial expressways, airports and waterway
- Co-construction of Industrial Cooperation Demonstration Parks: by 2025 to reach 20





## FDI Inflow to East, Central, and West Parts of China in 2019

Region	Number of FIEs	Share (%)	Realized FDI Value (US\$100 million)	Share (%)
EAST	36613	89.5	1191.1	84.3
CENTRAL	2138	5.2	97.3	6.9
WEST	2137	5.2	92.9	6.6
OTHERS	22	0.1	30.9	2.2

*Note: Others involve banking, securities, and insurance industries FDI statistics.*

*Source: 2020 Statistical Bulletin of FDI in China, Ministry of Commerce of PRC*

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# GO WEST Policy

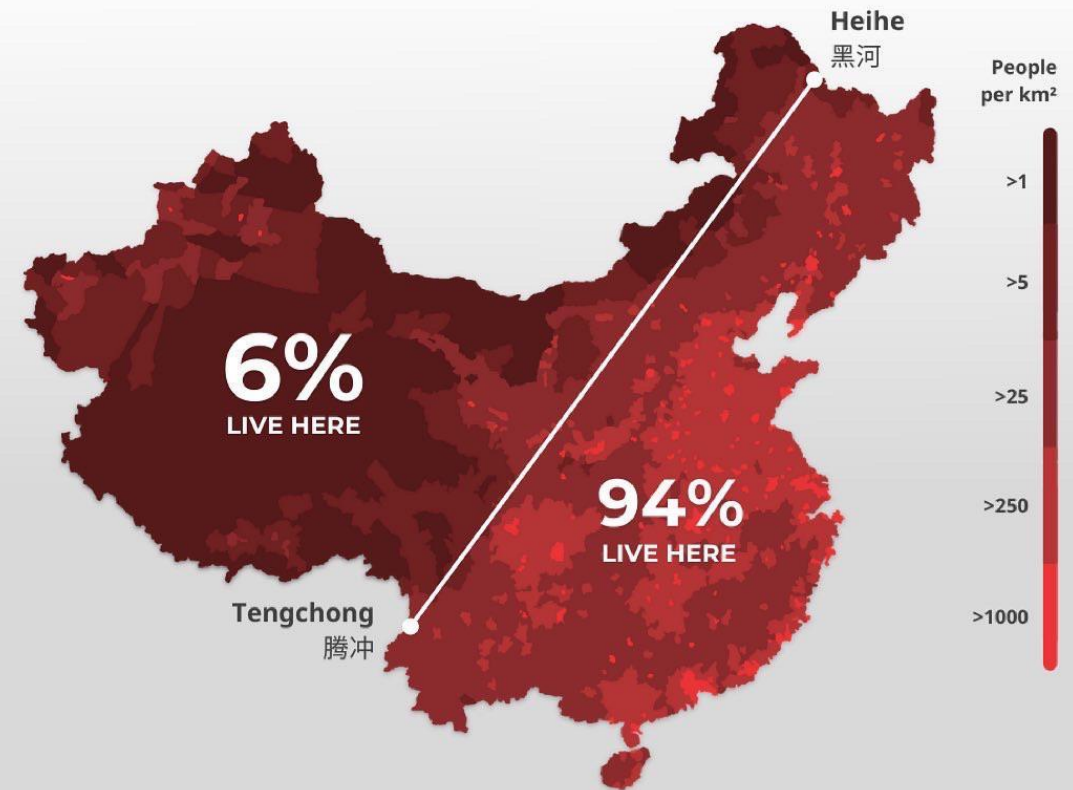


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Asia

## Population Density in China

China's population density drastically varies on either side of the Heihe-Tengchong Line

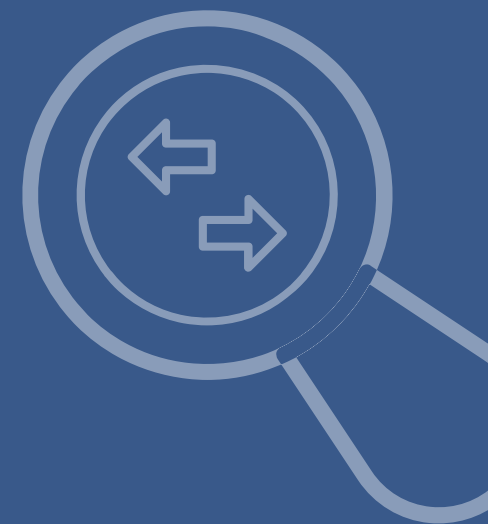


Q NASA - SEDAC - Columbia University



Province	Major encouraged industries
Chongqing	Automobile and motorcycle manufacturing, R&D and manufacturing of laptops and smart phones, new chemical materials, biomedical technology, precision instrument manufacturing, environmental protection equipment manufacturing, etc.
Sichuan	Technologies for the utilization of vanadium and titanium, modern manufacturing, cloud computing, big data, new carbon materials, high-tech equipment manufacturing, automobile manufacturing, etc.
Guizhou	Tea planting and production, titanium smelting, automobile manufacturing, cross-border trade, international logistics, e-commerce, high-grade textile, knitting, and garment processing production, etc.
Yunnan	Production of natural rubber, natural flavor, coffee, tea, camellia, and tung oil, healthy food, biomedical technologies, biology liquid fuel, tourism, etc.
Tibet	Tourism, characteristic cultural products, salt-lake resources, health industries, etc.
Shaanxi	Medical equipment, automobile manufacturing, integrated circuit, manufacturing of laptops and smart phones, vocational schools, etc.
Gansu	Big data, new materials, biopharmaceuticals and Chinese and Tibetan medicine, advanced equipment manufacturing, energy conservation and environmental protection industries, etc.
Qinghai	Salt Lake chemical industry, non-ferrous metallurgy, light industry textile, drinking water, Chinese Tibetan medicine processing, ethnic articles, tourism, etc.
Ningxia	New materials, intelligent manufacturing, biopharmaceuticals, energy conservation and environmental protection industries, etc.
Xinjiang	Tourism, energy chemical materials, petroleum petrochemical and coal processing, new energy, new materials, advanced equipment manufacturing, biomedicine, health industries, etc.
Inner Mongolia	Coal processing, non-ferrous metal production and processing, equipment manufacturing, lithium battery, permanent magnet material industries, etc.
Guangxi	Sugar production, aluminum, information technology industries, etc.

## Major Encouraged Industries in Western Regions



# So , what will happen in the future?





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# Q & A



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