



# Zhaoqing

*Zhaoqing, located in the mountains around 100 km from Guangzhou, is an outlying locality falling in part within the official definition of the Pearl River Delta Economic Zone. As its transport connections continue to improve, Zhaoqing is pursuing urban growth and industrialisation. While the area's limestone mountains, hot springs, and golf courses have attracted an increasing number of visitors over the last few years, providing a significant boost to the area's tourism and related industries, Zhaoqing aims to be more than a 'garden city'.*

## Zhaoqing in figures\*

Total area (square kilometres)	14,856
Interim Census Population 2005 (million persons)	3.68
Registered Population 2005 (million persons)	3.96
Total GDP in 2005 (US\$ billion)	5.54
– GDP in primary sector (US\$ billion)	1.73
– GDP in secondary sector (US\$ billion)	1.42
– GDP in tertiary sector (US\$ billion)	2.39
Real GDP growth 2005 (percent)	14.3
Official per capita GDP in 2005 (US\$)	1,435
Gross industrial output in 2005 (US\$ billion)	3.91
Total trade in 2005 (US\$ billion)	2.18
Imports in 2005 (US\$ billion)	0.76
Exports in 2005 (US\$ billion)	1.42
Growth in exports 2005 (percent)	14.20
Utilised foreign investment in 2005 (US\$ billion)	0.60
Total retail sales of consumer goods in 2005 (US\$ billion)	1.74
Growth in consumer goods retail sales 2005 (percent)	17.7

\* Note: Statistics reported for the jurisdictions in the Pearl River Delta are based on data from the jurisdictions' Statistical Yearbooks or statistics bureaux. Data for the year 2005 are preliminary. Interim Census Population 2005 is year-end figure.

2005 figures are for the entire area of Zhaoqing, not just the part included in the official definition of the Pearl River Delta Economic Zone. The portion of Zhaoqing that is located within the Pearl River Delta Economic Zone accounted 67.0 percent of Zhaoqing's GDP and 94.7 percent of its trade in 2004.

## Leading industries

Zhaoqing's leading industries by gross industrial output include telecommunications equipment, computers, and other electronics, metal products, textiles, leather products, non-metal mineral products, timber processing, bamboo, cane, palm fibre, and straw products, garments and footwear, chemicals, other manufacturing including

handicrafts, and machinery. Industrial specialities include cement, nylon, vacuum equipment, and redwood processing. Output of furniture and chemical fibres each accounts for a significant proportion of total provincial output. Primary output includes rice, vegetables, livestock and aquatic products, turpentine, cinnamon, bamboo, tapioca, sugar cane, and fruit, as well as gold from the Hetai Goldmine, one of the largest in China.

### **Zhaoqing – top manufacturing industries by gross industrial output (US\$ billion) 2004**

1. Telecommunications equipment, computers, and other electronics	0.84
2. Metal products	0.68
3. Textiles	0.54
4. Leather, furs, down, and related products	0.47
5. Non-metal mineral products	0.41
6. Timber processing, bamboo, cane, palm fibre, and straw products	0.36
7. Garments, footwear, and headgear	0.31
8. Raw chemical materials and chemical products	0.29
9. Other manufacturing including handicrafts	0.28
10. General purpose machinery	0.23

Wholesale and retail trade and catering services topped Zhaoqing's service sector output in 2004, followed by transportation, storage, post and telecommunications, finance and insurance, and real estate trade.<sup>36</sup> The tourist industry also has provided a significant boost to the local economy.



<sup>36</sup> Based on service sector categories reported by the Guangdong Statistical Yearbook 2005.

## Zhaoqing – service sectors (US\$ billion) 2004

Wholesale and retail trade and catering services	0.75
Transportation, storage, post and telecommunications	0.52
Finance and insurance	0.31
Real estate trade	0.18
Others	0.68

### Economic plans

During its 11<sup>th</sup> Five Year period, Zhaoqing plans to focus on metal processing, renewable energy, equipment manufacturing with emphasis on auto parts, special equipment, and general machinery, electronic information technology including electronic components, special electronic equipment, and software, and biopharmaceuticals. Other priority sectors include paper production, light manufacturing industries such as textiles and garments, footwear, and food and beverages, building materials, and wood products. In services, Zhaoqing plans to expand upon its existing tourism platform in the areas of leisure, resorts, meetings, and conferences. It plans to develop the Fengkai National Geological Park, an ecological and leisure tourism area in Zhuhai National Forest Park, and tourism facilities in Huaiji, Guangning, and Sihui Cities.

### Development zones and industrial parks

There are two major development zones in Zhaoqing: the San Yong Industrial Zone and the Dawang New and High-tech Development Zone, both of which include a number of industrial parks. From 2002, Zhaoqing has upgraded its services for investors. A new administration service centre has been established and the government has introduced a series of favourable policies in the form of tax incentives and low or zero cost land rentals.

## Foreign investment

There are over 1,400 foreign-invested enterprises in Zhaoqing. Foreign investors include Aker of Taiwan (a leading designer and manufacturer of quartz crystal), Blue Ribbon Brewery, and Korea's SK Group. Henkel produces cosmetics there, Honda has a foundry producing aluminium light metal parts for high-performance vehicles, and San Miguel produces glass bottles and containers. In 2004, Korea Engine Tech agreed to invest US\$500 million to produce train engines, engine parts, auto and auto parts, and related electronics. This investment will significantly expand Zhaoqing's transportation equipment and automotive parts industries.

## Transport linkages

Zhaoqing is connected to Guangzhou by expressway (2 hours) and rail (2.5 hours), as well as to all the major areas down the western side of the Pearl River Delta. It is reachable from Hong Kong in 3 hours 40 minutes by ferry or in 4 hours 20 minutes by train. The city also has transport links into Western China, with highway connections to Guangxi, Yunnan, and Sichuan Provinces. New highways linking Zhaoqing to the cities of Nanning and Guilin in Guangxi Province will greatly facilitate land transport between Zhaoqing and Southwest China.

