



Foshan

Foshan, one of the traditional manufacturing centres in the western part of the Greater Pearl River Delta region, is just to the southwest of Guangzhou and north of Jiangmen and Zhongshan. Foshan, the fourth largest economy in the region after Hong Kong, Guangzhou, and Shenzhen, is a major centre for OEM processing and for manufacturing facilities serving the Chinese Mainland. Foshan's well-established production areas attract workers from all over China. It also has been emerging as an important consumer market within the Greater Pearl River Delta region.

Foshan in figures *

Total area (square kilometres)	3,848
Interim Census Population 2005 (million persons)	5.80
Registered Population 2005 (million persons)	3.54
Total GDP in 2005 (US\$ billion)	29.06
– GDP in primary sector (US\$ billion)	1.02
– GDP in secondary sector (US\$ billion)	17.56
– GDP in tertiary sector (US\$ billion)	10.48
Real GDP growth 2005 (percent)	19.2
Official per capita GDP in 2005 (US\$)	5,007
Gross industrial output in 2005 (US\$ billion)	57.35
Total trade in 2005 (US\$ billion)	25.71
Imports in 2005 (US\$ billion)	8.63
Exports in 2005 (US\$ billion)	17.08
Growth in exports 2005 (percent)	23.50
Utilised foreign direct investment in 2005 (US\$ billion)	0.93
Total retail sales of consumer goods in 2005 (US\$ billion)	7.75
Growth in consumer goods retail sales 2005 (percent)	17.0

* 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.

Leading industries

Foshan's leading industries by gross industrial output are electric equipment and machinery, non-metal mineral products, telecommunications equipment, computers, and other electronics, metal products, non-ferrous metals processing, plastic products, textiles, garments and footwear, chemicals, and food. A number of locations within Foshan are known for particular industries. Shunde is a major hub for the production of household appliances, including refrigerators, microwave ovens, electric fans, and air-conditioners.

Daliang is well known for plastics, Leilu for bicycles, Chencun for flowers and horticultural products, Lecong for furniture distribution, Lunjiao for woodworking machinery, Gaoming for garments and textiles, Yanbu for underwear, Jun'an for jeans, and Shiwan for ceramics. Some of Foshan's traditional industries date back hundreds of years.

Foshan – top manufacturing industries by gross industrial output (US\$ billion) 2004

1. Electric equipment and machinery	9.96
2. Non-metal mineral products	3.96
3. Telecommunications equipment, computers, and other electronics	3.63
4. Metal products	2.57
5. Smelting and pressing of non-ferrous metals	2.39
6. Plastic products	2.04
7. Textiles	1.65
8. Garments, footwear, and headgear	1.37
9. Raw chemical materials and chemical products	1.28
10. Processing of agricultural products and non-staple edible products	1.03

In services, Foshan's leading sectors are in transportation, storage, post, and telecommunications, as well as wholesale and retail trade and catering services.³¹ A significant part of Foshan's service economy serves its growing manufacturing and export base. The retail sector is growing with the development of themed shopping malls that include cinemas, department stores, restaurants, and specialised retail outlets.

³¹ Based on service sector categories reported by the Guangdong Statistical Yearbook 2005.

Foshan – service sectors (US\$ billion) 2004

Transportation, storage, post, and telecommunications	2.23
Wholesale and retail trade and catering services	1.74
Real estate trade	0.81
Finance and insurance	0.57
Others	2.10

Economic plans

Foshan's economic plans in the 11th Five Year period call for renewed focus on high-tech industries, such as electronic information technology, liquid crystal display technology, new materials, precision manufacturing, biomedicine, and energy-efficient and energy-saving technology. Foshan also plans to upgrade its extensive base of traditional industries, in sectors including home appliances, machinery, metal materials processing, plastic products, ceramics and building materials, and textiles and garments. Enhancement of the tertiary sector continues to figure highly on Foshan's agenda. Priority service sectors include distribution and logistics, technology innovation, finance including credit guarantee finance, information technology services, business services, and cultural and creative industries. The city will also enhance its connectivity with surrounding cities through substantial investment in transportation infrastructure, including subway access to Guangzhou.

Development zones and industrial parks

Foshan has several industrial zones and a state-level high-tech industrial zone. Foshan's state-level National High-tech Industries Development Zone was established in 1992, bringing together a number of specialised business zones under one area. Today, the zone focuses on electronics, information technology, petrochemicals,

high precision instruments, medical and healthcare machinery, and packaging materials. In 1995, the zone became the first in the Chinese Mainland to establish an incubation centre to support entrepreneurial efforts in high-tech business applications. Preferential policies for foreign investors include import tariffs and VAT exemptions, as well as income tax concessions.

Foreign investment

There are more than 5,000 foreign-invested enterprises in Foshan. DuPont runs China's largest polyester film factory in Foshan and companies such as 3M, General Electric, Hoechst, Laeis Bucher, Matsushita, Nortel, Osram Lighting, Pohang Steel, Sanyo, Siemens, Tetrapak, Thomson Multimedia, and Toshiba have all invested in the area. In 2005, Toyoda Gosei announced that it will invest in a facility in Foshan to manufacture resin products for automotive use in Shunde District. Along with foreign investors, there is a strong presence of local brand names, such as Midea, China's number one producer of electric fans and leading producer of air-conditioners and refrigeration products; award winning soft drinks manufacturer Jianlibao, and Galanz, a leading manufacturer of home appliances.

Transport linkages

Foshan can be reached from Hong Kong by express train (2 hours and 55 minutes), road (3 hours and 30 minutes to 4 hours), and ferry (under 2 hours). It can be reached in an hour or less from Guangzhou by car. Access to Guangzhou will be improved with the opening of the Guangzhou-Zhuhai Western highway and the Guangzhou-Foshan urban rail link. Foshan is well served by the Greater Pearl River Delta region's network of highways and has its own port facilities. Foshan has its own airport with regular flights to major Chinese Mainland cities.