



# Huizhou

*Huizhou, located to the northeast of Shenzhen, has a diversified manufacturing economy that includes audio-visual equipment, electronic components, and petrochemicals, as well as traditional industries such as garments and textiles. Huizhou is one of the world's largest producers of laser diodes and is a world leader in the manufacture of DVD and VCD players. Huizhou is home to the US\$4.3 billion joint venture between CNOOC and Shell Petrochemicals, one of the largest foreign investments in China.*

## Huizhou in figures\*

Total area (square kilometres)	11,158
Interim Census Population 2005 (million persons)	3.71
Registered Population 2005 (million persons)	2.98
Total GDP in 2005 (US\$ billion)	9.82
– GDP in primary sector (US\$ billion)	1.00
– GDP in secondary sector (US\$ billion)	5.63
– GDP in tertiary sector (US\$ billion)	3.19
Real GDP growth 2005 (percent)	15.8
Official per capita GDP in 2005 (US\$)	2,715
Gross industrial output in 2005 (US\$ billion)	17.24
Total trade in 2005 (US\$ billion)	19.02
Imports in 2005 (US\$ billion)	8.37
Exports in 2005 (US\$ billion)	10.66
Growth in exports 2005 (percent)	21.90
Utilised foreign direct investment in 2005 (US\$ billion)	1.04
Total retail sales of consumer goods in 2005 (US\$ billion)	3.07
Growth in consumer goods retail sales 2005 (percent)	18.0

\* 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.

2005 figures are for the whole of Huizhou including parts of Huizhou that fall outside the definition of the Pearl River Delta Economic Zone. The portion of Huizhou that is located within the Pearl River Delta Economic Zone accounted for 97.4 percent of Huizhou's GDP and 99.6 percent of its trade in 2004.

## Leading industries

Huizhou's leading industries by gross industrial output are telecommunications equipment, computers, and other electronics, electric equipment and machinery, plastic goods, metal products, leather goods, transport equipment, textiles, garments and footwear, chemicals, and non-metal mineral products. In addition to DVD

and VCD players and laser diodes, Huizhou is a global player in the production of batteries, telephones, computer circuit boards, and other electronic components.

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

1. Telecommunications equipment, computers, and other electronics	8.48
2. Electric equipment and machinery	1.53
3. Plastic products	0.52
4. Metal products	0.33
5. Leather, fur, down, and related products	0.28
6. Transport equipment	0.26
7. Textiles	0.24
8. Garments, footwear, and headgear	0.23
9. Raw chemical materials and chemical products	0.21
10. Non-metal mineral products	0.17

Huizhou's service sector is relatively underdeveloped when compared to its manufacturing sector. Leading service sectors include transportation, storage, post, and telecommunications, as well as wholesale and retail trade and catering services.<sup>32</sup> Much of the service sector focuses on the local market.

<sup>32</sup> Based on service sector categories reported by the Guangdong Statistical Yearbook 2005.

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

Transportation, storage, post and telecommunications	0.66
Wholesale and retail trade and catering services	0.58
Real estate trade	0.18
Finance and insurance	0.11
Others	1.01

## Economic plans

In its 11<sup>th</sup> Five Year Programme, Huizhou aims to become a modern petrochemical and digital industrial city. The city plans to develop a complete industrial chain in petrochemicals and to foster its petrochemicals cluster. In electronics, Huizhou aims to strengthen its consumer electronics, computer and telecommunications products, and electronic components industries. Zhongkai Hi-tech Industrial Development Zone, Sanhe Development Zone, and Digital Industrial Park will play major roles in the development of these industries.



Huizhou also aims to upgrade its existing industrial base in textiles, garments, footwear, food, and medicine. It plans to develop auto parts, software, biotechnology, new energy, new materials, and equipment manufacturing. In services, the focus will be on commerce and trade, distribution and logistics, tourism, real estate, transportation, finance, and professional services. Massive investments in rail, highway, seaport, and energy infrastructure are going forward. Huizhou is planning a five-fold expansion of its urban area with three new centres in Huicheng District, Huiyang District, and the Daya Bay Economic and Technology Development Zone (Daya Bay ETDZ).

## Development zones and industrial parks

The largest state-level industrial zone in Guangdong Province is the Daya Bay ETDZ in Huizhou. Established in 1993 and covering an area of 268 square kilometres, Daya Bay includes Daya Bay Industrial Petrochemical Park, port facilities, and the Xiangshui River Park. Major investment in the petrochemical park resulted from a joint venture between CNOOC and Shell Petrochemicals. This will transform the area into a petrochemical hub of world standing. The Zhongkai High-tech Industrial Development Zone, established in 1992, covers an area of 4.4 square kilometres and is focused on the high-tech sector. The park generates around one-fifth of Huizhou's total output. Chinese Mainland successes TCL and Great Wall Computers are among the 80 or so companies in the park. Huizhou's ETDZs offer discounted tax rates and tax holidays to foreign investors, as well as providing incentives to existing foreign investors to reinvest their profits.

## Foreign investment

There are more than 8,000 foreign-invested enterprises in Huizhou. In 2001, Shell Petrochemicals and CNOOC signed a contract to build a US\$4.3 billion petrochemical complex at Daya Bay. This vast

investment has fuelled foreign participation in large-scale construction projects in the area. Multinational investment has also proved popular in the electronics field where firms such as General Electric, Hitachi, Kenwood, LG Electronics, Matsushita, Philips, Primax, Samsung, Sony, Sumitomo, Tandy, and Toshiba all have operations. Samsung and LG have moved much of their audio-visual equipment production to Huizhou. Sumitomo has established an auto components plant in Daya Bay. In addition to foreign companies, five major domestic producers of home electronics – TCL, Desay, Macat, Huayang, and Bailuabao – are located in Huizhou. China's leading computer maker, Lenovo, also has production facilities in the city.

### **Transport linkages**

Huizhou is connected by expressway to Guangzhou (2 hours 30 minutes away), Dongguan and Shenzhen (both around 1 hour 30 minutes away), and Hong Kong (2 hours and 30 minutes). It is on both the Guangzhou-Shantou and Beijing-Kowloon railway lines. Huizhou has a deepwater port, which is open to foreign vessels and, along with regular cargo, is able to handle oil and gas. Huizhou also has a small domestic airport.