



MONTHLY UPDATE ON CHINA

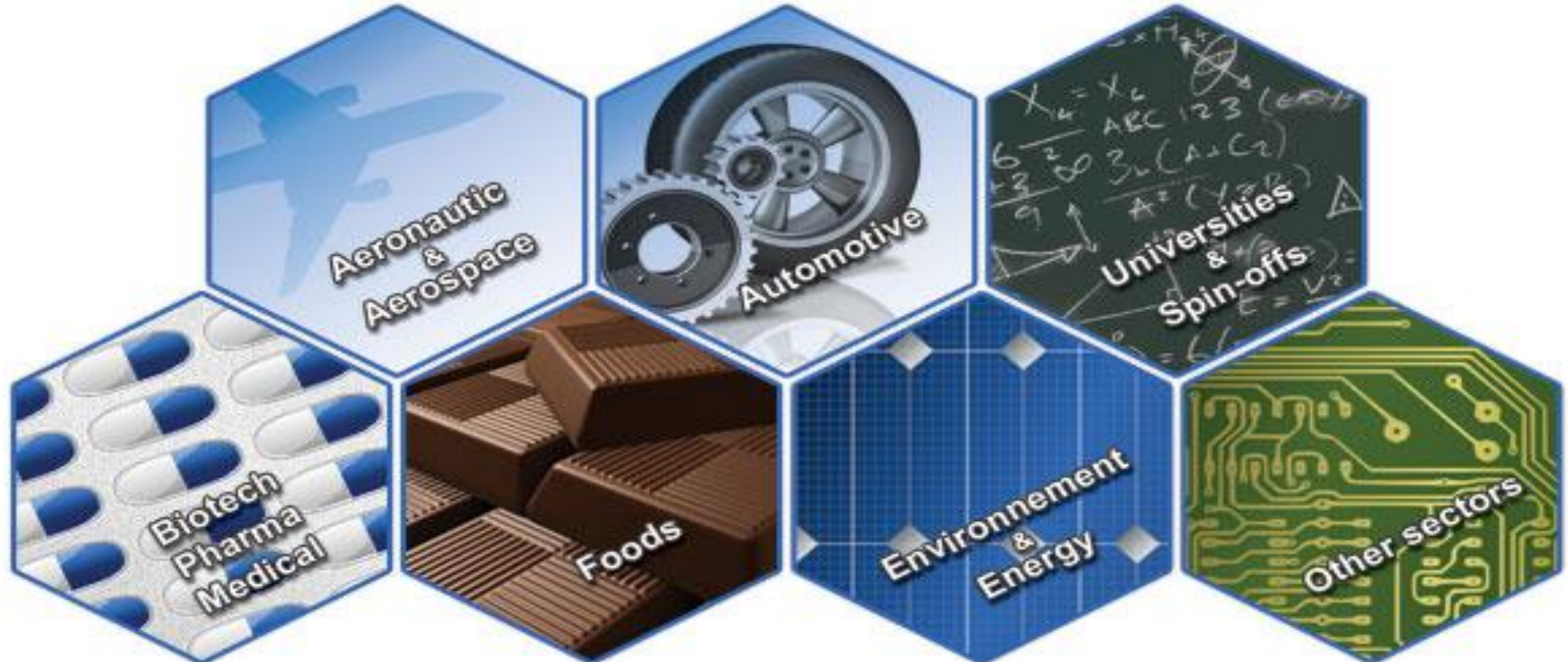
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Industrial Clusters

North East and North Central China

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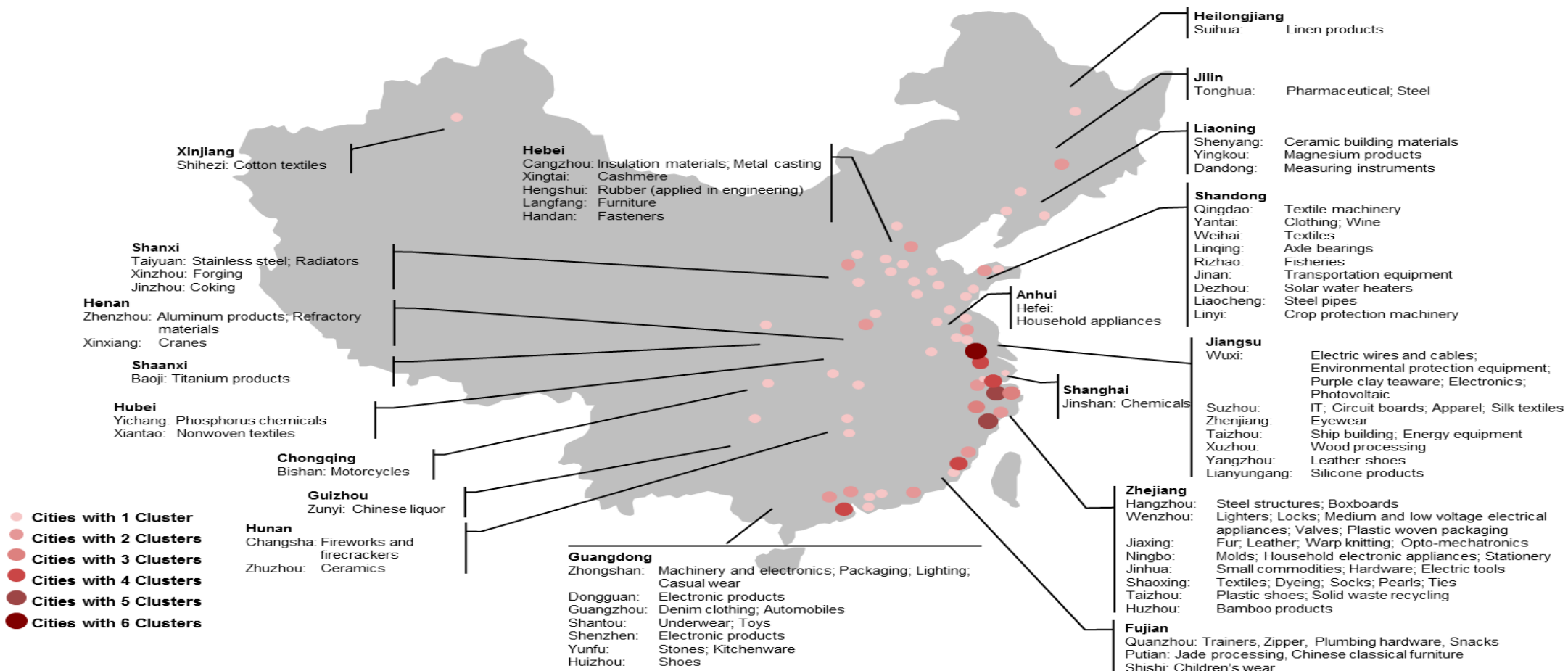


What is Industrial Cluster

Clusters are an increasingly common form of business cooperation, which gives affiliated entities tremendous growth opportunities and shared experience.

Clustering is the phenomenon where firms from the same industry gather together in close proximity. Mostly 99% of factories making a particular product are concentrated in one region.

Top 100 Industrial Clusters in China



Source: Li & Fung Research Centre; The Beijing Axis Analysis

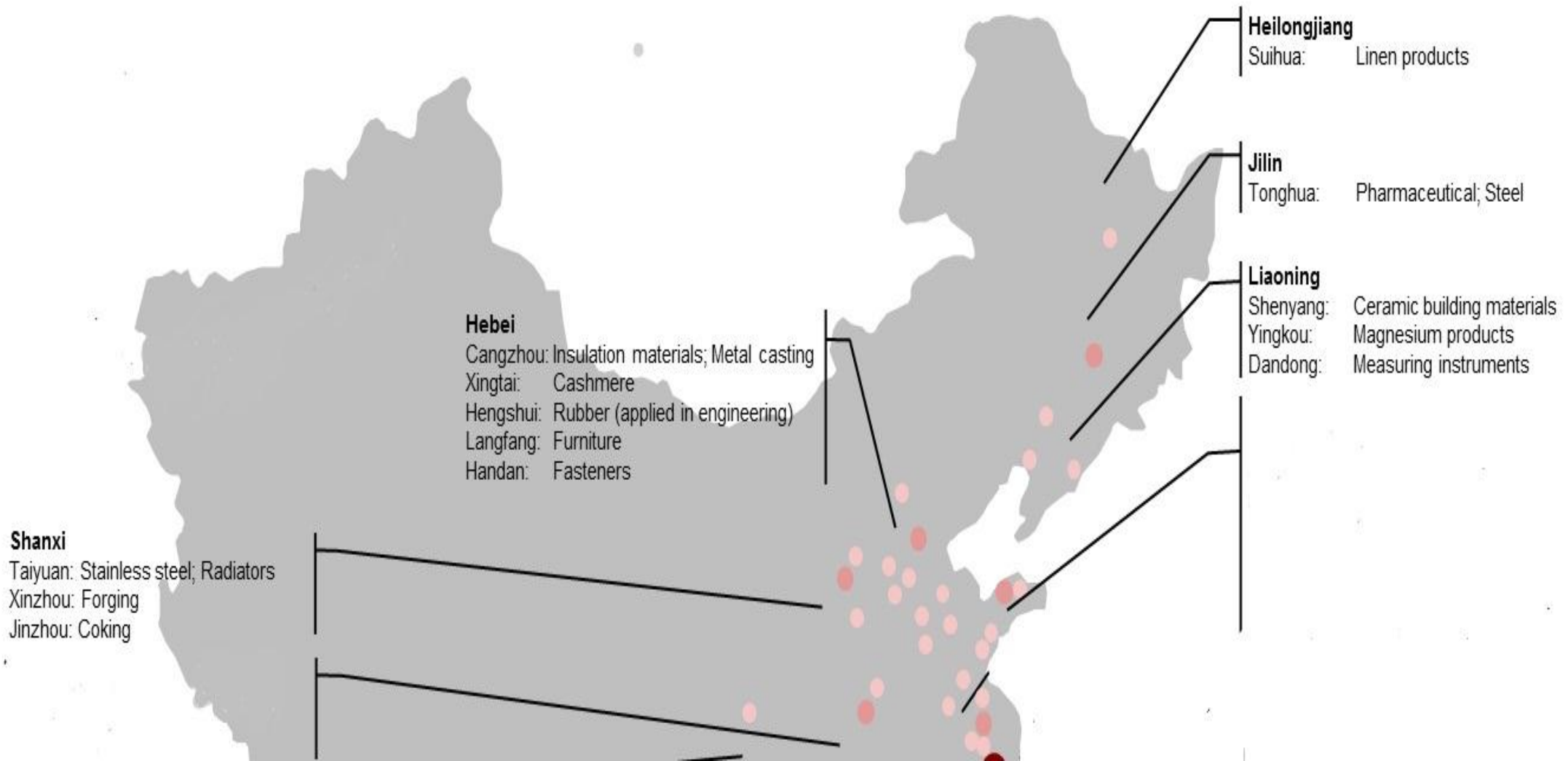
3 Types of Industrial Clusters

Super Clusters

Emerging Clusters

Frontier Clusters

North Central and north eastern clusters



Industrial Clusters in North East & North Central China

Hebei province (6)	Hejian, Cangzhou	Insulation materials industrial cluster
	Botou, Cangzhou	Metal casting industrial cluster
	Qinghe, Xingtai	Cashmere industrial cluster
	Taocheng, Hengshui	Rubber (applied in engineering) industrial cluster
	Xianghe, Langfang	Furniture industrial cluster
	Yongnian, Handan	Fasteners industrial cluster
Shanxi province (4)	Taiyuan	Stainless steel industrial cluster
	Qingxu, Taiyuan	Radiator industrial cluster
	Dingxiang, Xinzhou	Forging industrial cluster
	Taigu, Jinzhong	Coking industrial cluster
Liaoning province (3)	Faku, Shenyang	Ceramic building materials industrial cluster
	Dashiqiao, Yingkou	Magnesium products industrial cluster
	Dandong	Measuring instruments industrial cluster
Jilin province (2)	Tonghua	Pharmaceutical industrial cluster
		Steel industrial cluster
Heilongjiang province (1)	Lanxi, Suihua	Linen products industrial cluster

Planned Clusters

China's 19 City Clusters Development Blueprint by 2020



More details about clusters defined on slide 15

- Super Clusters
- Emerging Clusters
- Frontier Clusters

Sources: Frontier Strategy Group analysis; New National Urbanization Plan

Northern Central and North Eastern Clusters

Cluster Type	North East China	North Central China
Super Cluster		Beijing, Hebei, Tianjin
Emerging Cluster	Jilin, Liaoning, Heilongjiang	
Frontier Cluster		Inner Mongolia

North East China

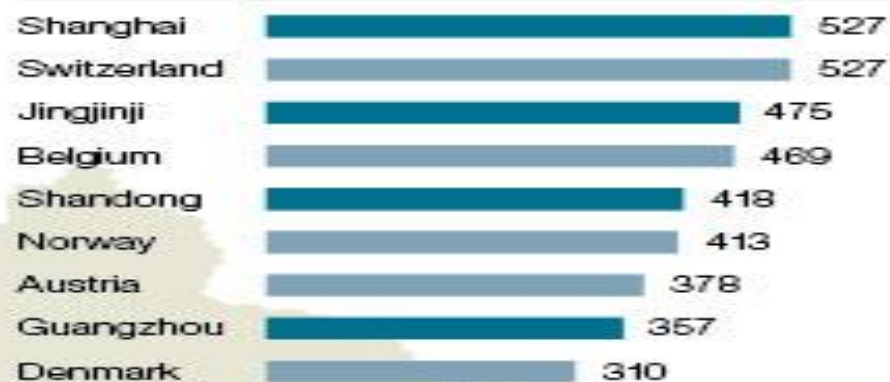
Provinces	Provincial GDP (USD) Per Capita	Total Export (US\$)	Main Industries
Heilongjiang	6,737	4,517 Million	petrochemical, food processing and energy. Linen
Liaoning	8,639	44.9 Billion	Processing of petroleum, coking and nuclear fuel, Manufacture of automotive, Smelting and pressing of ferrous metals.
Jilin	8,838	4.4 Billion	Manufacture of automotive, Processing of food from agricultural products, Medical and pharmaceutical products,

North Central China

Provinces	Provincial GDP (USD)	Total Export(Million US\$)	Main Industries
Beijing	20,356	58.5 Billion	Railway locomotives, ships and other transportation equipment, Processing of petroleum, coking, processing of nuclear fuel, Communications equipment, computers & others
Hebei	7606	31.4 Billion	Manufacturing and processing of ferrous metals, Manufacture of metal products,
Tianjin	18,807	43.6 Billion	Motor Vehicles, Metal Products, Communication Equipment, Computers, electronics, Transport Equipment
Shanxi	6,424	8.3 Billion	Coal Mining and Dressing, Electric Power, Heat Power Production and Supply,
Inner Mongolia	10,095	4.486 Million	Coal Mining Processing, Smelting and pressing of non-ferrous metal, Production and supply of electric power and heating power

A clustering approach can help companies target consumers more effectively in Chinese cities, some of which are economically larger than entire European countries.

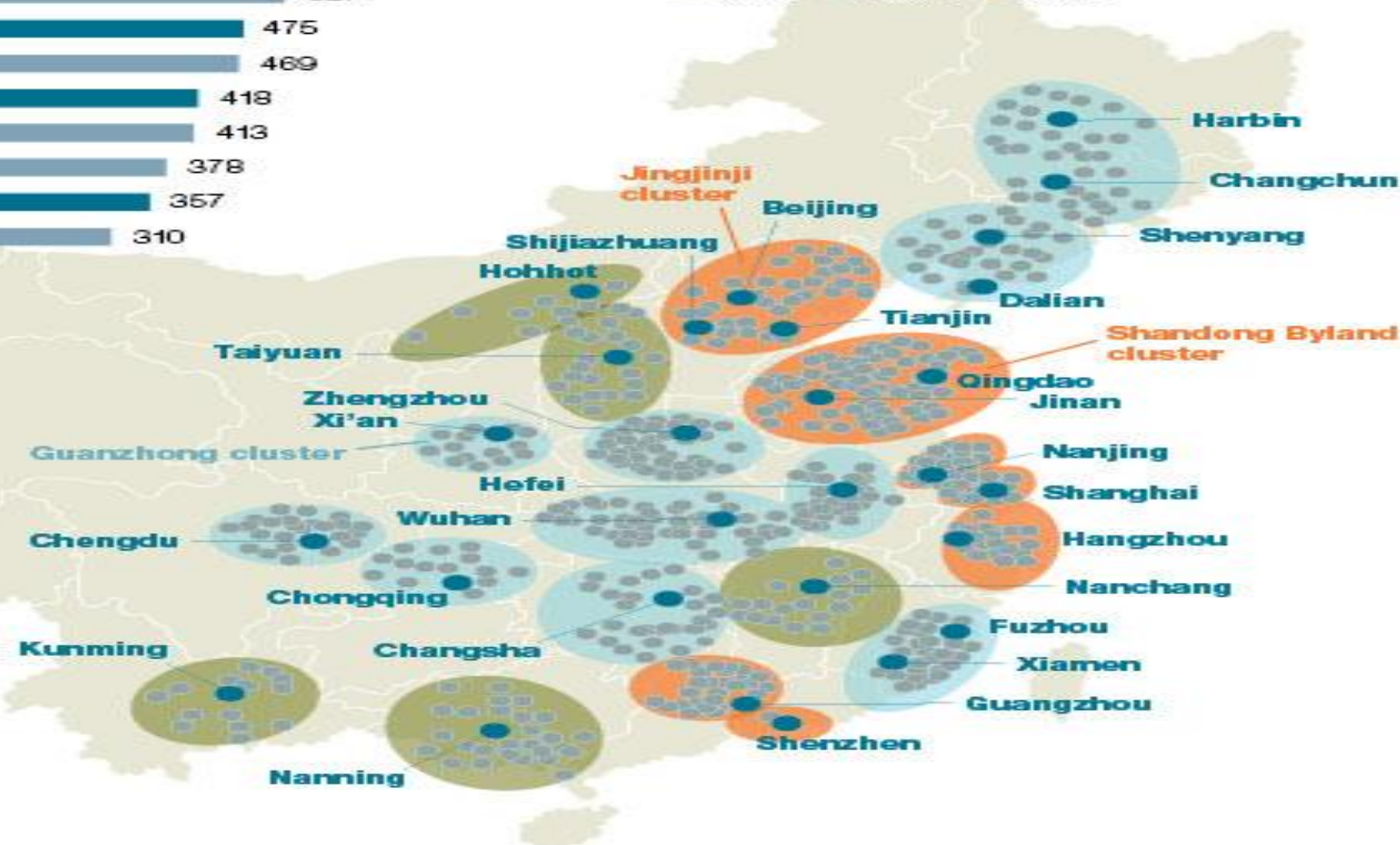
2010 GDP for urban clusters in China vs selected countries, \$ billion



Urban clusters in China and their hub cities

Clusters are grouped by size, based on average 2015 urban GDP estimates

● Small ● Large ● Mega



Breakdown of Professional Clusters in China

Banking and finance, IT, trading
Automotive, biotechnology, manufacturing, metals, transportation and logistics

CHANGSHA
Automotive, industrial machinery and parts
Chemical and pharmaceutical, manufacturing, metals, textile

CHENGDU
Industrial machinery and parts, IT, medical products
Banking and finance, electronics and electrical equipment, manufacturing, outsourcing services

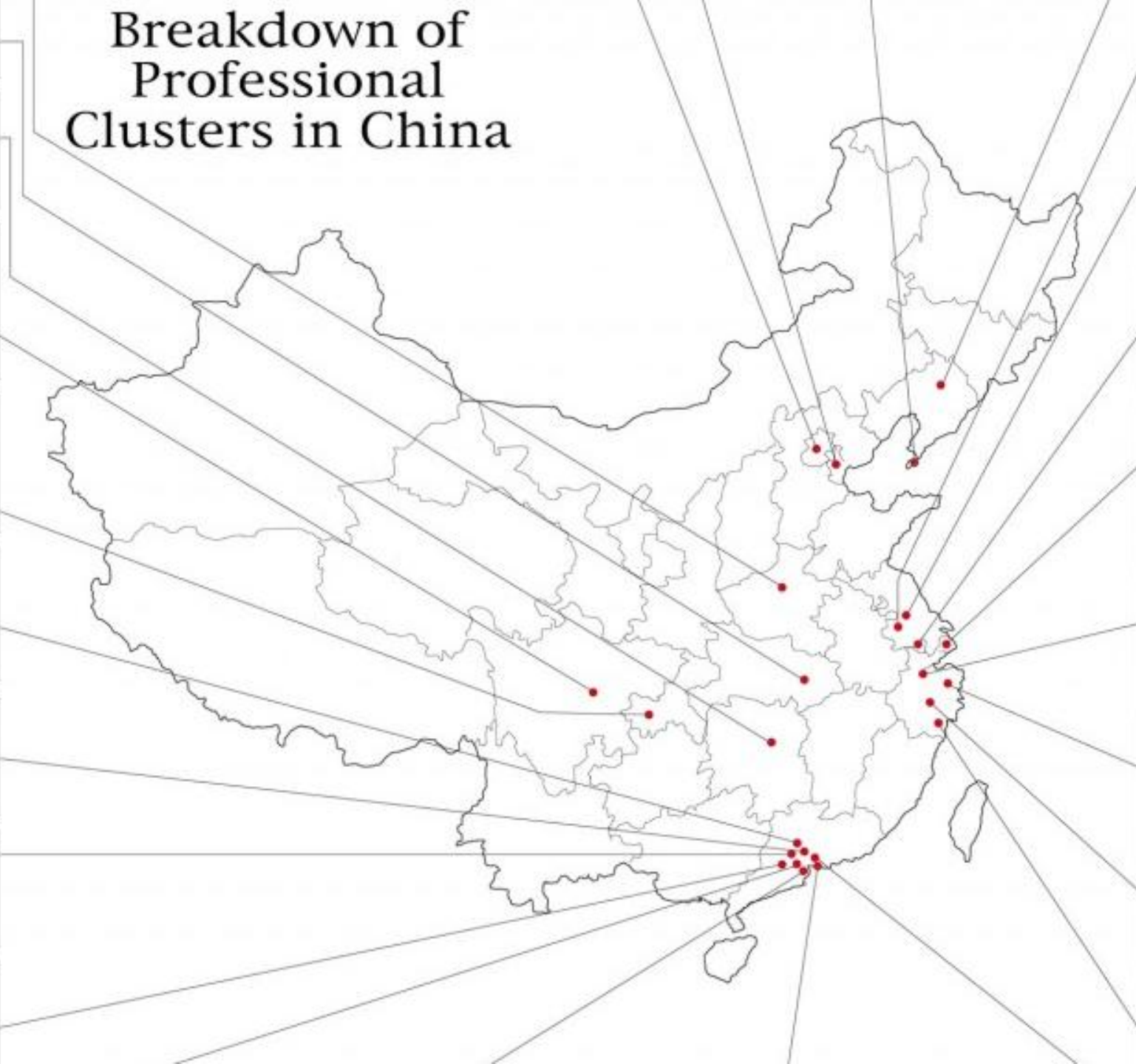
CHONGQING
Automotive, manufacturing
Chemical and pharmaceutical, electronics and electrical equipment, industrial machinery and parts, textile

GUANGZHOU
Automotive, banking and finance, manufacturing
Electronics and electrical equipment, IT, petrochemical, transportation and logistics

DONGGUAN
Industrial machinery and parts, trading
Electronics and electrical equipment, IT, manufacturing, metals, textile

FOSHAN
Manufacturing, metals
Automotive, electronics and electrical equipment, industrial machinery and parts

JIANGMEN
Industrial machinery and parts, manufacturing, textile
Chemical and pharmaceutical, electronics and



Electronics and electrical equipment, metals, outsourcing services
Automotive, biotechnology, chemical and pharmaceutical, industrial machinery and parts, IT, manufacturing, petrochemical

YANGZHOU
Automotive, electronics and electrical equipment, textile
Chemical and pharmaceutical, manufacturing, medical products, metals, petrochemical

SUZHOU
Chemical and pharmaceutical, industrial machinery and parts, IT
Communications, petrochemical, textile

SHANGHAI
Automotive, banking and finance, IT, trading
Biotechnology, chemical and pharmaceutical, electronics and electrical equipment, industrial machinery and parts, manufacturing, metals, petrochemical, transportation and logistics

HANGZHOU
IT, manufacturing, textile
Automotive, chemical and pharmaceutical, communications, electronics and electrical equipment, medical products, metals

NINGBO
Manufacturing, textile, trading
Automotive, communications, electronics and electrical equipment, industrial machinery and parts, metals, petrochemical

SHAOXING
Industrial machinery and parts, textile
Chemical and pharmaceutical, metals, petrochemical

WENZHO
Electronics and electrical equipment, manufacturing
Automotive, chemical and pharmaceutical, metals,

An Example of Professional Cluster

Automobile Manufacturers, Headquarters

