

# **Chongqing, Running in the Field of Hope**

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# **An Overview of the Chongqing City Development**

- ◆ **GDP in 2008 is 509 billion RMB Yuan.**
- ◆ **By 2012, the city's GDP will be double in 2007 compared with over 800 billion; local financial revenue to double that over 150 billion yuan; total fixed asset investment to double, 650 billion; the total import and export more than quadruple, reaching 30 billion U.S. dollars; actual use of foreign direct investment more than quadruple, reaching 5 billion U.S. dollars; actually using domestic capital, more than quadruple, reaching 160 billion yuan.**

# Economic Status of Chongqing in China

- ◆ Chongqing stands at the connection of East and West China, is the geometrical centre of mainland China. It is the central city of upper Yangtze River and the only municipality of West China, also the core of Western Triangle- the 4th growing economic circle of China.
- ◆ The strategic status of Chongqing by the State: economic centre of upper Yangtze River, important growing pole of Western China, municipality with harmonious development of both urban and rural areas.

## 13 golden orientations:

- ◆ Comprehensive transportation hub and international trading passageway;
- ◆ Inland exporting commodities processing base and pioneer zone for expanding opening up;
- ◆ Key production base of modern manufacturing;
- ◆ Innovation centre and industrialization base of scientific research results at the upper reaches of Yangtze River;
- ◆ Demonstrative zone of ecological city in upper reaches of Yangtze River;
- ◆ Demonstrative zone for developing recycle economy in Western China;
- ◆ Regional trade and exhibition centre;
- ◆ National high-tech industry base;
- ◆ “Automobile city of China”;
- ◆ “Capital of motorcycle in China”;
- ◆ Heavy-loaded railway network centre;
- ◆ Shipping centre at the upper reaches of Yangtze River;
- ◆ Financial center at the upper reaches of Yangtze River.



# **Main Objectives, Timelines and Expected Outcomes**

- ◆ Strengthen main industries, enterprise groups and industrial parks.
- ◆ The output of automobile and motorcycle, oil & Chemical, equipment manufacturing, materials, and IT will exceeded 1 trillion RMB;
- ◆ The introduction of the world top 500 enterprises and China's top 500 strategic investors, the new training 30 more than 10 billion yuan sales income level enterprise group; North Zone industrial output value of more than 300 billion RMB, and strive to form a three-level industrial output value of 100 billion yuan, 50 billion-yuan-grade eight characteristics of industrial park. 5 years, the city's industrial investment 900 billion yuan, industrial output value by 2012 to achieve 1.5 trillion yuan, recycling, "a Chongqing Industrial."



# Automobile and motorcycle

- ◆ To invest 150 billion RMB from 2007 to 2012, to form 2 million vehicle production/year, 10 million motorcycle production/year. The sales income will reach 360 billion by 2012.



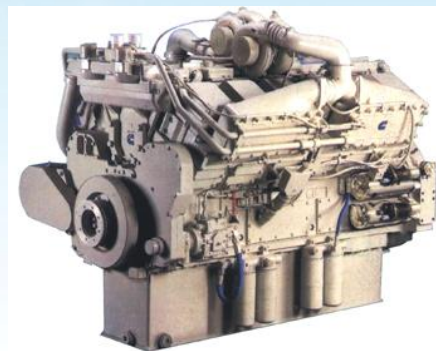
# Oil & Chemical

- ◆ To invest 180 billion RMB from 2007 to 2012 to develop key industry groups of petro-chemical industry, natural gas chemical industry and coal chemical industry. The sales income will reach above 150 billion by 2012.



# Equipments

- ◆ Chongqing is the biggest base for internal river shipping research and production, key production base for internal combustion engine, one of the production bases for big transformers in China, and its Gear Processing Machine tool represents the highest level of Chinese Machine tool production
- ◆ To invest 120 billion RMB from 2007 to 2012 to form 10 new equipment industry groups including New resource equipments, metro and special purpose ships, and make Chongqing a modern equipments industry base with 220 billion sales income





# Material

- ◆ The confirmed reserves of bauxite deposits is 670 million tons, ranks 6<sup>th</sup> in China; 60 million tons reserve of manganese has been proved with 1.3 million tons of the exploitation capacity. The quantity of utilizing magnesium alloy in vehicles and motorcycles stands the first in the world.
- ◆ To invest 100 billion RMB from 2007 to 2012 to form the world's biggest aluminum processing enterprise; expand steel production and cultivate silicon production chain, and reach 200 billion sales income in 2012.





# IT

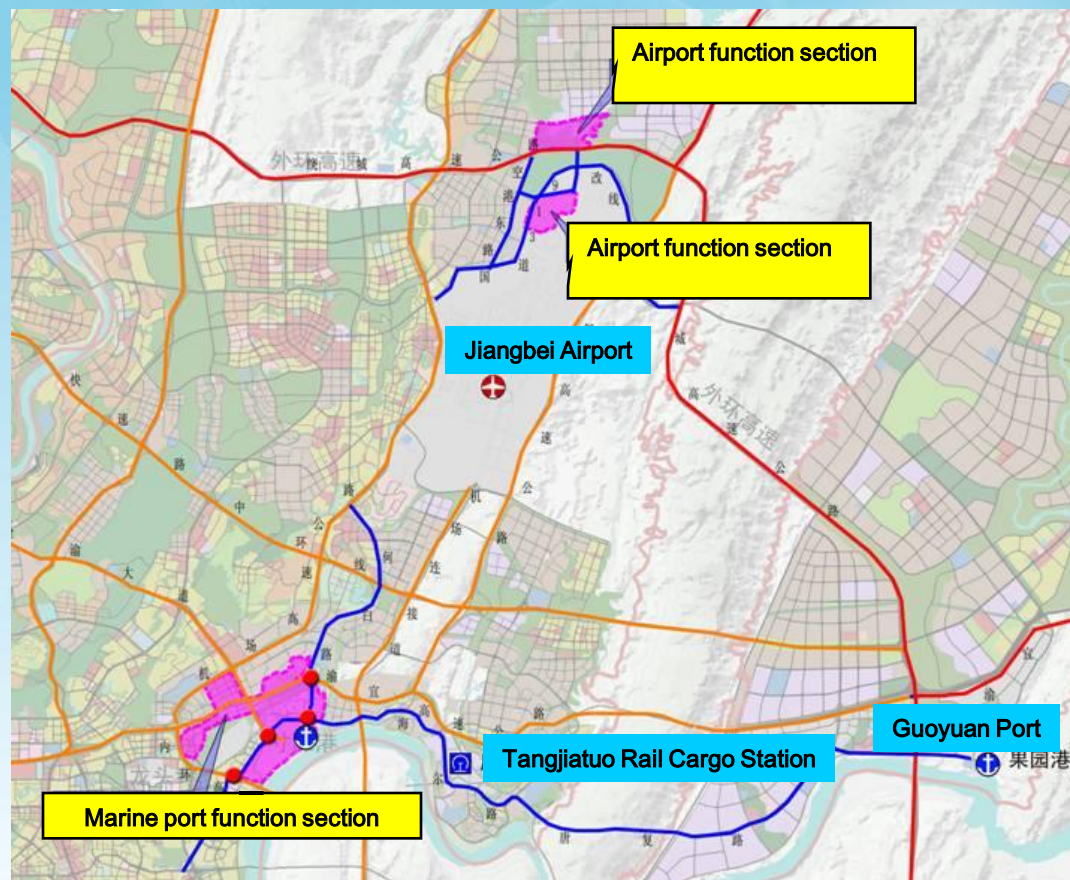
- ◆ To invest 100 billion from 2007 to 2012 to make Chongqing the key production base of CMOS Chips, important software R&D, ITO city, production base of consuming electronic goods like laptops and 3G cell phones. The sales income in 2012 will reach 150 billion



# Comparative advantages

## Key strategic developing zone of the state

- ◆ The only provincial experimental zone for comprehensive development of urban and rural areas, Chongqing has been granted many prior experimental rights.
- ◆ The only Bonded Port of inland China with double function of water port and airport, will greatly shorten the distance between Chongqing and the international market, increase logistics efficiency, and save costs.



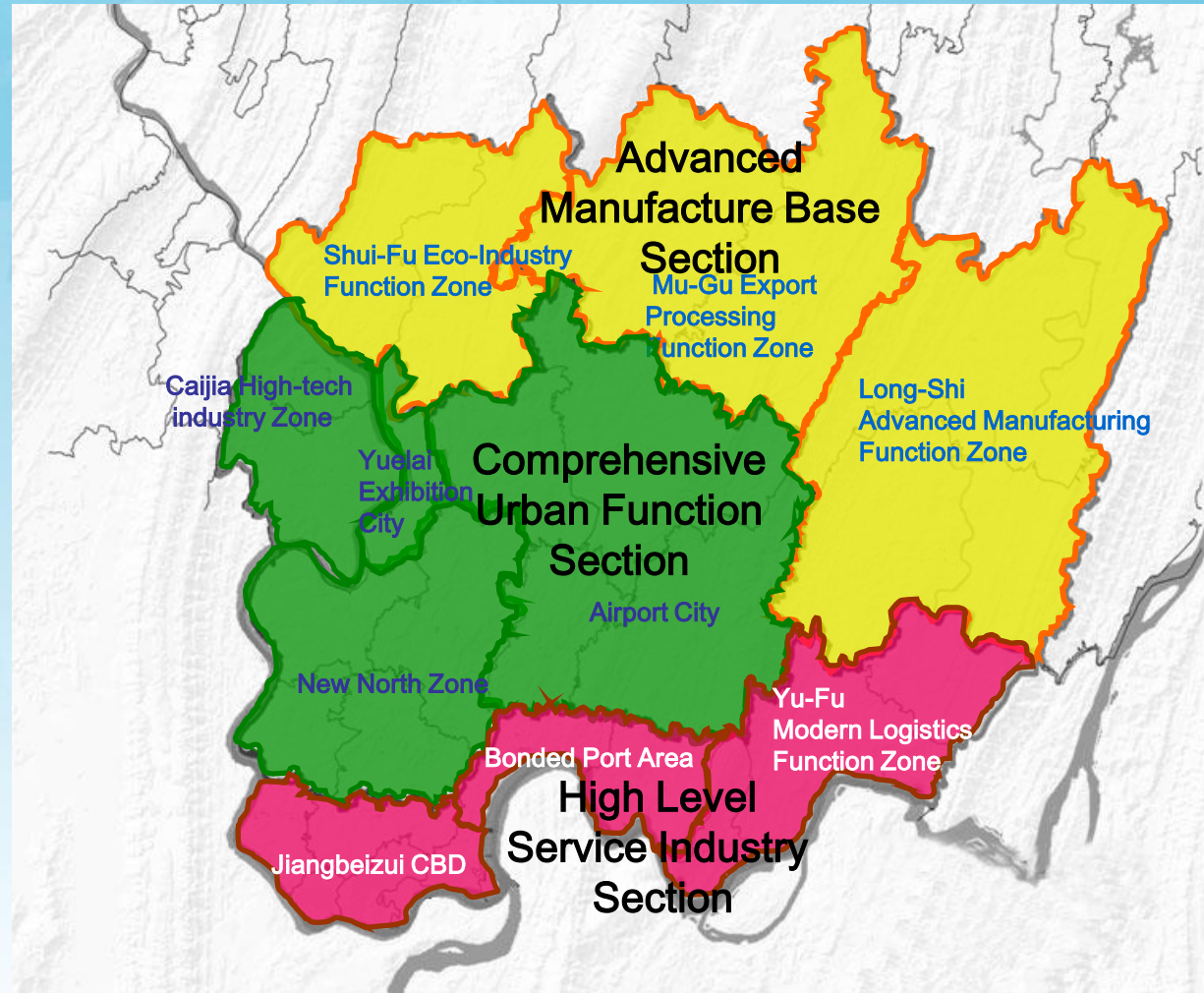
Lianglu-Cuntan Free trade Port Area



# About Liangjiang New Zone

Chongqing is applying for the setting of Liangjiang New Zone, which is the 3<sup>rd</sup> national developing zone after Shanghai Pudong and Tianjin Binhai, its planned area is 1200 km<sup>2</sup>.

Liangjiang New Zone is oriented to be an important modern manufacture and service industry base, financial and innovation center at upper reaches of Yangtze River, important gateway and comprehensive transportation hub in inland China, experimental zone for comprehensive reform and demonstrate zone for scientific development. It's divided into 3 major sections and 10 function zones.





# Main Objectives in Liangjiang New Zone

By 2020, Liangjiang New Zone GDP will be 500 billion RMB, accounting for the city's total 1 / 4, accounting for metropolitan areas 1 / 2, and the next decade, average annual GDP growth will be about 16%.

By 2020, the size of the resident population in the Liangjiang New Zone will reach to 4 million people (including floating population). The population of metropolitan area will represent 40% of the total resident population, an average annual increase of 160 thousand people, the population density will be 4210 persons/km<sup>2</sup>, is 2 times the status quo Liangjiang New Zone (1985 persons/km<sup>2</sup>) and 1.5 times the status of the 6 main districts (2884 persons/km<sup>2</sup>).

# Comparative advantages

## Favorable financial environment

Up to June, 2009:

- ◆ Rate of toxic assets: continuing going down, the balance is 2.23 billion RMB less than the start of this year, and the percentage has been reduced to 1.49%, ranks 3<sup>rd</sup> in China (first 2 are Beijing and Shanghai)
- ◆ Deposit and loan balance : deposit balance has reached 1036.63 billion RMB, exceeded 1000 billion for the first time; loan balance has reached 826.98 billion RMB, exceeded 800 billion for the first time, each increased 41.6% and 46.9%
- ◆ Most of the domestic commercial banks and 7 foreign banks have set up branches in Chongqing, including HSBC, Bank of East Asia and Standard Chartered.



# Comparative advantages

## Preferential policies

- ◆ The collection of national general preferential policies and policies for the development of western region, for Three Gorges Reservoir Area, ethnic area and comprehensive experiment of balanced development, and policies for the inland free trade area. The encouraged industries will enjoy preferential policy of tax reduction to 15% till 2020.

## Supporting funds

- ◆ There are several funds set for following purposes:  
Three Gorges Reservoir area-843 million RMB/year, IT industry-25million/year, BPO-50million/year, innovation industry-20 million/year, financial development and medium & small size enterprises-10 million/year.

## Reduction or exemption of costs

- ◆ Enterprises enters featured industrial parks, will be supported in the aspect of land price and city construction coordination fee;
- ◆ Bases and key projects listed in the “11<sup>th</sup> 5-year plan” of modern logistics, will enjoy policies of the industrial park and without matching fee.
- ◆ High level enterprise personnel can enjoy return of income tax at certain rate.



# Excellent investment environment

- ◆ Chongqing has 3 international schools including Yew Chung, Maple Leaf, 1 International Hospital and a foreigner's club to provide counseling services in visa, hospital, schooling and house renting.
- ◆ Investment convenience services: the government departments will establish special group to follow investment projects; provide free services on approval of certificate, company registration, tax, customs and foreign exchanges.



# 5 Chongqing



**Chongqing is planning to make an investment of RMB 1 trillion to build up a livable Chongqing, accessible Chongqing, forest Chongqing, safe Chongqing and healthy Chongqing, where the investment in 2009 is expected to be RMB 260 billion.**

# Livable Chongqing

**“Livable Chongqing”. This is dedicated to realizing smooth and convenient transportation, broad and comfortable living environment, clean and friendly urban environment, reasonably-planned green space and well-equipped public facilities in Chongqing.**





# Accessible Chongqing



- ◆ “Accessible Chongqing”. This is dedicated to establishing the largest comprehensive traffic hub in the upper Yangtze and the southwest region. The city proper and Wanzhou District is the major highway hub of China. Chongqing is also the fifth largest railway terminal in China and the largest inland port city in the upper Yangtze and the western area. It has the traffic mileage of expressways of 1165km; its density of railways ranks first in the western area; it has the cargo throughput of 97 million ton, including 990,000 standard containers; Chongqing Jiangbei International Airport has been listed in top 10 of China and world top 100.





# Forest Chongqing

**“Forest Chongqing”. This aims at turning Chongqing into a green metropolis with developed forest industry, favorable living environment, stable ecosystem and rich ecological culture.**



# Safe Chongqing



- ◆ “Safe Chongqing”. This is dedicated to creating a harmonious and stable social environment and making Chongqing the safe destination of investors and the residents.





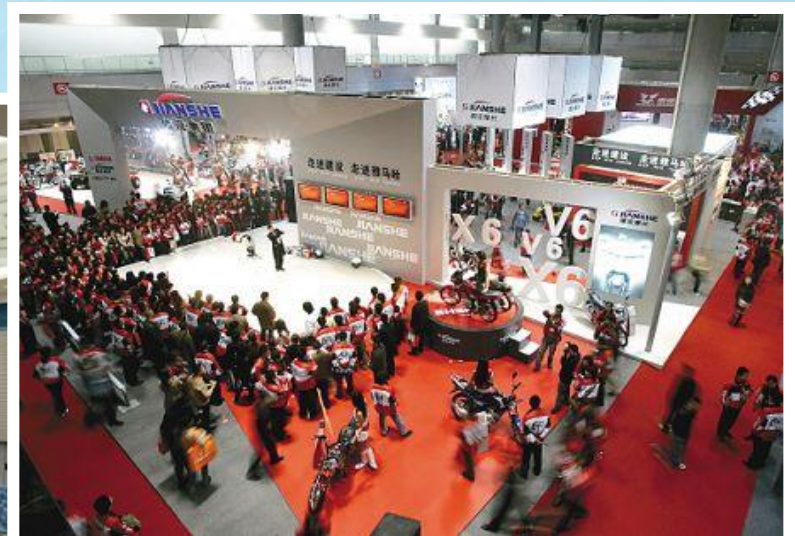
# Healthy Chongqing

- ◆ “Healthy Chongqing”.  
This is dedicated to making Chongqing with sound physical, mental and behavioral health and healthy diets.



# 3 Capitals: Exhibition

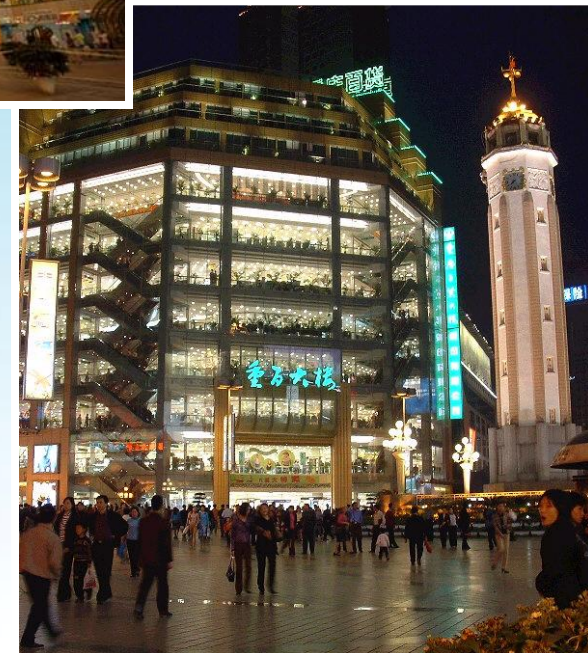
- ◆ Start the expanding program of Nanping International Conventions and Exhibition Center, promote the planning and construction of “International Exhibition Centre of West China”, the 1<sup>st</sup> phase will cover a construction area of 300 thousand m<sup>2</sup>. Forward the “10+20” exhibition activities, including 10 exhibition activities like International Investment and Global Sourcing Fair, HITEC Fair, 20 festivals like Dianjiang Peony, Wushan Red Leaf festival.





# 3 Capitals: Shopping

- ◆ Till 2012, the social retail amount will reach 350 billion RMB, products retail will reach 900 billion, and 34 commercial enterprises with above 1 billion assets will arise. Till 2020, the number will each increase to 1000 billion and 2500 billion.





# 3 Capitals: Food

Till 2020, the food and beverage industry will realize 50 billion turnover, 10000 food branches will be newly established, and 750 thousand people will join the profession. Chongqing will be built into a hot-pot city, with 10 Chinese Cate Streets and 20 Chongqing Cate Streets.



Welcome to Chongqing!

