



## Choosing the Right Location

Almost the same size as Europe, with twice the population, China should not be regarded as a single national market, but a varied region made up of over 30 different provinces and municipalities.



There are significant divides in China's regional economies. Coastal provinces in the Chinese eastern seaboard are the most economically advanced, benefiting from historical trade links and better infrastructure. These regions were among the first to respond to the reform and opening-up policy and have enjoyed sustained growth spurred by export and investment. It is also noticeable that the majority (70%) of the Chinese population lives in the eastern part of China. By contrast the vast inland regions in China are more domestically oriented and more abundant in natural resources. However many of these regions are still developing to catch up with the coastal areas.

There are a number of regional economic hubs within China, where a number of cities interact to create a wider economic area. The most significant are the Bohai Rim region, the Yangtze River Delta region and the Pearl River Delta region.

The question of "where to start" is often asked by companies who are new to market, and those who seek business expansion. China offers a wide variety of potential locations, and beyond the more familiar established regions and cities, it can be difficult for firms to choose.

[CBBC's research services](#) can help you to identify the most appropriate location for your business.



China-Britain  
Business Council  
英中贸易协会



British Chamber  
of Commerce in China  
中国英国商会

## Opportunities for UK Companies in China's Regional Cities

Traditionally business interest from British companies has generally focused on a few business “hot spots”, first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen.

However these established markets are maturing, competition from both international and Chinese players is intensifying; and factor input costs, especially the costs of land and labour are rising.

In addition, the Chinese economy is increasingly seeking growth driven by domestic dynamism, particularly consumption and development in inland and rural areas. Often the rate of development in the lower-tier cities is faster, and international competition is often lower.

On behalf of UKTI, a **comprehensive** research report on Opportunities in China's regional cities was published in September 2008, by CBBC and the University of Leeds. The study found significant opportunities for UK businesses in many cities outside of the traditional international business centres.

Over 270 cities with a population of over one million were examined and the report identifies 35 as most attractive for UK business. Combined, these 35 regional cities account for around 16 per cent of China's population and 36 per cent of China's Gross Domestic Product (GDP). The majority of regional cities are located on the east coast, particularly in the economically advanced regions of the Bohai Rim, the Yangtze River Delta and the Pearl River Delta, and a number of inter-connected ‘city clusters’ are developing.

The remaining cities are more widely distributed through the country. Each one of the 35 featured cities offers UK companies particular opportunities, as well as challenges, in a wide range of sectors. They do, however, share certain key characteristics, including rapid economic growth, lower input costs, large and developing consumer and industrial markets, and strong local government support and policy momentum for regional economic development.

Contact [enquiries@cbbc.org](mailto:enquiries@cbbc.org) for a copy of this report.

## Greater China

Greater China is a term often used to refer to the collective regions of mainland China, Hong Kong, Macao and Taiwan, as these regions share close business, ethnic, political and cultural connections.

Business opportunities in these regions should not be overlooked and while companies should really treat these markets as separate, Hong Kong, Macao and Taiwan may also provide a gateway to business success in mainland China, as well as in the wider Asia Pacific region.

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