

# DONGGUAN 东莞

PROVINCE: GUANGDONG 广东省

## BASIC INFORMATION

Source: China City Statistical Yearbooks

	2006	2007	2008	2009
GDP (RMB bn)	262.7	315.2	370.3	376.4
GDP per capita (RMB)	39468	46027	53285	56601
FDI (US\$m)	2485.4	3126.3	3225.7	2594.0
FDI projects (number)	609	708	553	579
FAI (RMB bn)	70.5	84.1	94.4	109.4

GROUPING BY ACTIVITY	GRADE
Overall	1
Overall domestic	1
Overall export	1
R&D	2
Sales	1

GROUPING BY CATEGORY	GRADE
Air	2
Rail	3
Automotive	2
Built Environment	1
Energy	2
Education	3
Health	2
Retail	1



## Insights

- One of China's key centres for global manufacturing
- Hit heavily by the global economic crisis
- SMEs account for 75 per cent of industrial output
- GDP grew at only 1.6 per cent between 2008-09

## Key Industries

- ICT
- Textiles and garments
- Pulp and paper
- Furniture
- Machinery
- Chemicals

Long regarded, together with Shenzhen, as the world's manufacturing centre, Dongguan's economy suffered in the global economic crisis, with many companies experiencing falls in their international trade. As such, there were a number of bankruptcies continuing into 2009. However, many key enterprises and their supply chain remain, and many more have diversified their markets to include the Chinese domestic market as well as focussing on closer international territories.

Local government encouragement for cleaner industries, high-tech plants and the expansion of the service sector is changing the appearance of Dalian's business environment.

## Foreign Direct Investment

Foreign investors include:

- Nokia
- Thomson
- Schneider
- Xerox
- Dupont
- ICI
- AksoNobel
- Samsung
- Hitachi
- Sony
- Philips
- B&Q
- HSBC
- Tesco

Despite stagnant GDP growth and FDI levels falling in 2008-09, FDI remains ahead of where it was in 2006. Dongguan was one of few cities nationally that saw an increase in FDI between 2007-08. A 20 per cent fall in FDI in 2009 from a peak in 2007 is minor in comparison to most cities in the Pearl River Delta (PRD), which averaged almost 50 per cent. Therefore, it may be that the recent decrease will soon be reversed.

## Opportunities

- The local government will continue to subsidise local healthcare by creating a special fund for the purchase of hospital equipment and funding the construction of public hospitals
- 12 key energy projects related to clean coal to IGCC
- Compulsory green standards for construction, with 0.5 million sqm of new-built housing and 2.5 million sqm of redevelopments.

## Projections

As with other PRD cities, high wage inflation continues to be a problem for recruitment. However, the PRD is no longer the only region with this issue.

The service sector, currently accounting for 52.5 per cent of the local economy, has room for growth.

## Useful Contacts

### UK Support

UK Trade & Investment:  
[www.ukti.gov.uk](http://www.ukti.gov.uk)

British Embassy Beijing:  
[www.ukinchina.fco.gov.uk](http://www.ukinchina.fco.gov.uk)

China-Britain Business Council:  
[www.cbcc.org](http://www.cbcc.org)

British Chamber of Commerce in China:  
[www.britcham.org](http://www.britcham.org)

### Local Government

Dongguan City Government:  
[www.dongguan.gov.cn](http://www.dongguan.gov.cn)

Dongguan Administration of Industry and Commerce:  
[www.dgaic.gov.cn](http://www.dgaic.gov.cn)

Dongguan Foreign Promotion Centre:  
[www.dgfipc.gov.cn](http://www.dgfipc.gov.cn)

### Development Zones

Dongguan Songshan Lake National Hi-tech Industrial Development Zone:  
[www.ssl.gov.cn](http://www.ssl.gov.cn)

Dongguan Humen Hi-Tech Industrial Park  
[www.humenport.gov.cn](http://www.humenport.gov.cn)