

DALIAN 大连

PROVINCE: LIAONING 辽宁省

BASIC INFORMATION Source: China City Statistical Yearbooks

	2006	2007	2008	2009
GDP (RMB bn)	257.0	313.1	385.8	435.0
GDP per capita (RMB)	42579	51630	63198	70781
FDI (US\$m)	4729.1	5945.2	5006.8	6017.0
FDI projects (number)	853	680	507	473
FAI (RMB bn)	146.9	193.1	251.3	311.4

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

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



Insights

- The southern part of Liaoning Province and the ocean gateway to China's Northeast
- By GDP, has overtaken Shenyang as the largest city of Liaoning Province
- FDI did not fall in Dalian as in other coastal cities and has seen a real increase of 27 per cent since 2006
- GDP/capita is now over US\$10,000

Key Industries

- Petrochemicals
- Shipbuilding
- Electronics
- ICT
- Machinery

Dalian was established by the Ministry of Commerce as the service-outsourcing centre of China, aiming at target markets in Japan and South Korea. In 2009, the total industrial output of the software industry in Dalian exceeded RMB 400 billion. However, this has created intense competition for skilled labour and pushed up relevant labour costs.

Dalian is the financial centre of Northeast China, being the location for the largest number of foreign banks, the region's foreign-exchange centre and four commodity exchanges. Dalian is the second-largest agricultural product exchange in the world.

Foreign Direct Investment

Foreign investors include:

- Intel
- Toshiba
- Canon
- Pfizer
- Sanyo
- Mitsubishi
- Panasonic
- Toyota
- IBM
- HP
- Hitachi
- Standard Chartered Bank
- HSBC

- PWC
- Deloitte
- Ernst & Young
- BT
- Tesco
- Burberry

FDI in 2009 reached US\$6 billion. This is the highest in Northeast China and on a par with Beijing.

Opportunities

The following are projects which the city government is promoting in the next five years.

- Continued development of Dalian as Northeast China's international shipping and logistics centre linking Northeast Asia (Japan, Korea)
- RMB 12 billion investment into redevelopment of the electricity grid
- Support of strategic industries such as new-energy automotive and energy-saving industrial systems.

Projections

High wage inflation in software will put pressure on established industries and may discourage new market entrants.

However, wage inflation does not extend beyond software and Dalian's position as the sea freight and logistics centre for Northeast China should continue to grow.

Useful Contacts

UK Support

UK Trade & Investment:
www.ukti.gov.uk

British Embassy Beijing:
www.ukinchina.fco.gov.uk

China-Britain Business Council:
www.cbbc.org

British Chamber of Commerce in China:
www.britcham.org

Local Government

Dalian City Government:
www.dl.gov.cn

Dalian Industrial and Commercial Administration Bureau
www.dlgs.gov.cn

Development Zones

Dalian Economic and Technological Development Zone (including Export Processing Zone):
www.dda.gov.cn

Dalian Free Trade Zone:
www.dlftz.gov.cn