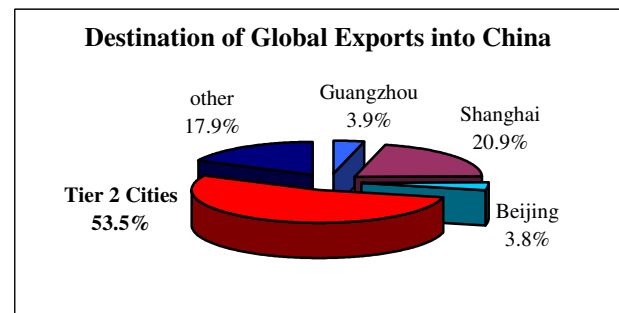


*Fourteen of China's second-tier cities account for 8% of China's population but 53% of its total imports – which is why the untapped markets of China's emerging cities provide some of the most exciting and lucrative opportunities for U.S. exporters.*

### China's Real Economic Engine....

China's unprecedented growth and the opportunities it presents are no longer a secret to anyone in the business world. While megacities such as Beijing and Shanghai have long captured much of the spotlight, it is behind the scenes in second-tier cities where one can witness the *real* source of China's economic growth. Unlike what one might expect, the majority of China's imports are *not* ending up in Shanghai, Beijing, or Guangzhou. Rather, a select group of fourteen second-tier cities<sup>1</sup> account for an astonishing 53% of China's total imports, almost double the amount of the three megacities combined.

Local entrepreneurs in these emerging cities are not the only ones reaping the benefits. These cities have become importing havens and present lucrative opportunities, especially for US companies. Perhaps the critical question for American firms is not *whether* there is a second-tier city market, but *which* region is best for a particular industry or product.



### Chongqing— The Gateway to Western China

Located on the edge of the Yungui Plateau, Chongqing lies at the intersection of the Jialing and Yangtze rivers. Chongqing has historically been a major inland port and an important channel for delivering goods from southwestern provinces to China's eastern coastal areas. One of only four municipalities that are directly administered by the central government, Chongqing is southwestern China's largest ground, water, and air transportation hub. The city serves as a major industrial center and is well endowed with a host of natural resources. As one of the chief beneficiaries of the central government's Western Development strategy, Chongqing is being groomed to help facilitate the development of inland China.

Chongqing's leading imports from the United States include: agricultural products, oil equipment, aircraft parts, power plant generators, electronic devices, chemicals, medical equipment and manufacturing machinery.

### Chongqing Economic Indicators

Urban Population: **4.1 Million**  
Municipal Population: **32 Million**  
Provincial GDP: **USD 38.75 Billion**  
Annual Avg. Per Capita GDP: **USD 4,569**  
Import Value: **USD 44.95 Billion**  
Imports from US: **USD 4.37 Billion**

<sup>1</sup> Harbin, Dalian, Qingdao, Tianjin, Xian, Wuhan, Hangzhou, Ningbo, Nanjing, Chongqing, Kunming, Zhuhai, Shenzhen, and Xiamen

## Chongqing's top imports for foreign goods:<sup>2</sup>

### *Integrated Circuits*

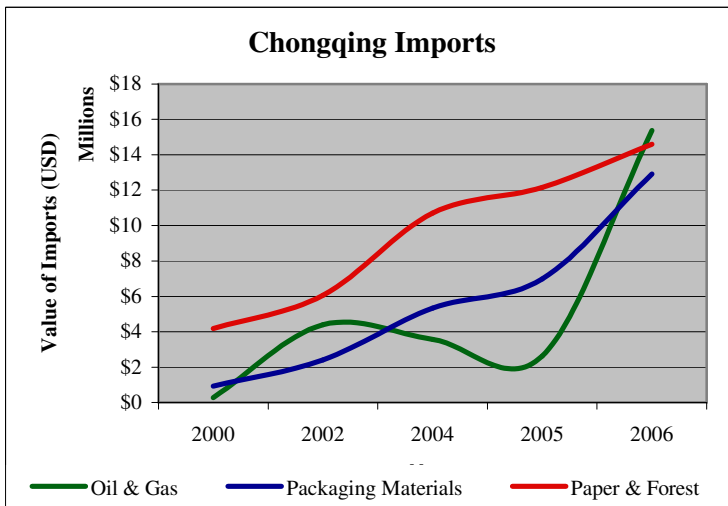
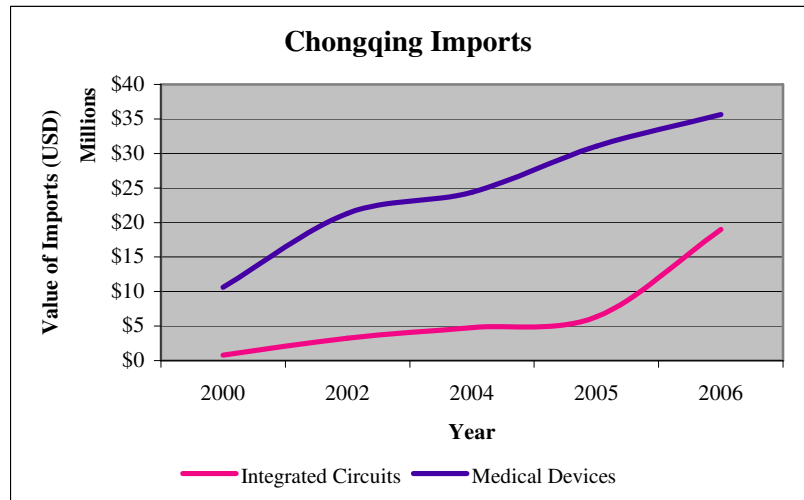
While still accounting for only a small share of China's total imports, Chongqing's purchases of integrated circuits have exploded in recent years, increasing by over twenty-fold since 2000. In 2006, Chongqing purchased over USD \$18 million worth of integrated circuits from overseas.

### *Paper & Forest Products*

Chongqing's paper & forest imports have increased by over 300% since 2000. In 2006, the city purchased over USD \$14 million worth of paper & forest products from abroad.

### *Oil & Gas*

While Chongqing's imports of oil & gas have fluctuated in recent years, the city has increased its demand for foreign oil & gas products by a considerable amount over the last six years. Oil & gas imports increased by over 500% in 2005-2006 to over USD \$15 million.



### *Packaging Materials*

Chongqing's position as a regional distribution and manufacturing hub has increased its demand for packaging materials in recent years. Chongqing's packaging material imports nearly doubled in 2005-2006, reaching well over USD \$12 million.

### *Medical Devices*

Chongqing imports over USD \$30 million worth of medical devices per year and is expected to further increase its demand in the future. The city has tripled its imports of medical devices since 2000.

## Why choose the Foreign Commercial Service?

FCS offers you the access you need to grow your business in China at an affordable rate. By partnering with FCS, the U.S. Embassy's contacts and expertise are put to work for your business. Knowledgeable Commercial Service specialists and International Partner Network (IPN) representatives can help you contact and set up appointments with Chinese organizations across China. With access to a broad cross-section of contacts including potential agents and distributors, major end-users and key government officials, you will be sure to meet the right people at the right levels to expand your business.

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<sup>2</sup> Note: 2001 & 2003 data is not reflected in graphs