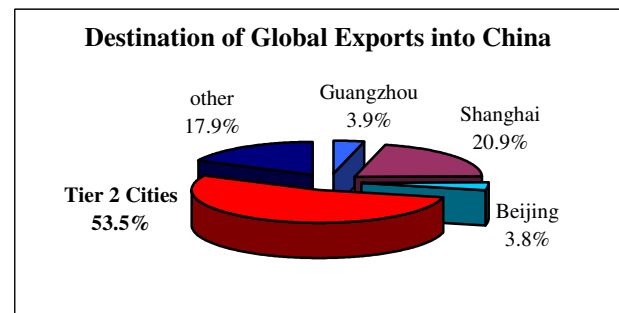


*Fourteen of China's second-tier cities account for 8% of China's population but 53% of its total imports – which is why the untapped markets of China's emerging cities provide some of the most exciting and lucrative opportunities for U.S. exporters.*

### 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.



### Nanjing— Southern Capital and Regional Hub

Located in the Yangtze river basin, Nanjing is the political, economic and cultural center of Jiangsu Province. Considered one of China's four great ancient capitals, modern Nanjing has emerged as eastern China's second largest commercial center. The city ranks seventh in overall competitiveness among Chinese cities and was recently ranked by Forbes magazine as being one of the top ten commercial cities in China. Nanjing's growing industrial sector benefits from the city's abundance of natural resources and close proximity to Shanghai.

Firms from the United States have historically fared well in Nanjing. Over a thousand American companies have operations in the city. In 2005, the U.S. ranked as Nanjing's second largest trading partner.

### Nanjing Economic Indicators

City Population: **6 Million**

Provincial GDP: **USD 191 Billion**

Annual Avg. Per Capita GDP: **USD 6,449**

Import Value: **USD 100.4 Billion**

Imports from US: **USD 6.1 Billion**

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

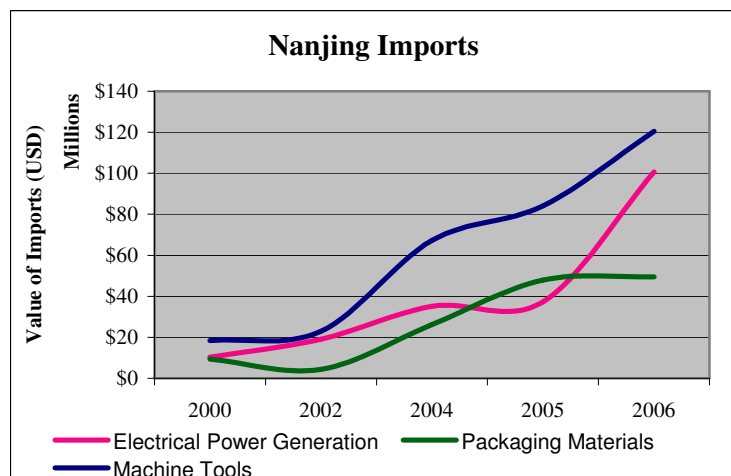
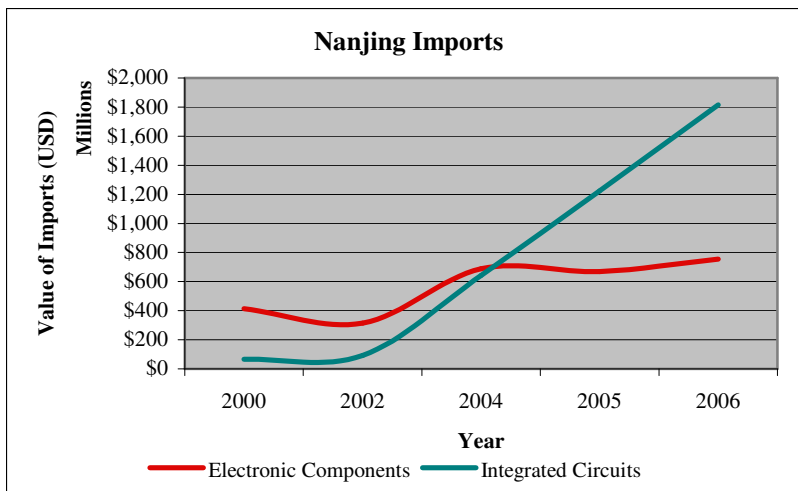
## Nanjing's top imports for foreign goods:<sup>2</sup>

### Integrated Circuits

Nanjing's imports of integrated circuits have skyrocketed in recent years, increasing ten-fold from 2000-2004 and then doubling in 2004-5. The city purchased over USD \$1.8 billion worth of integrated circuits in 2006.

### Electronic Components

While Nanjing's imports of electronic components have fluctuated in recent years, they have nevertheless exhibited relatively steady growth since 2000. The city purchased over USD \$754 million worth of electronic components last year.



### Machine Tools

Nanjing's demand for foreign machine tools has increased six-fold since 2000. The city purchased over USD \$120 million worth of machine tools in 2006.

### Electrical Power Generation

Electrical power generation imports in Nanjing have increased dramatically over the last six years. In 2005-6, the city nearly tripled its imports of power generation goods.

### Packaging Materials

Nanjing's imports of packaging materials have been steadily increasing over the course

of the last six years. The city purchased over USD \$49 million worth of packaging materials in 2006.

## 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