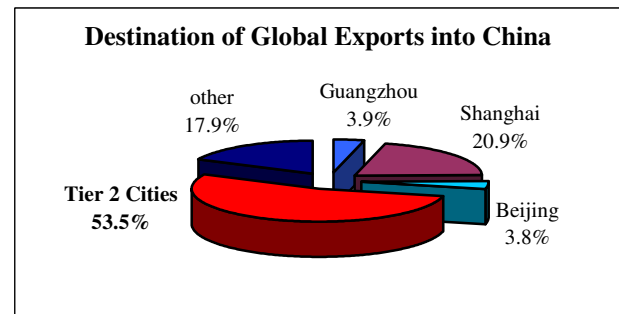


Fourteen of China's second-tier cities account for 8% of China's population but 53% of its total imports – which is why the untapped markets of China's emerging cities provide some of the most exciting and lucrative opportunities for U.S. exporters.

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 cities¹ 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.



Wuhan— Regional Hub in the Heart of China

Located at the crossroads of the Han and Yangtze rivers, Wuhan serves as the capital of Hubei province. Virtually equidistant from Guangzhou and Beijing, Wuhan is widely considered to be one of the most important industrial, financial, commercial and educational hubs central China.

Wuhan's main imports from the United States include machinery and electric products, medical instruments, and agricultural products. Industry in Wuhan centers on optic-electronic information, automobile and steel manufacturing, pharmaceuticals and biological engineering.

Wuhan Economic Indicators

City Population: **8.3 Million**

Provincial GDP: **USD 78.28 Billion**

Annual Avg. Per Capita GDP: **USD 4,541**

Import Value: **USD 3.92 Billion**

Imports from US: **USD 284 Million**

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

Wuhan's top imports for foreign goods:2

Electronic Components

Wuhan's imports of electronic components have grown steadily over the last six years. In 2006, the city purchased over USD \$73 million worth of electronic components from abroad.

Integrated Circuits

While Wuhan's imports of integrated circuits have fluctuated in recent years, the city's imports nearly doubled in 2005-2006 to reach over USD \$110 million.

Machine Tools

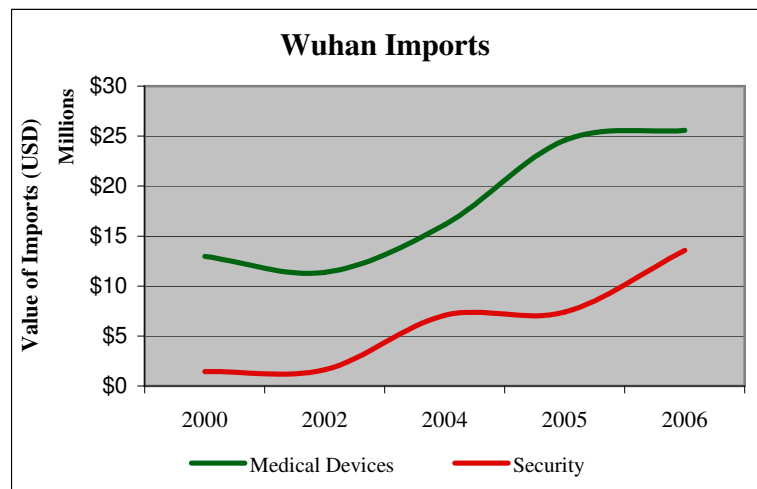
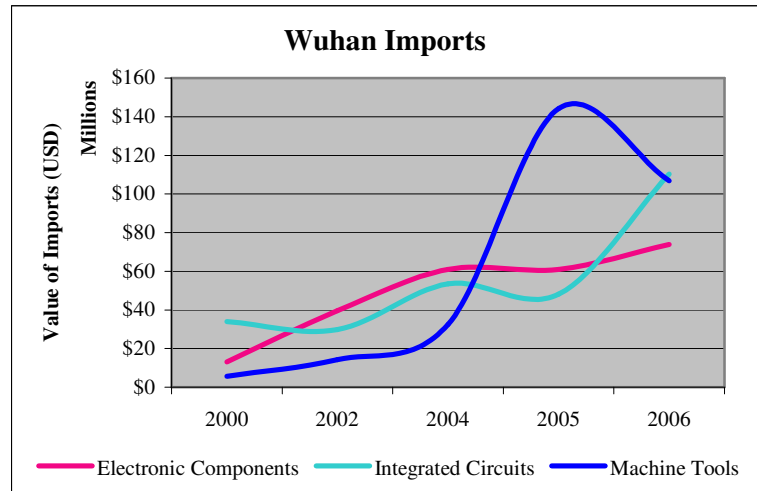
Wuhan's demand for machine tools grew dramatically from 2000-2005 but seem to have leveled off since. In 2006 the city imported over USD \$106 million worth of machine tools, nearly twenty times the amount it purchased in 2000.

Security

Imports of security goods in Wuhan have shown strong growth over the last six years. In 2006, the city purchased over USD \$13 million dollars worth of foreign security goods.

Medical Devices

Wuhan's imports of medical devices have grown steadily since 2000. Last year the city purchased over USD \$25 million worth of foreign medical devices.



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² Note: 2001 & 2003 data is not reflected in graphs