

## Zhejiang: Market Profile

### Major Economic Indicators

Economic Indicators	2017		2018	
	Value	Growth (%, y-o-y)	Value	Growth (%, y-o-y)
Gross Domestic Product (RMB bn)	5,176.8	7.8 <sup>1</sup>	5,619.7	7.1 <sup>1</sup>
Per Capita GDP (RMB)	92,057	6.6 <sup>1</sup>	98,643	5.7 <sup>1</sup>
Added Value Output				
Primary industry (RMB bn)	201.7	2.8 <sup>1</sup>	196.7	1.9 <sup>1</sup>
Secondary industry (RMB bn)	2,247.2	7.0 <sup>1</sup>	2,350.6	6.7 <sup>1</sup>
Tertiary industry (RMB bn)	2,727.9	8.8 <sup>1</sup>	3,072.4	7.8 <sup>1</sup>
Value-added Industrial Output <sup>2</sup> (RMB bn)	1,440.0	8.3 <sup>1</sup>	1,471.4	7.3 <sup>1</sup>
Fixed-assets Investment (RMB bn)	3,112.6	8.6	—	7.1
Retail Sales (RMB bn)	2,430.8	10.6	2,500.8	9.0
Inflation (Consumer Price Index, %)	—	2.1	—	2.3
Exports (US\$ bn)	286.9	7.1	321.2	12.0
By foreign-invested enterprises (US\$ bn)	50.7	0.6	53.2	5.0
Imports (US\$ bn)	91.0	32.4	111.3	22.2
By foreign-invested enterprises (US\$ bn)	30.2	21.2	33.8	11.8
Utilised Foreign Direct Investment (US\$ bn)	17.9	1.8	18.6	4.1

#### Notes:

<sup>1</sup> In real terms

<sup>2</sup> For all state-owned enterprises and other forms with annual sales over RMB20 million

Sources: Zhejiang Statistical Yearbook 2018, Zhejiang Statistical Bureau, China's



Customs Statistics.

## General Background

Zhejiang has a total area of 105.5 thousand sq km. Its total population stood at 56.6 million in 2017.

Economic development in Zhejiang is clustering in three economic belts: (1) from Beilun to Ningbo and cities along the Shanghai-Hangzhou-Ningbo Expressway, including Shaoxing, Jiaxing and Huzhou; (2) coastal cities of Wenzhou; (3) along the Zhejiang-Jiangxi, Wenzhou-Taizhou railways.

Zhejiang's private sector has developed very quickly. The total number of private enterprises reached 1.53 million at the end of 2017, compared to 406,000 in 2006. Private enterprises accounted for about 39.8% of the province's total gross industrial output in 2017.

## Industries

Composition of GDP (%)

	2001	2017
Primary	9.6	3.9
Secondary	51.8	43.4
Industry	46.1	37.6
Tertiary	38.6	52.7

Source: Zhejiang Statistical Yearbook 2018

Light industries play an important role in the province's industrial sector. In 2017, the value-added of light industries accounted for 38% of the gross industrial output. The labor intensive industries, namely textiles and products for culture and education, etc. have predominant advantages.

Famous products include garment and textiles (especially socks and ties), chemical fibre, leather products, wooden furniture, toys, household appliances and paper, etc. Many famous national brands have emerged, e.g. *Wahaha* (娃哈哈), *Youngor* (雅戈尔), *Auxgroup* (奥克斯), etc. Zhejiang's output of a number of products, including chemical fibre, cloth, paper boards, cement, chemical pesticide and ICs ranked among the highest in the country.

Since 2000, heavy industries such as electrical equipment and machinery, raw chemical materials and chemical products etc. have developed rapidly, and the gross industrial output of heavy industries accounted for 62% of the total output in 2017.

## Gross Industrial Output Share of Leading Industry Groups (2017)



	% share of gross industrial output
Manufacture of Electrical Machinery and Apparatus	9.8
Manufacture of Raw Chemical Materials and Chemical Products	8.3
Manufacture of Automobiles	7.5
Production and Supply of Electric Power and Heat Power	7.4
Manufacture of Textile	7.3
Manufacture of General Purpose Machinery	6.8
Manufacture of Computer, Communications and Other Electronic Equipment	5.6
Manufacture of Metal Products	4.0
Manufacture of Rubber and Plastics Products	3.8
Smelting and Pressing of Non-ferrous Metals	3.5

Source: Zhejiang Statistical Yearbook 2018

The Hangzhou Bay area (環杭州灣) is an important IT industry base after Beijing and Shanghai. The province is also aiming at speeding up the development of other hi-tech industries, in particular, biotechnology, medicine, new materials and other related industries.

### Tourism

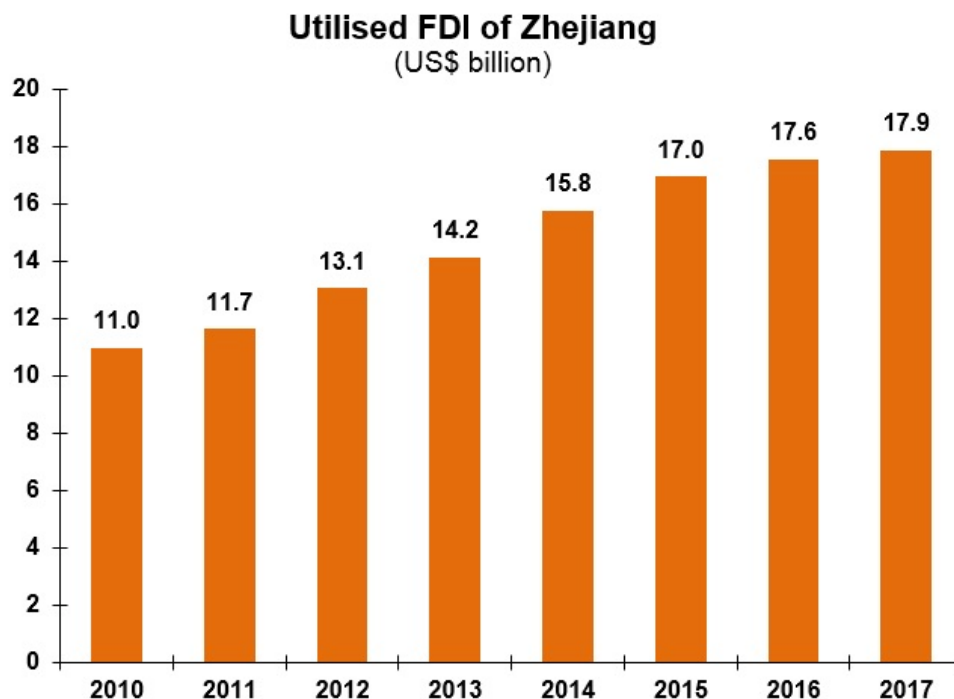
Zhejiang has a beautiful landscape with 22 state level scenic areas, including the West Lake (西湖), Putuo Mountain (普陀山), Double Dragon Cave (雙龍洞). In 2017, Zhejiang received 629 million (+9.7%) domestic tourists with a tourism receipt of RMB876 billion (+15.3%) and 12.1 million (+8.2%) overseas tourists with foreign exchange revenue of US\$8.3 billion (+11.4%).

### Foreign Trade

Zhejiang is one of the major export bases of China. In 2017, Zhejiang accounted for about 12.7% of China's total exports. Major export markets include the EU, the US, ASEAN, Japan and Germany. Exports to Hong Kong amounted to RMB23.9 billion in 2016 (9.9%), or 1.2% of the total exports. Major export items included electrical and mechanical products, garments and textiles, and other high-tech products.

Major importing sources include ASEAN, EU, Japan, South Korea, Taiwan. Major import items included electrical and mechanical products, other high-tech products, plastics in primary forms, farm products and iron ore.

### Foreign Investment



Source: Zhejiang Statistical Yearbook 2018

Hong Kong is the largest source of FDI in Zhejiang. In 2017, Hong Kong investors signed 965 projects with contracted investment amount of US\$23.0 billion. Utilised FDI from Hong Kong stood at US\$12.2 billion in 2017, accounting for 68.0% of the total. Other major investors (in terms of utilised capital) came from Virgin Islands, Singapore, Japan and Germany.

### Consumer Market

In 2017, Zhejiang's per capita disposal income of urban household reached RMB51,261 (+8.5%).

### Composition of Per Capita Expenditure of Urban Household (%)



	2000	2017
Food, drinks & alcohol	39.2	27.9
Clothing	8.1	6.0
Household articles	9.4	4.5
Medicine & medical services	7.7	5.9
Transportation & communications	8.9	15.5
Recreation, cultural & education	13.1	11.0
Residence	8.6	26.4

Source: Zhejiang Statistical Yearbook 2018

Major consumer markets are located in Hangzhou, Ningbo, Shaoxing and Jiaxing. Various forms of modern operation such as chain stores, supermarkets and convenience stores are growing fast. *Yiwu China Commodity City* is the No.1 professional market for small commodities in China, and a famous international purchasing base.

#### Economic Indicators of Major Cities (2017)

Cities	GDP (RMB bn)	Per Capita GDP (RMB)	Gross Industrial Output* (RMB bn)	Retail Sales (RMB bn)	Exports (US\$ bn)
Hangzhou (杭州)	1,260.3	135,113	1,296.4	571.7	46.8
Ningbo (宁波)	984.2	123,955	1,585.1	404.8	73.5
Jiaxing (嘉兴)	438.1	94,510	861.2	180.7	26.2
Shaoxing (绍兴)	507.8	101,588	777.7	197.8	27.3
Wenzhou (温州)	541.2	58,854	432.2	306.3	17.1
Taizhou (台州)	438.8	71,950	447.1	223.6	20.4

\* For all state-owned and other forms of enterprises with annual sales over RMB20 million

Source: Zhejiang Statistical Yearbook 2018

[Back to index](#)



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