



**Maxxelli**  
**CHINA**  
**INTERNATIONAL**  
**CITY**  
**INDEX**  
**2018**





## Preface

### The 2018 China International City Index

The 2018 publication is Maxxelli's fourth edition of the China International City Index (CICI), which ranks 27 second-tier and 2 first-tier cities by their level of internationalization. Extensive research has been conducted into 44 indicators across 7 categories to produce a holistic and data-driven picture of internationalization in China's emerging cities.

The cities indexed in this year's CICI are Changchun, Changsha, Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Harbin, Hefei, Jinan, Kunming, Liuzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Shijiazhuang, Suzhou, Tianjin, Urumqi, Wuhan, Wuxi, Zhengzhou, Zhuhai, Xi'an, Xiamen, plus Guangzhou and Shenzhen.

For the purpose of this report, Guangzhou and Shenzhen are considered as second-tier China, though the cities are first-tier by definition. For Maxxelli they are the benchmark for emerging first-tier Cities. Beijing and Shanghai are simply far too developed to realistically compare them to the aforementioned 29 listed cities that are featured in the 2018 CICI.

### Maxxelli

Maxxelli began operating as a DSP (Destination Service Provider/Global Mobility), further expanding with residential and consulting services. With over a decade of specialization in China's second-tier cities, Maxxelli is an industry leader. Due to our network, we naturally began to produce high-level market research content.

Operating in 25 cities across China, with consultants located in 10, our team is diverse, driven and of the highest calibre. By combining local expertise with international business experience, Maxxelli is able to provide services tailored exclusively to our clients' requirements.

Our client history — from start-ups and SMEs, to foreign consulates and large multinationals across a range of industries — informs our continued belief that second-tier China is an incredibly exciting business opportunity for foreign enterprises. Here at Maxxelli, we explore and realize these opportunities to successfully deliver robust expansion into local markets.

# The CICI

This is the 4<sup>th</sup> edition of the Maxxelli CICI report. Previous editions include:

- The [2015 CICI](#) featured just 6 cities. These were the cities where we had the largest networks and in-house available data. From 2014 through the summer of 2015, Maxxelli featured a series of articles called “Second Tier Insights” that built the backbone of the eventual CICI.
- For the [2016 CICI](#), we expanded the report to 24 cities. The decision to expand was based on positive feedback of the highly popular initial concept. If the 2015 CICI was a test run for an idea, then the 2016 CICI was the answer – finally, a way to compare China’s international development across multiple cities and industries through data analysis, not opinion, but by hard facts and data analysis.
- The [2017 CICI](#) expanded to 28 cities and further polished the concept; it included a more detailed deep dive into the city analysis and regional comparisons. As a result, it created strong traction and interest in the analysis, leading to speaking engagements and momentum for the 2018 CICI.

There is a shuffling of city rankings within the list each year. However, there are never major movers. Even if a city dramatically improves in a single category, it would only improve overall ranking by just a few percentage points at most. A holistic comparison like this — comparing a city across 47 key indicators — means a city would need to improve in all categories, not just a single category, in order to see a major change

Maxxelli accordingly will not be writing as in-depth city and regional comparisons for the 2018 CICI, but will be publishing “Industry Features” using the data to compare the cities to the featured industry. The Industry Features will be published monthly, starting with [The CICI and Global Mobility](#).

# 2018 CICI Insights

A recent report by Morgan Stanley emphasized the need for investors to switch their attention from top-tier cities to lower-tier cities, citing that, “two-thirds of incremental growth in national private consumption will be generated below the top-tier cities.” Maxxelli data agrees with this. We are uniquely positioned to deliver strategy and expertise for our clients in line with this assessment, precisely due to our network and long-standing experience operating and thriving in second-tier China.

## Main Headlines:

- Chengdu secures its 3<sup>rd</sup> place in this edition’s rankings and can now surely be considered an emerging first-tier city.
- Nanjing climbs 3 places to 5<sup>th</sup>, its highest position due to strong consolidation in Education and improvement in its Tourism and Culture appeal.
- Harbin drops 4 places, to fall out of the top half, after seeing further diminishment in its overall Global Economic Strength.
- Zhengzhou has seen strong consolidation as a central city in the region.
- GDP per capita trends indicate second-tier cities are narrowing the gap between China’s established first-tier cities.

## Residential

Looking at the residential sector, second-tier cities are expected to see a peak in home construction and sales with first-tier cities transforming into markets dominated by leasing, according to the CIFI. Mobility advisors and construction companies are shifting their strategic focus from first-tier to second-tier cities – with Shijiazhuang, in Hebei province, Chengdu in Sichuan province and Nanchang in Jiangxi province being particularly attractive. Whereas real estate rents and prices in top-tier cities such as Shanghai and Beijing have been notoriously expensive, the relative affordability of property markets in lower-tier cities means lower living costs, which is attractive for both business and labor.

## Talent

2018 ushers in a new battle ground for talent acquisition amongst second-tier cities with job-seeker subsidies. Nanjing is offering job-seeker subsidies, and Changsha is offering living and rent allowances to boost their respective graduate population. This type of policy innovation is shared by Chengdu, Ningbo and Wuhan in response to tighter restrictions on housing purchases “hukou” in Shanghai and Beijing. Indeed, Chengdu, was the most popular second-tier city for new graduates, followed by Nanjing, Tianjin, Chongqing, Hangzhou and Wuhan, according to The Rising Lab ( Yicai Media Group's data department).

## Tourism

A final development we expect in 2018 is growth in outbound tourism, which holds great potential for investors. China’s millennials make up the fastest growing segment of the outbound tourism market. This younger generation is preferring to travel as “Free Independent Travelers”, influenced by online KOL (Key Opinion Leaders). TripAdvisor revealed this year that interest in Chinese travel to Thailand is driven by searches from second-tier cities, as opposed to searches from first-tier cities like Beijing and Shanghai. Searches for Thailand travel in Hangzhou, Dalian, and Qingdao were up 91 percent, 81 percent, and 65 percent, respectively. The China Tourism Academy has also noted that interest in foreign travel in second and third-tier cities is increasing dramatically.

# 2018 CICI City Rankings – Second Tier



# 2018 CICI Industry Feature – Global Mobility

## International Hotels & Serviced Apartments

**Top City: Guangzhou, Median: 43**

By assessing the number of foreign operated hotels and serviced apartments in a city, we can gauge the degree of overall service that can be provided at international standards. The presence of foreign hotels affects the overall community, as large numbers of staff, ranging from 300 to 500 individuals per hotel, are trained to follow international standards and practices, which they can then apply to future jobs and endeavors.

For example, Pieter is an employee at a 5-star foreign operated hotel in Shenzhen and he leaves his current job to accept a new position at another hotel. Regardless of whether his new position is at a foreign or local hotel, Pieter is now equipped with the knowledge and understanding of how to implement global service standards. This movement throughout the workforce creates almost a ripple effect as this knowledge reaches a larger range of individuals. As a result, the overall quality of service in the city grows in sophistication.

*Summary: The presence of foreign operated hotels and serviced apartments in a city directly affects the overall livability of a city for expats.*

### In the Top 10

Chengdu  
Dalian  
Guangzhou  
Hangzhou  
Shenzhen  
Shenyang  
Suzhou  
Tianjin  
Wuhan  
Xi'an

## International Schools and Enrollment

**Top City: Guangzhou, Median: 3**

Accounting for the number of International schools, students and staff in a city is actually a very strong indication of the expatriate population. On average, a multinational company will send the same mix of singles, couples and families. By looking at the school-age children population, one is given a relative comparable mark that can be used across cities to measure how large the expatriate community is. It can be very challenging quantifying the actual number of foreigners residing in a city. However, by looking at the international school population, one is able to see a concrete number of foreign passport holding individuals attending international schools in the area.

Additionally, the presence of international schools is very important when concerning expatriates with families as the quality of education and well-being of the children are crucial in their decision to move to a particular city and ultimately stay there long-term.

*Summary: International schools are an important indicator of the expat population and its influence on the community, as well as being a critical factor considered by expats with families in assessing the quality of life and education of the child.*

### In the Top 10

Chengdu  
Guangzhou  
Hangzhou  
Nanjing  
Ningbo  
Qingdao  
Shenzhen  
Suzhou  
Tianjin  
Wuhan

# 2018 CICI Industry Feature – Global Mobility

## International Flights

**Top City: Guangzhou, Median: 27**

As the number of companies looking to invest and do business in China rapidly increases, more accommodations are needed to meet such demands. The opening of new terminals and direct flights to Western countries from second-tier cities in China significantly influences their ability to acclimate to the growth of international trade and their efficiency of doing business in a city.

In the past, when living in a second-tier city, the only option available when traveling to and from one's home country, was to fly through one of the major global hubs such as Beijing and Shanghai. Today, there are multiple flights to cities all around the world available in a range of lower-tier cities in China, making it more convenient for the expat as they are able to decrease travel time. Just having opened on May 14th, 2018 was the direct flight between Nanjing and Helsinki with Finnair, making this their seventh connecting flight to cities across China.

*Summary: Through the opening of flights between large global hubs and second-tier cities in China, it allows for increased efficiency for the expatriate when required to travel.*

### In the Top 10

Chengdu  
Chongqing  
Guangzhou  
Hangzhou  
Kunming  
Nanjing  
Shenzhen  
Tianjin  
Wuhan  
Zhengzhou

## Level of English-Speaking Population

**Top City: Guangzhou, Median: 3**

It is indisputable that sharing a common language aids greatly in one's ability to not only live, but operate a business. Additionally, having an abundant population of English speaking individuals in an area is considered attractive to foreign companies, as they ultimately prefer to hire English-speaking employees. This helps with not only efficiency, as they are able to communicate more fluidly with one another, but this is also a representation of the overall level of education of the city's inhabitants.

Typically, when there is a large population of English speaking individuals, it is an indication of international presence in the area whether it be foreign residents or tourists.

*Summary: Daily life for the expat is overtly more efficient when they are able to communicate with the people in their host country.*

### In the Top 10

Changchun  
Changzhou  
Chongqing  
Guangzhou  
Nanjing  
Shenzhen  
Suzhou  
Tianjin  
Wuxi  
Xi'an

# 2018 CICI Industry Feature – Global Mobility

## Foreign Medical Clinics

**Top City: Guangzhou, Median: 5**

It is pertinent to account for a foreigner's access to medical care while on an international assignment or visiting a country. As China is a highly populated and developed country, it is not an issue of whether there are hospitals present in a city to provide quality healthcare for its people. Rather, it is an issue of comfort and efficiency for the expat seeking medical care. Chinese hospital procedures and practices, along with the obvious language barrier between the expat and hospital staff, can cause one to feel unease and stress to a high degree.

By having foreign medical clinics present in a city, it allows for the expatriate to express their concerns in an open, easy manner. There is also the feeling of assurance and security as they go through a familiar process much like hospitals in western countries.

*Summary: The better the medical care in a city, the more attractive it is for foreigners looking to reside there.*

### Top 10

Chengdu  
Dalian  
Guangzhou  
Kunming  
Nanjing  
Shenyang  
Shenzhen  
Suzhou  
Tianjin  
Xiamen

## International Tourists

**Top City: Shenzhen, Median: 1,967,830**

For a city to appear to be international, it doesn't necessarily need a large number of foreigners residing there. Although, fulltime expatriates' influence on a city's international development is typically much larger than that of tourists, the latter do have some impact. The foreigners residing in a city then benefit from the industries targeting foreign tourists.

From hotel chains and F&B, to English speaking local residents, international tourism directly benefits foreign life in the city. This is very clear in a city like Xi'an, which ranks extremely well on International Tourists due the Terracotta Warriors driving the industry.

*Summary: Tourism influences the type of industries and services in a given city that directly benefit the expatriates in a city*

### In the Top 10

Chengdu  
Chongqing  
Guangzhou  
Hangzhou  
Shenzhen  
Suzhou  
Tianjin  
Wuhan  
Xiamen  
Xi'an



# 2018 CICI Industry Feature – Global Mobility

## Top Universities

### Top City: Nanjing, Median: 2

The presence of top universities strongly influences the surrounding area in terms of infrastructure, services, innovation and the overall dynamic of the community. Universities are typically geared towards open-minded thinking and the global mindset, which can be advantageous to foreign businesses and service development.

Top universities can attract international students and foreign academics that assist in fostering connections with other universities across the globe. Not only is this important when gauging the demographic of a city's population and their openness to foreign ideas, but it shows the level of higher education present in the workforce. This phenomenon of schools having a large effect on its surrounding area is seen in essentially every country, as universities encourage this sense of forward, creative thinking.

*Summary: Universities bring forth innovation and global thinking that shapes the surrounding community.*

### In the Top 10

Changsha  
Chengdu  
Guangzhou  
Harbin  
Hefei  
Jinan  
Nanjing  
Qingdao  
Wuhan  
Xi'an

## Expat Population as a Percentage

### Top City: Zhuhai, Median: 0.15

While it would seem that observing the expat population percentage of a city would be a definitive factor of its international ranking, this is not quite the case for China. Shanghai, for example, is by far the most international of all the cities in China. It's expat population percentage is however somewhere around 1.5%. As a generally accepted guideline deeming a city to be international, 5% of the population must be foreign born. While this criterion can be applied to other countries, it is not as effective in China where the number of foreigners is typically compared against large populations of Chinese citizens.

This issue is represented by the fact that Zhuhai is ranked the highest in terms of its expat population percentage when it's number of foreign residents is much smaller than in a larger city such as Chongqing. It therefore follows, that because of China's sizeable population, it should be compared against a criteria that is more appropriate to the country. As expatriate populations grow, this percentage is an important data point to monitor.

*Summary: While the expat population as a percentage of a city is not a useful indicator in determining the internationality of cities located in China, it is useful in comparing expat growth across cities.*

### In the Top 10

Dalian  
Fuzhou  
Guangzhou  
Nanjing  
Ningbo  
Qingdao  
Shenzhen  
Suzhou  
Xiamen  
Zhuhai

# 2018 CICI Industry Feature – Global Mobility

## Foreign Consulates

**Top City: Guangzhou, Median: 4**

By observing which consulates are located where in China, it gives us insight into the dominant nationalities and companies in the area. The work of consulates entails dealing with international trade, business development, and diplomatic matters between its designated countries. Therefore, having a consulate in a particular area can have a large influence on the economic development and market demographic.

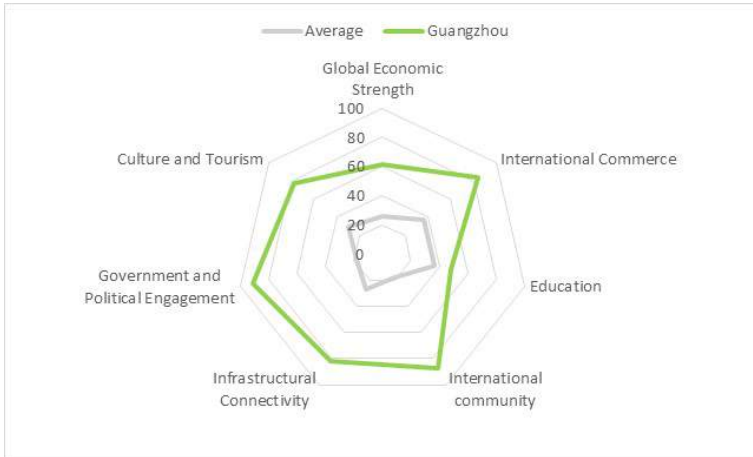
It also reveals which cities have established economic and political relations with which foreign countries. Aside from the large role foreign consulates play in international trade and diplomatic influence, they are essentially responsible for the branding of a particular country in a region. Additionally, consulates hold numerous social events that benefit the foreign community and bring them together.

### In the Top 10

Chengdu  
Chongqing  
Dalian  
Guangzhou  
Kunming  
Qingdao  
Shenyang  
Wuhan  
Xiamen  
Xi'an

*Summary: Consulates can foster international relations through global trade and social initiatives as well as help benefit the overall quality of life for the expatriate in the community.*

# 2018 CICI Guangzhou



## Profile:

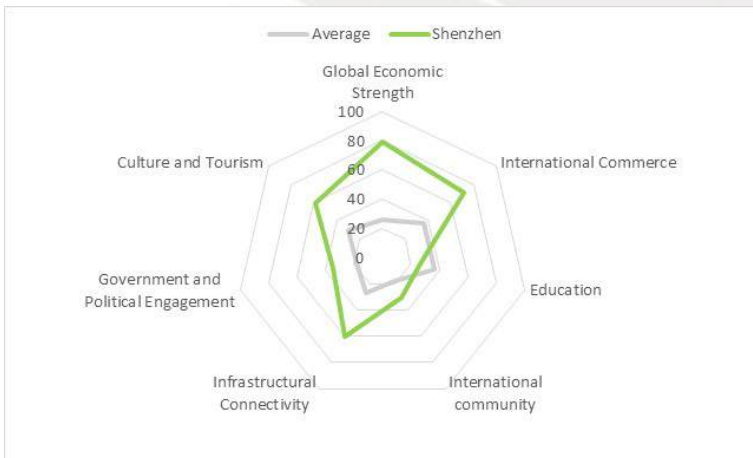
As an established first-tier city, Guangzhou is impressively internationalized, supported by its 40-point differential above the Global Economic Strength average. GDP per capita is now however generally strongest in middle ranking second-tier cities. Its consolidation has been led by increased Government and Political Engagement.

Following Maxxelli's last edition, it is positive to see Guangzhou has made improvement in its Culture and Tourism sector.

**Future Opportunities:** Guangzhou has seen a retraction in its Education performance as well as a small shrinkage in its Global Economic Strength, reflecting the national competition for talent acquisition. To improve its capability here, Guangzhou should connect with more International recruitment agencies as well as develop its own "1+4" policy for attracting international talent.

With 2017 being highly competitive for talent acquisition and retention, Guangzhou's Education ranking was hurt. This is demonstrative of an increasing number of young people choosing emerging first-tier cities for their educational pathway.

# 2018 CICI Shenzhen



## Profile:

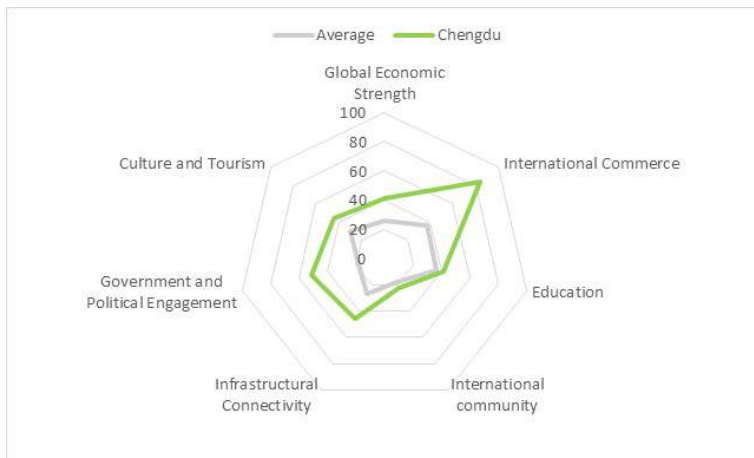
Shenzhen continues to lead on Global Economic Strength indicators, winning huge foreign trade and running a positive current account.

Unusual for a large first-tier city, its citizens benefit from the highest GDP per capita of indexed cities (179,201 Yuan, a 7% increase from last year).

A key component of Shenzhen's improved performance in International Commerce, up 10 points, is the increased visibility of international luxury brands, supported by high disposable income.

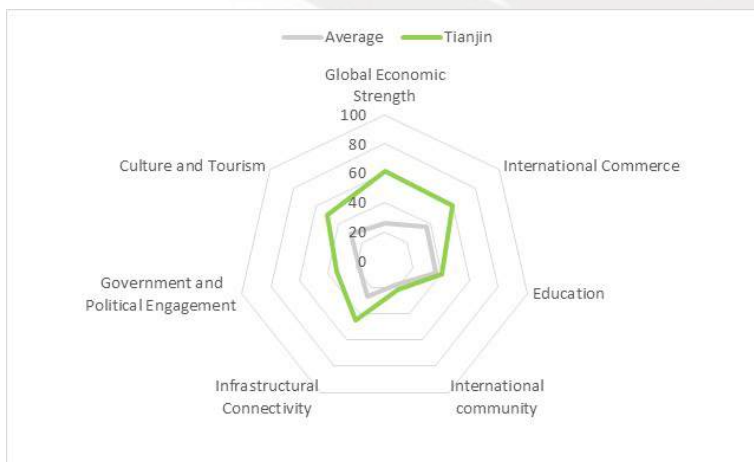
**Future Opportunities:** Shenzhen should look to strengthen its international community. Its particular focus should be to attract more international university students. Shenzhen must start developing more foreign serviced apartments and hotels if it wishes to compete for international talent, something it recognizes in its 2018 Government Report.

## 2018 CICI Chengdu



**Future Opportunities:** Its Global Economic Strength still leads above average, supported by good inflows of FDI. Chengdu does however lag behind in foreign start-up growth (or development projects). Chengdu is moving in the right direction by allocating \$30m to an innovation and start-up fund, with the focus of attracting more well-capitalised foreign start-ups and joint ventures. Its International Community ranking still suffers from a small expatriate population.

## 2018 CICI Tianjin



**Future Opportunities:** Tianjin should follow through on its commitments to Education and Innovation, helping its talent gathering ability. Events like the first World Smart Conference should be continued, and more “green cards” for talent should be issued. The “double-class” construction projects should be accelerated to help build up Tianjin’s concentration of first-class universities.

### Profile:

A consistently high performing emerging first-tier city, Chengdu continues to diversify and grow in other areas, consolidating its position in third.

Its Infrastructural Connectivity is positioning Chengdu as one of the best connected cities in South and Middle China.

The Chengdu-Europe Express Railway has newly launched 9 lines. Chengdu aims to consolidate its status as the pilot city for “Made in China 2025”.

Finally, there were 5.39 million inbound and outbound visits, an increase of 8.7%. This ranks it first among the cities of middle and western China, supporting its aspiration to become China’s most metropolitan city.

### Profile:

Tianjin’s internationalization has seen strong growth, owing to good investment promotion with 951 new foreign-invested enterprises being approved.

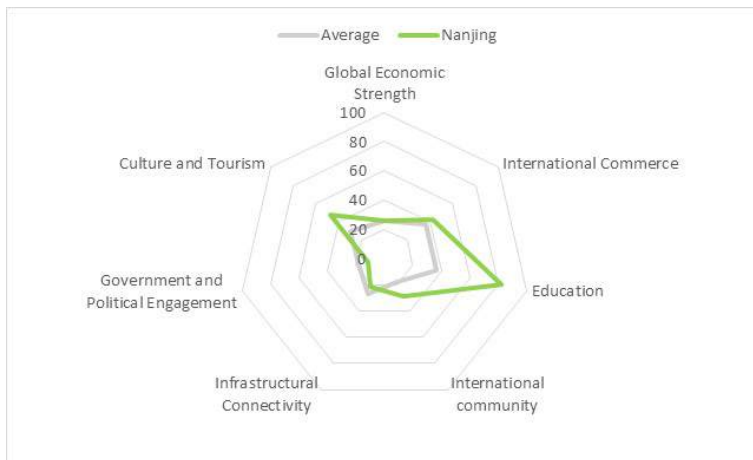
It has contracted \$26.4bn in FDI, a figure that dwarfs other cities’ figures.

Tianjin is actively involved in the “Belt and Road” initiative and is a key driver in the construction of the China-Pakistan Economic Corridor.

Its strength in foreign co-operation is told also by the number of foreign development projects completed last year, 1331.

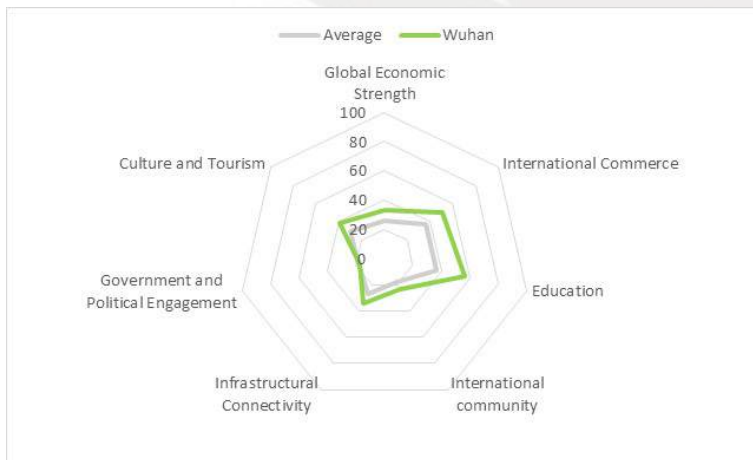
Tianjin has also heavily developed its infrastructural connectivity, seeing a 15-point increase on last year.

## 2018 CICI Nanjing



**Future Opportunities:** Nanjing should capitalize on the growing internal tourist market. This will have to be supplemented by improving its infrastructural connectivity. This should be led by accelerating momentum of Metro construction, which is currently making good progress. Nanjing must also develop in International Commerce, particularly in the luxury brand sector, where it falls behind the best performing emerging first-tier cities.

## 2018 CICI Wuhan



**Future Opportunities:** 2017 has seen its Education score pull back from last year, but it is hoped Wuhan will build on the progress made by holding the inaugural “Innovation and Enterprise Board for Overseas Students”. Wuhan’s Government and Political Engagement sits below the average, with 4 consulates and only 1 Chamber of Commerce. To challenge the cities ranked above it, real political engagement needs to diversify beyond France.

### Profile:

A traditional Education stronghold, Nanjing’s International ranking continues to be powered by its 12 first-class universities and with the highest level of further education across all cities.

Nanjing stands to be in a strong position when competing for talent. It promises to be the most attractive city for young university graduates in employment, ensuring that more than 200,000 college graduates are employed. This is a huge talent resource pool that Nanjing is retaining, helping the city move up three places from last year.

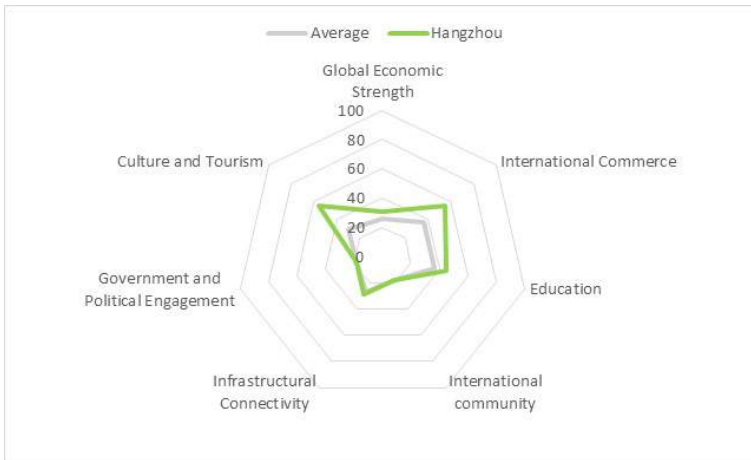
Nanjing also excels in Culture and Tourism as a historic city.

### Profile:

Like Nanjing, Wuhan’s outlook is driven by its educational prestige as it hosts 6 first-class Universities. However, it has made improvements in its Infrastructural Connectivity, helped by its new geographical strategy: moving from one-point access to the Yangtze River to an axis-structure, which will include four new Development zones.

Ties with France and French industry continue to be strengthened — a relationship which leads Wuhan’s international exchange — with the establishment of the China-France Ecological Demonstration City.

# 2018 CICI Hangzhou



**Future Opportunities:** Its proximity to Shanghai limits the likelihood of consulate offices in Hangzhou. However, the city should look to centralize more Chambers of Commerce to connect its local industry with foreign investment that saw inflow shrink by 8%.

## Profile:

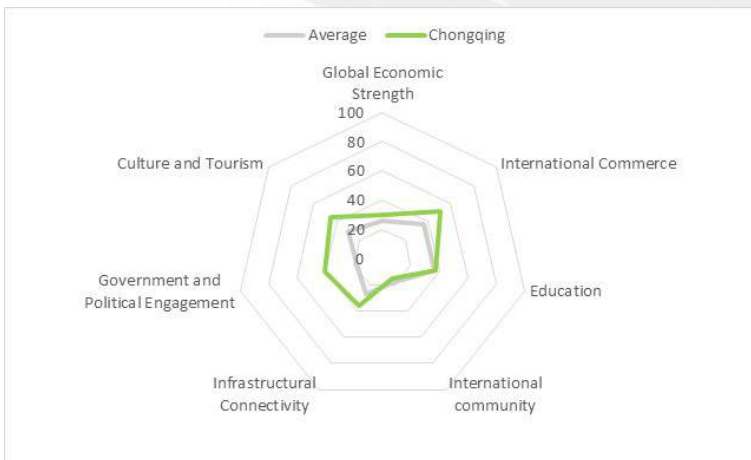
Hangzhou continued to be a popular tourist destination, counting the third highest number of tourist reviews.

Thanks to this, Hangzhou performs well in Culture and Tourism; the World Tourism Organization named Hangzhou in its “15 best cities in the world”.

Its Global Economic Strength scores above the average, led by strong foreign trade and its growing stature as an E-Commerce Hub, with cross-border e-commerce exports at 7.022 billion US dollars, an increase of 15.9%.

This is important as China hosts the largest E-Commerce market in the world, forecasted to reach 1 trillion US dollars by next year.

# 2018 CICI Chongqing



**Future Opportunities:** Chongqing's International Community has remained compact due to its proximity to Chengdu. Its priority, however, should be to develop its Infrastructural Connectivity, with particular focus on increasing the number of high-speed rail links. Tourism revenue needs to be capitalized upon, after seeing a 25% increase from last year.

## Profile:

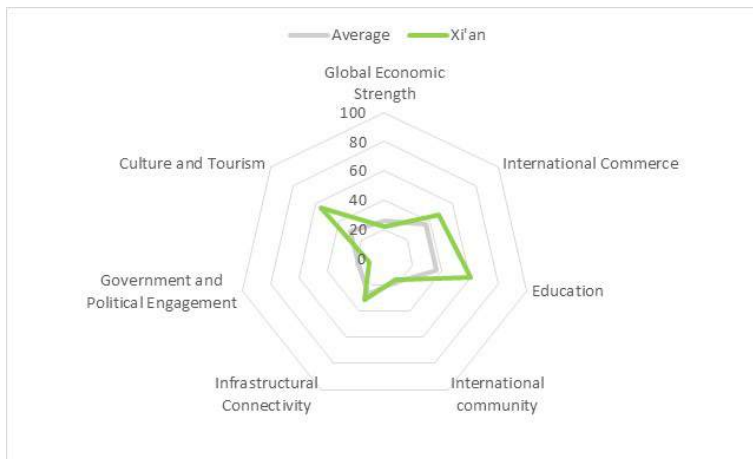
Chongqing continues to demonstrate positive internationalization evenly spread across most sectors.

As one of the fastest growing cities in inland China, only Guangzhou, Shenzhen and Chengdu are home to more Fortune 500 companies.

Foreign enterprises must realize the geographical importance of the city. It is an important strategic fulcrum for the development of the western region located at the link between the “One Belt and One Road” and the Yangtze River Economic Belt.

Chongqing has strong Government and Political Engagement, with the third highest number of foreign consulates.

## 2018 CICI Xi'an



**Future Opportunities:** Xi'an needs to build on its cultural soft power to attract more Foreign Direct Investment, which currently hinders its Global Economic Strength. With only 52 foreign development projects completed this year, it sits towards the bottom of the ranking.

### Profile:

Internationalization continues to be driven by its tourism appeal with the second highest amount of tourist review recorded in 2017. It has recognized its cultural influence by passing new protective regulations.

Education is another strong area for Xi'an, with 2.74% of its population graduating from university last year. This is the highest level of education seen across all cities.

For the sixth successive year, Xi'an was awarded the title of China's Happiest City.

## 2018 CICI Suzhou



### Profile:

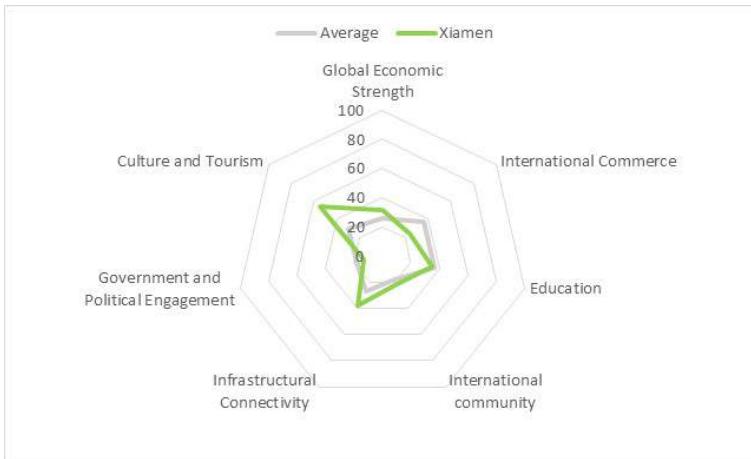
Suzhou's Internationalization is predominately led by its strong Global Economic Strength, with a particularly concentrated manufacturing sector, ranking as China's 2<sup>nd</sup> largest.

This contributes to its massive foreign trade account, second only to Shenzhen in this listing, at 2,139.49 billion yuan.

This is thanks to supply-side structural reform which has helped produce very easy customs clearance.

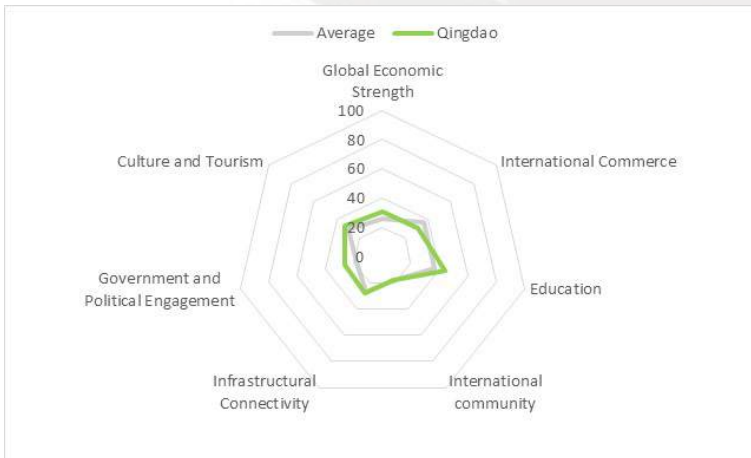
In reality, Suzhou should place higher in the CICI, but many of the services available in other cities can be found in Shanghai, which lies in close proximity to Suzhou. Thus, the city has not seen a need to develop them. (international airport, foreign consulates etc.)

## 2018 CICI Xiamen



**Future Opportunities:** Xiamen needs to attract International Commerce better, with both international luxury and high-street retail underdeveloped. This is, however, partly offset by a strong International hospitality sector. Xiamen needs to follow Xi'an's example and develop its cultural power to attract Government and Political engagement, an area it falls behind in.

## 2018 CICI Qingdao



**Future Opportunities:** Qingdao performs weakly in the International Commerce sector, but there is a sizeable market for investment here; the city's GDP per capita ranks inside the top 9 of the cities indexed with disposable income seeing an 8% increase. To improve its Global Economic Strength, Qingdao needs to attract more high-tech companies and integrate itself better with the "Made in China 2025" policy.

### Profile:

This port city has always performed strongly in Culture and Tourism, as it is a popular destination for domestic tourism. This sector is supported by a large capacity airport and good international flights connections.

Total Foreign Trade was 5<sup>th</sup> largest among our indexed cities and is showing a move toward a more sustainable balance of trade, with imports up 28.4%.

Xiamen looks to position itself as a key hub in the Belt and Road Initiative.

In 2017, Xiamen ports throughput reached 10.38 million TEUs, ranking it 14<sup>th</sup> in the world.

Its Infrastructure Connectivity is improving in this regard, now operating 5 freight train services to Europe.

### Profile:

In 2017, Qingdao ranks 38<sup>th</sup> in the Global Financial Centers Index published by the Z/Yen Group and Qatar Financial Centre Authority.

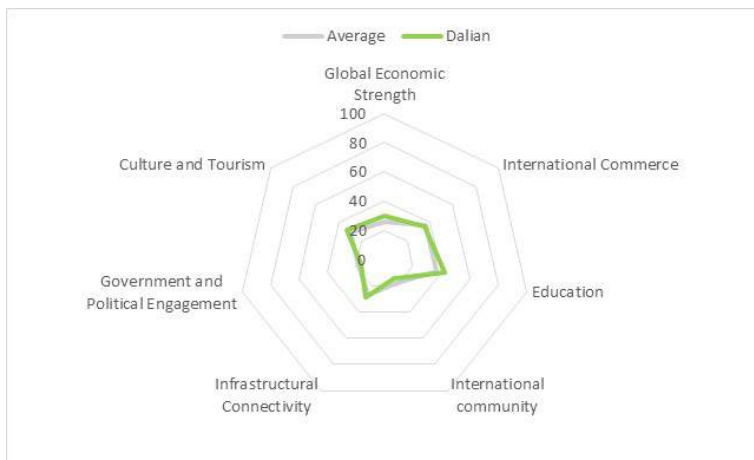
This is led by good Infrastructural Connectivity to the rest of the world, particularly its seaport access, which is one of the busiest globally.

The metro system has also seen massive development in 2017, expanding by 40 stops.

In Government and Political Engagement, and as the largest city in Shandong province, it hosts 3 foreign consulates and is partnered with 28 other international cities.



## 2018 CICI Dalian



**Future Opportunities:** For Dalian to increase inflows of FDI that will rival the cities ranked above, it must capitalize on its impressive English-speaking population to demonstrate it as a business-friendly environment. As the financial center of Northeast China, it must accelerate its high-tech industry by increasing foreign political engagement.

### Profile:

Dalian consolidates its mid-table position on our Index this year, exemplified by its close hugging of the average. It continues to demonstrate even growth across most of our indicators. With over 50% of the population proficient in English and 3 international intern recruitment agencies with offices here, Dalian remains an accessible entry point for young international talent. Dalian's local Infrastructural Connectivity is particularly strong, with a well-developed subway system.

It is also well connected to the rest of the continent via 20 direct flight destinations. It remains a popular tourist destination with Japanese and South Koreans, the two foreign consulates it houses. Its recent hosting of the summer Davos Forum has promised 25 future major projects.

## 2018 CICI Shenyang



**Future Opportunities:** To develop its Global Economic Strength, Shenyang needs to expand its foreign economic co-operation as its foreign trade account has seen little annual growth, compared to Dalian and Qingdao. It is in a good position to attract great FDI inflow, due to a relatively large expatriate population (at 0.13% of the citizenry) and 7 foreign consulates being based here, including Germany and the United States.

### Profile:

Shenyang shows consolidation, with good performance in International Commerce led by the presence of luxury retail and international fast-fashion.

It is a dynamic city that is in transition, orientating further toward a consumer economy and increasing the efficiency of its heavy industry.

2017 saw the closing of 84 "zombie enterprises", which is following a larger industrial transformation strategy.

## 2018 CICI Zhuhai



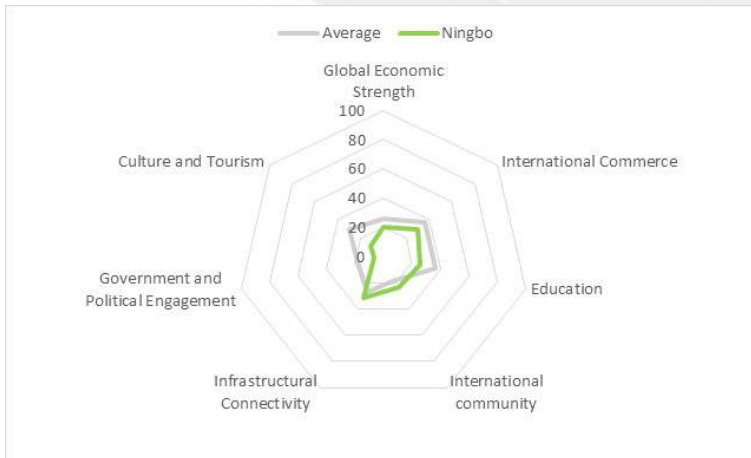
**Future Opportunities:** With a large International Community, it is surprising that International Commerce is ranked so low, with only Liuzhou and Urumqi ranking lower. The resources as well as the need for International Commerce are already present.

### Profile:

The International Community in Zhuhai is quite large, and a fair amount of companies have established their business there.

Universities in Zhuhai aren't as plentiful as they are in larger cities in China, but Zhuhai's strategic development strategy to train and educate professionals locally, will look to change that fact with the construction of a new university park.

## 2018 CICI Ningbo



### Profile:

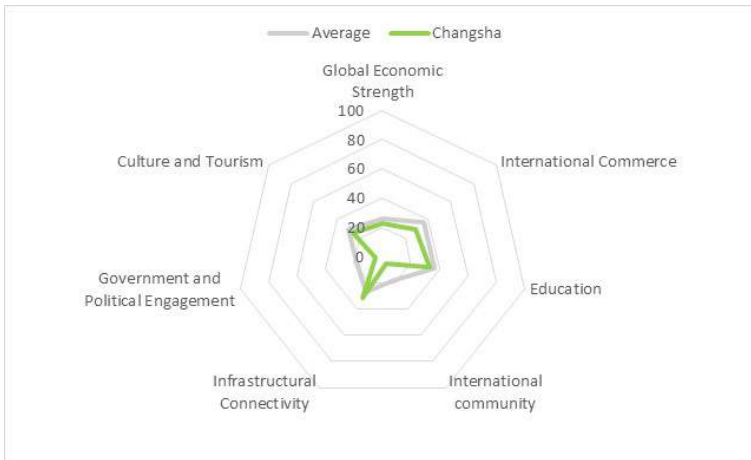
Ningbo's most notable feature is its port, which is the 4<sup>th</sup> busiest in the world.

All of that business going through Ningbo, combined with its proximity to Hangzhou and Shanghai, have turned Ningbo into a commercial and business center.

Compared to other Chinese cities, Ningbo has quite a large expat population, which becomes apparent when realizing Ningbo has 5 international schools and the level of FDI Ningbo has received over the past decade.

**Future Opportunities:** As the original starting point of the ancient Silk Road, it is only fitting that Ningbo play an important role in the Belt and Road Initiative. Creating international railway links to Europe should be the focus to further increase the Infrastructural Connectivity and compete with Shanghai's larger port.

# 2018 CICI Changsha



**Future Opportunities:** Changsha is in the same boat as Fuzhou in terms of Government and Political Engagement. Changsha has only 14 sister cities and 1 consulate. To help boost this number, Changsha should look to host more consulates and Chambers of Commerce. Changsha has many American sister cities, so it could try to host the US consulate.

## Profile:

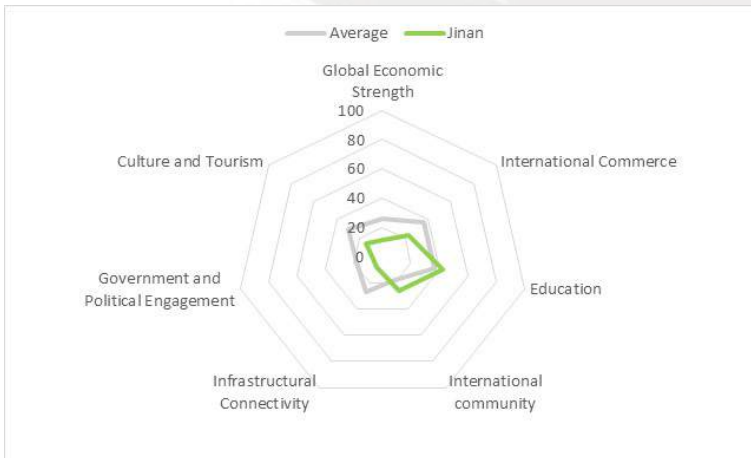
Changsha scores close to average in all regards except for International Community and Government and Political Engagement.

Changsha, as well as Wuhan both have a very central location, and both are massive transportation hubs.

Because of its central location in China, the city connects the East with the West and the North with the South.

This strong Infrastructural Connectivity has drawn many international retailers to the city.

# 2018 CICI Jinan



**Future Opportunities:** Jinan has been making headway in the development of quantum technology. With the launch of the “Jinan Project”, China will be the first to use this technology for commercial purposes. This project should help attract foreign investors or partnerships for local businesses that plan to use this technology.

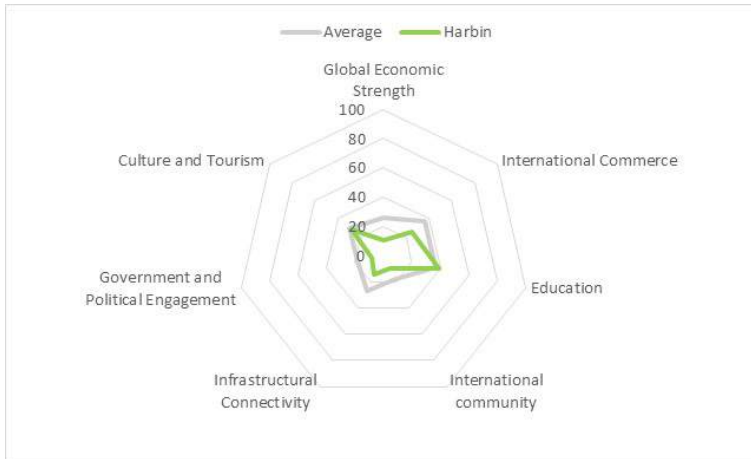
## Profile:

In recent years, Jinan has seen a clear increase in its International Community. Despite having only one international school, Jinan has plenty of universities and is home to one of the biggest universities in the country, Shandong University.

These universities provide the city with a fresh supply of local, educated talent.

Internationally rather unknown, it is no surprise that Jinan doesn't score high for Culture and Tourism.

## 2018 CICI Harbin



**Future Opportunities:** Harbin is very successful in the Education and Tourism sector. Global Economic Strength on the other hand is lacking. In a recent report, Harbin identified the need to attract more foreign companies. With a little over 1000 foreign companies in a city with more than 10 million inhabitants, it is fair to say that the international presence is quite small.

## 2018 CICI Kunming



**Future Opportunities:** Kunming scores very low in Global Economic Strength and Education. By building more universities and adjusting the curriculum, Kunming can attract, train and educate talent as to retain more talent in Kunming.

### Profile:

Harbin is the largest city in Northeast China, and also the most popular one among tourists.

A large contributor to Harbin's high ranking in Culture and Tourism is the Harbin International Ice and Snow Festival, attracting 10 to 15 million visitors annually.

Because of the large amount of tourists that visit Harbin, there are a lot of luxury fashion retailers.

Harbin's close proximity to Russia, and the two cities' historical connection, is the direct cause of the presence of the many universities. Most of these focus on science, military and aerospace. It is no surprise that Harbin, the Ice City, has partnerships with multiple Russian cities.

### Profile:

The City of Eternal Spring, known for its pleasant climate and flowers, has been noticed by the international community as well, with an increase in the amount of tourists visiting Kunming.

It's not just the flowers and the climate, Kunming also has several major museums, theatres and sport stadiums, which in turn will affect tourism.

Kunming is already a transportation hub, but it will further increase its influence in the future as it will be the terminus for the Pan Asia High Speed Network, connecting 7 countries in Southeast Asia via high-speed rail.

# 2018 CICI Changchun



**Future Opportunities:** As the amount of FDI projects have steadily decreased over the years, Changchun should look at successful strategies other cities such as Fuzhou and Zhuhai have adopted. As those cities have conversely shown a clear increase in FDI projects.

## Profile:

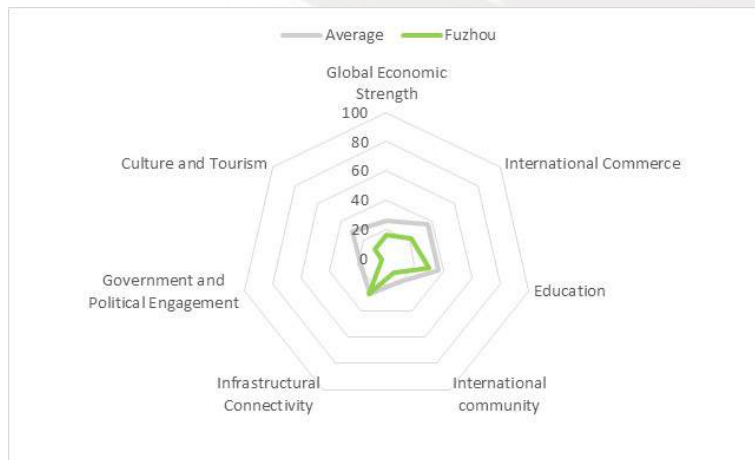
Changchun excels in the field of education, with a large amount of universities and research institutions.

In Northeast China, Changchun is the largest industrial and commercial center, which has attracted many Fortune 500 companies to invest in the city.

Changchun has seen a continued decrease in FDI projects in the last few years, indicating that Changchun is currently not a very popular investment.

A potential future high-speed railway connection from Changchun to Vladivostok could definitely make Changchun very interesting for FDI.

# 2018 CICI Fuzhou



**Future Opportunities:** Fuzhou could improve on its Government and Political Engagement, with only 12 sister cities and no consulates or Chambers of Commerce, there is clearly room to improve in this aspect.

## Profile:

Fuzhou is a city known for its street food.

It opened up to foreign investment in 1984, and the city has really taken off since then.

Fuzhou was among one of the five Chinese treaty ports, allowing Westerners to enter and do business in Fuzhou as early as 1842.

Due to decent domestic tourism, combined with the airport, the seaport and extensive railway connections, Fuzhou clearly has great Infrastructural Connectivity and capacity for international tourism.

## 2018 CICI Zhengzhou



**Future Opportunities:** Zhengzhou has great railway connections, so tourists shouldn't have any problem reaching the city. International tourists, however, have usually never heard of Zhengzhou. It could prove fruitful to promote its local scenery, such as the Yellow River Scenic and its proximity to the famous Shaolin Temple.

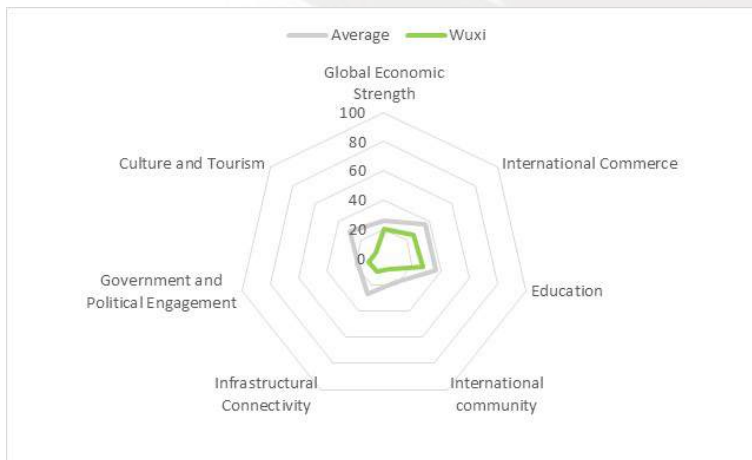
### Profile:

With its' rather central location, you can go anywhere from Zhengzhou in a matter of hours.

Zhengzhou is playing to its strengths. The city's railway station is currently already one of the most important ones in China, and railways to other major cities are under construction.

Additionally, the city has a great international airport and they are using it. Around the airport they've built the Zhengzhou Airport Economic Zone, which is a major manufacturing area.

## 2018 CICI Wuxi



**Future Opportunities:** Wuxi has very little tourism. There is no lack of tourist attractions, but with only one major theatre and no top museums, this is potentially where future opportunities for Wuxi can be found. Tourism will attract international tourists and domestic tourists alike, which in turn will increase the popularity of the city. This could potentially attract more expats and international university students, increasing Wuxi's International Community

### Profile:

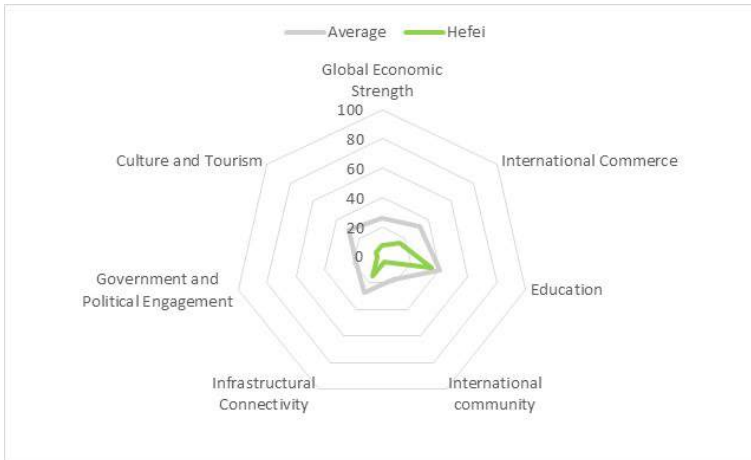
Home to a significant amount of foreign companies, Wuxi's flourishing industry has earned it the name Little Shanghai.

The total import and export of Wuxi is noteworthy as it's ranked 5<sup>th</sup> on indexed cities, at 550 billion US dollars.

This is also reflected by Wuxi's high GDP per capita, the 3<sup>rd</sup> highest of indexed cities.

These flourishing industries have attracted many luxury non-fashion retailers.

## 2018 CICI Hefei



**Future Opportunities:** The HEXINOU China-Europe Railway Express, links Hefei with Hamburg, Germany in 15 days. Frequent use of this railway should see Hefei's International Commerce and International Connectivity grow exponentially.

### Profile:

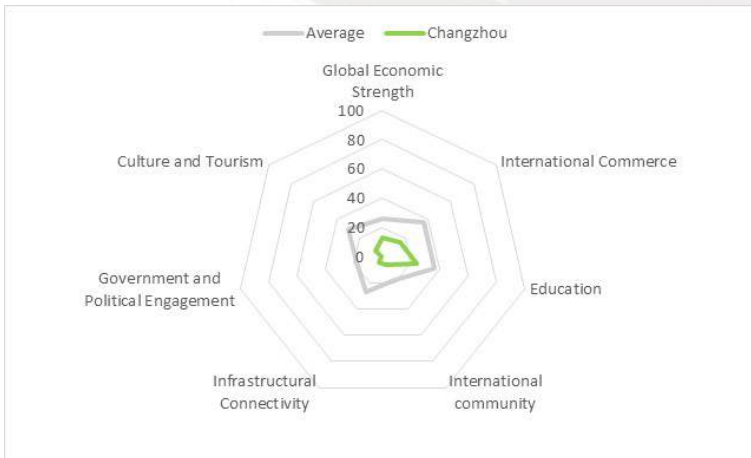
One might call Hefei an intellectual city, with numerous laboratories and universities, three of which are among China's top 100 universities.

On the other hand, Hefei scores well below average in almost all other aspects with one exception, Infrastructural Connectivity.

Hefei is relatively close to several major cities, which it is connected to by high-speed rail.

Having only a handful of major theatres and museums definitely hurts the city's overall score.

## 2018 CICI Changzhou



**Future Opportunities:** Changzhou infrastructural connectivity is low, increasing the amount of outbound flights to international destinations could help make the city more popular for international tourists and foreign enterprises.

### Profile:

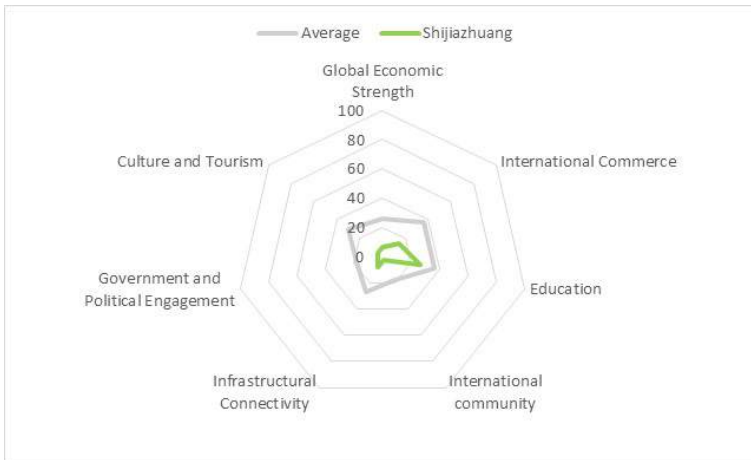
Generally speaking, Changzhou is not very international.

It is, however, a rather wealthy city, scoring well above the national average in terms of GDP per capita.

It has a substantial amount of Fortune 500 companies, and is a commercial center in the region.

Education is where the city shines. It is home to several universities, one of which ranking in the top 100.

# 2018 CICI Shijiazhuang



**Future Opportunities:** The soon to be constructed Forrest City, a means to battle China's pollution issues, could provide opportunities for eco-tourism. The first one will be constructed in Liuzhou and the second in Shijiazhuang. Promoting the city overseas could help boost Shijiazhuang's FDI.

## Profile:

A relatively important city in China, internationally known for its smog.

Shijiazhuang is an industrial city that has become a major transportation hub, with great high-speed rail connections to both Beijing and Guangzhou. Shijiazhuang's close proximity to Beijing, 3 hours by car, makes it a cheaper alternative for companies who will still be able to benefit from Beijing's resources.

# 2018 CICI Urumqi



**Future Opportunities:** There are currently no Chambers of Commerce or consulates present in Urumqi, which is a big reason why Urumqi ranks very low on Government and Political Engagement. Given the city's unique location and progressiveness, there's a lot of potential in the logistics and commercial sector..

## Profile:

A major player in the Xinjiang province, greatly benefitting from the Chinese government's BRI (Belt and Road Initiative).

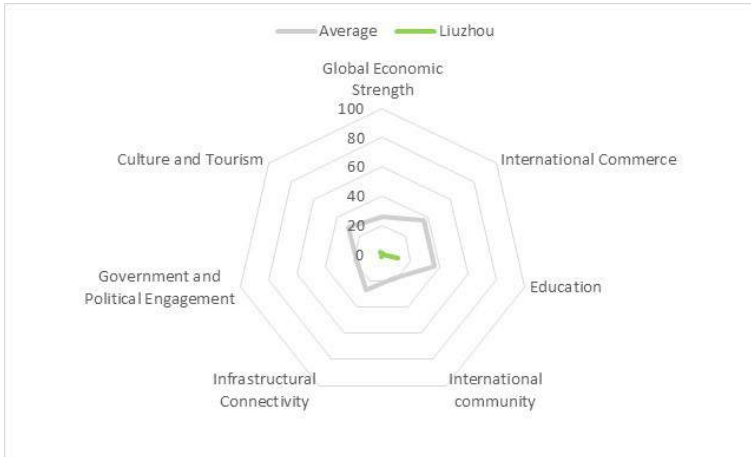
Over the past year, Urumqi's infrastructure has already improved significantly, with more improvements in the making as the BRI progresses.

As Xinjiang's capital city, Urumqi is an interesting city in terms of commerce, culture and infrastructure.

Xinjiang borders 8 different countries, giving it a good central location.



# 2018 CICI Liuzhou



**Future Opportunities:** The planned Forest City, combined with the extensive railway network could present opportunities for logistics and eco-tourism. As the least international city in this report, it is crucial for Liuzhou to increase its international appeal. The Forrest City should be a great start if they manage to market it well.

## Profile:

Despite being quite a big city in terms of population, it's not a very internationalized one.

In this report, Liuzhou stands out in all categories for being the least internationalized.

However, Liuzhou is a beautiful city with beautiful scenery. This is reflected by the number of tourists that visit Liuzhou even though the city itself is fairly unknown outside of China.

With China's battle against pollution, construction on a Forest City was started in 2017 and is due to be finished by 2020. Thus far, there are plans for two Forrest Cities, with the first being built in Liuzhou and the second in Shijiazhuang.



## Contact us

[info@maxxelli-consulting.com](mailto:info@maxxelli-consulting.com)

[www.maxxelli-consulting.com](http://www.maxxelli-consulting.com)

(+86)4000 150 600



Previous CICI editions