



Some thoughts for construction opportunities in Chongqing

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Commission

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Questions?

- ◆ Are there opportunities?
- ◆ Is the market is bigger?
- ◆ Do the actions help?



Key issues

- ◆ Financial crisis
- ◆ Chongqing impacts
- ◆ About Chongqing
- ◆ Chongqing actions
- ◆ Chongqing opportunities

Financial crisis

- ◆ Global impacts
- ◆ Differences
- ◆ Degrees
- ◆ Attentions



Global impacts

- ◆ Financial sector
- ◆ Real estate
- ◆ Foreign trade related
- ◆ Key sectors
- ◆ Economy
- ◆ Employment

Differences

- ◆ Among countries
- ◆ Among cities
- ◆ Among sectors
- ◆ Between coast area and inland
- ◆ Between developed and developing areas

Impact degrees

- ◆ Big or small
- ◆ Large or little
- ◆ Deep or low
- ◆ Long or short
- ◆ Wide or narrow

Attentions

- ◆ Carefully thinking
- ◆ More communication
- ◆ Better understanding the challenges and opportunities
- ◆ Creating opportunities by working together
- ◆ Close cooperation

Changes

- ◆ Restructuring
- ◆ Finding new locations
- ◆ Costs become more important
- ◆ Package approaches
- ◆ Personal development

Chongqing impacts

- ◆ Economic figures
- ◆ Foreign trade
- ◆ Key sectors
- ◆ Employment
- ◆ Manufactures

Economic growth in 2008

- ◆ GDP: 14.3% (2007: 15.6%)
- ◆ Investment: 28% (30%)
- ◆ Foreign Investment: 150% (56%)
- ◆ Foreign trade: 28% (36%)



Foreign trade

- ◆ 9.5 billion USD, growth 28%
- ◆ Export 5.7 billion USD, growth 26.9%
- ◆ Import 3.8 billion USD, growth 29.6%
- ◆ December 2008, 650 million USD, decrease 17.1% (compared with that in Dec. 2007)

Key sectors

- ◆ Automobile and motorcycle
- ◆ Construction industry
- ◆ Real estate



Automobile and motorcycle

◆ Automobile

- Chongqing: output 1.09 million units (growth 9.2%); seal 1.12 million units (growth 14.1%)
- China: output 9.35 million units (growth 5.2%); seal 9.38 million units (growth 6.7%).

Construction industry (1-9)

- ◆ Output growth: 32%
- ◆ Buildings under construction: 130 million square metres



Real estate (1-9)

- ◆ Investment: 63.6 billion yuan, growth 28.2% (same time in 2007 27.5%)
- ◆ Completed floor space: 10.89 million square metres, growth 4.9%
- ◆ Under construction: 1027 million square metres, growth 15.7%

Employment

- ◆ The pressures from people coming back from other cities (such as from Guangdong province)
- ◆ They are skilled people
- ◆ They need jobs



Manufactures

- ◆ In general: three 1/3
 - One third: having some problems
 - One third: keeping same
 - One third: keeping progress



About Chongqing

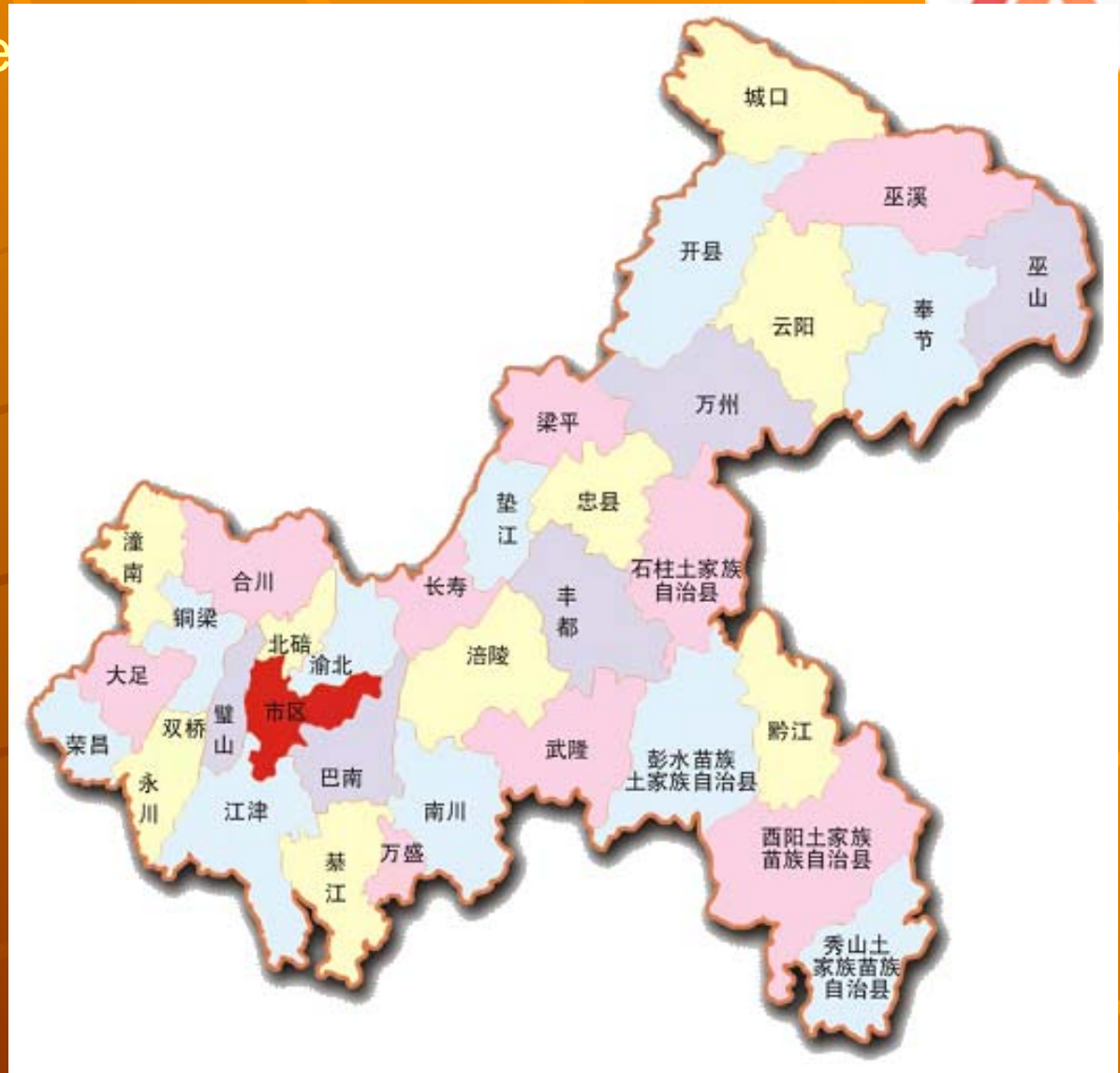
- ◆ The size
- ◆ The location
- ◆ The importance
- ◆ The economy
- ◆ The opportunitites

The size



Chongqing- the biggest

- 32 million population
- 82,400 square kilometers
- 40 different districts and counties



China's Chicago – Chongqing

— Economist



Similarities:

The location

The water transportation

The stage of development

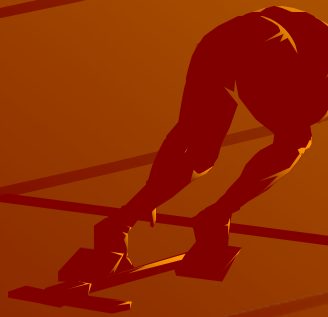
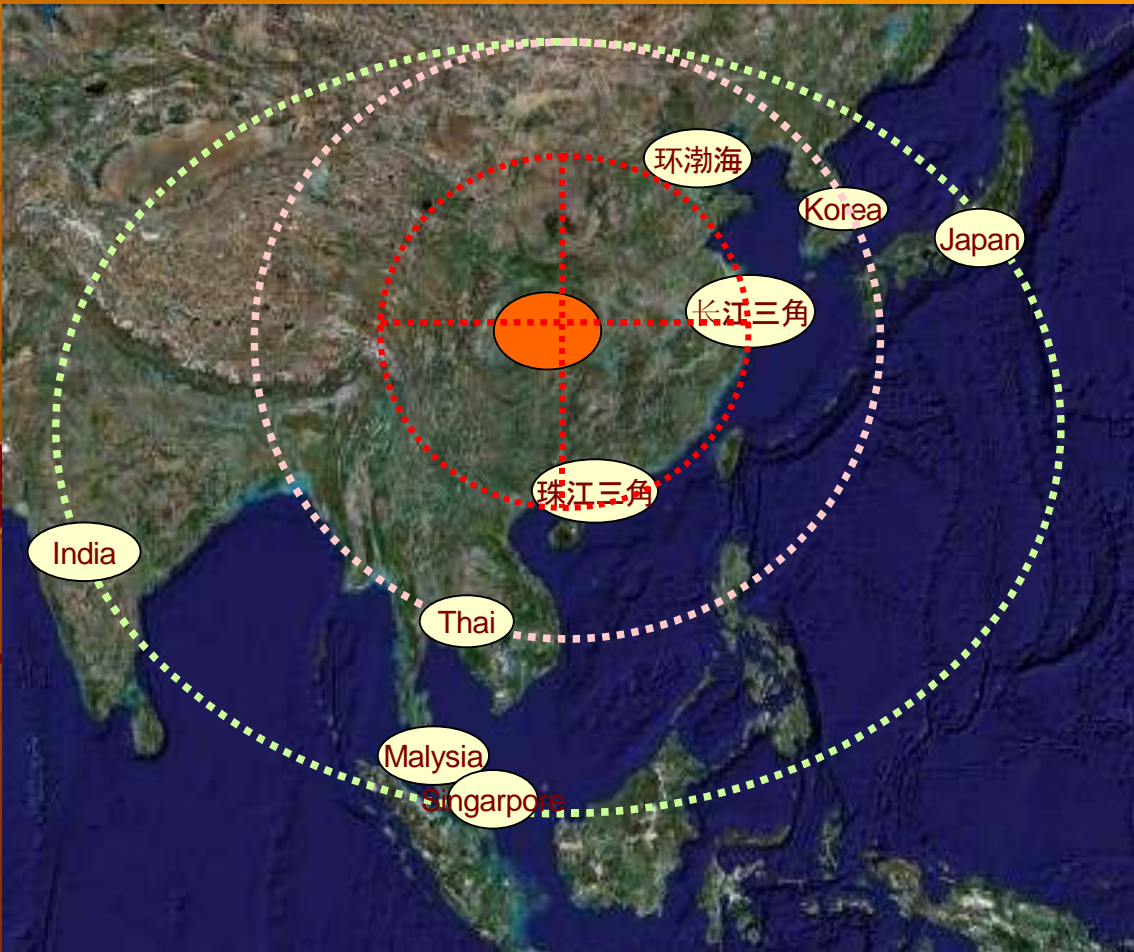
Location

Key strategies from central government



Location

Good location



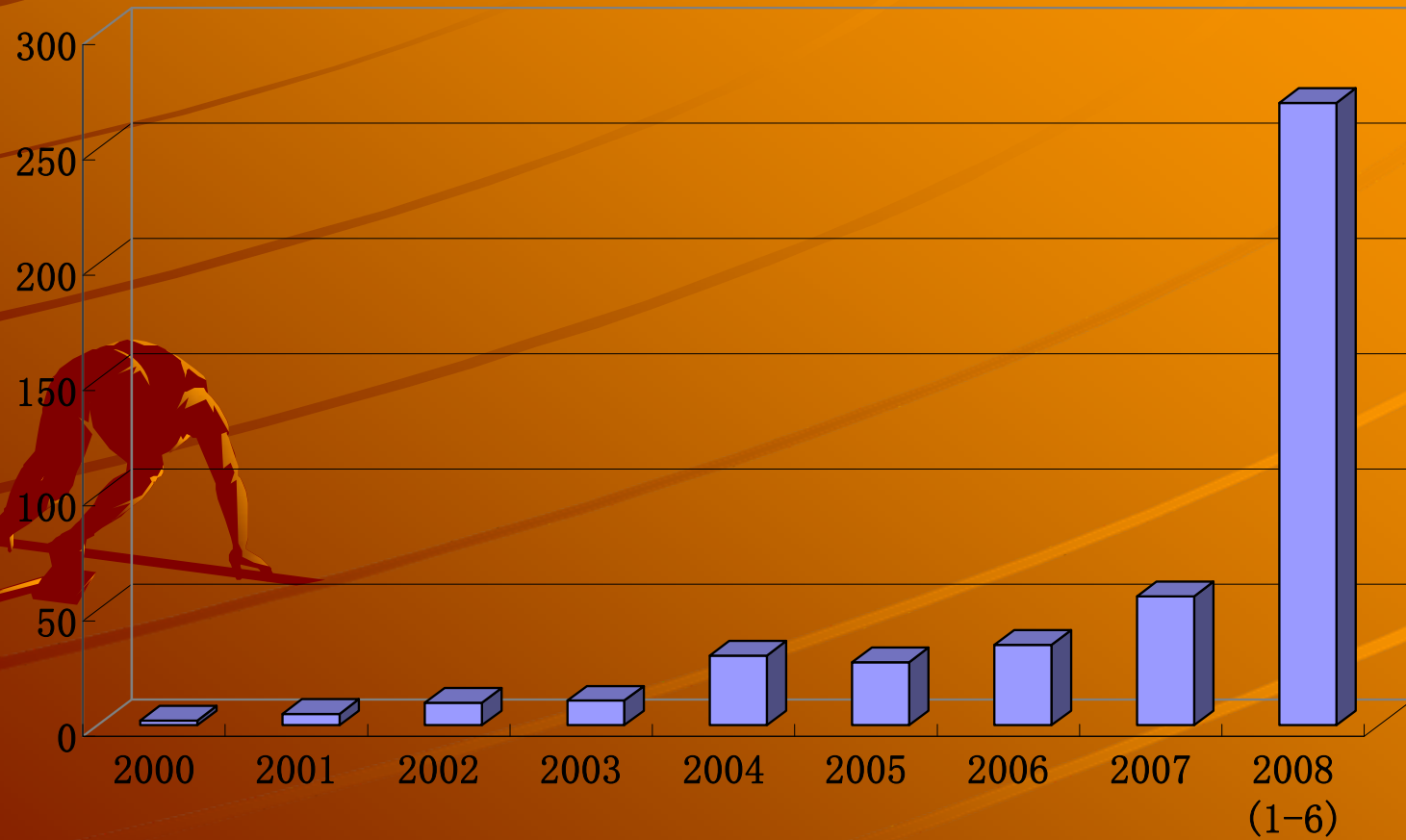
Importance

- ◆ New positions (Mar. 2007)
- ◆ New special area (June 2007)
- ◆ New urban and rural planning (Sept. 2007)
- ◆ New free trade port (Dec. 2008)
- ◆ New strategies (Dec. 2008)



Rapid growth of foreign investment

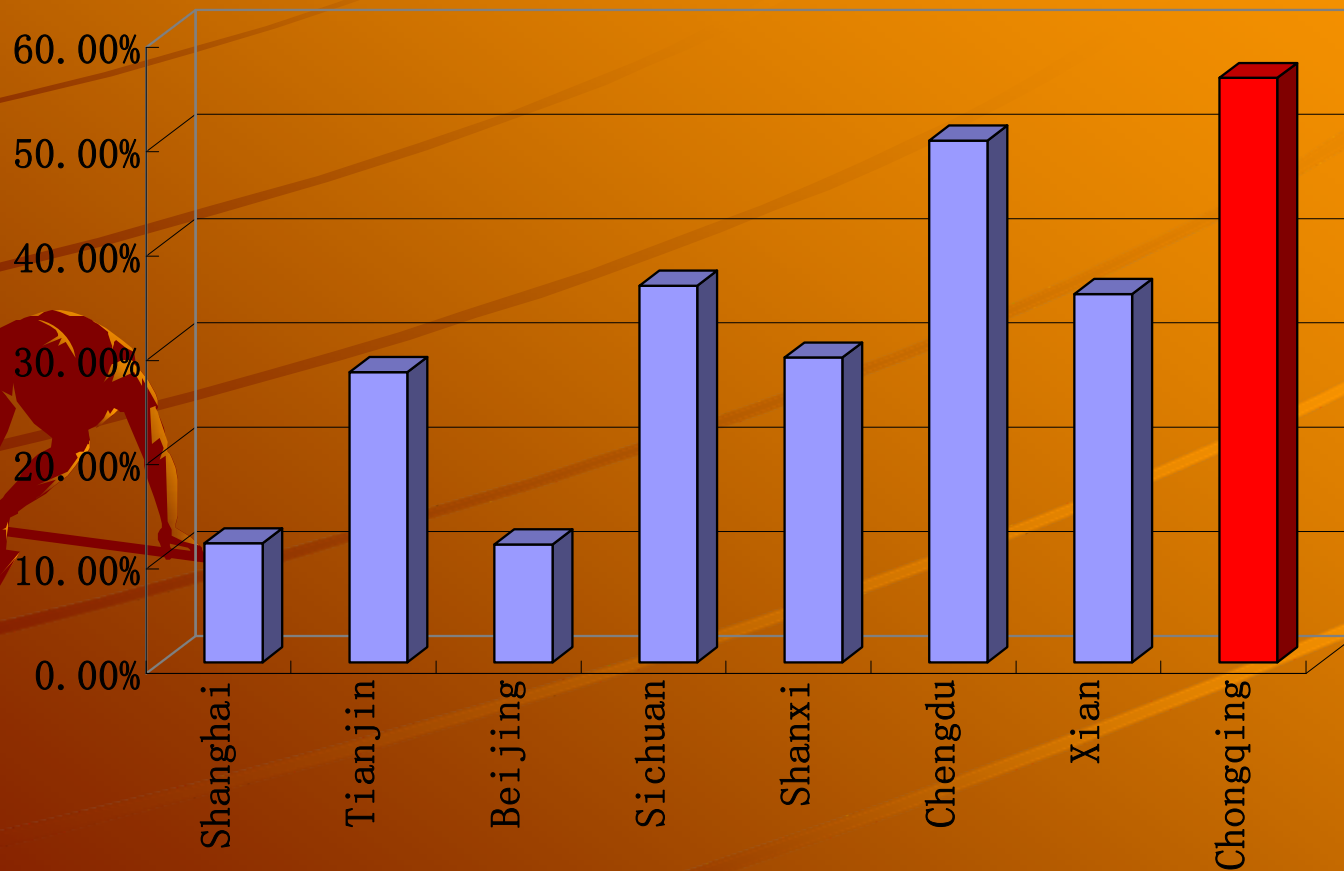
Growth (%)





Rapid growth of foreign investment

FDI growth(%, 2007)





Fastest growth in urbanisation in China

- ✦ Each year, about 3000,000 - 400,000 farmers become urban citizens.
- ✦ Every year newly completed floor space: more than 15 - 20 million square metres



May 2003



June 2003

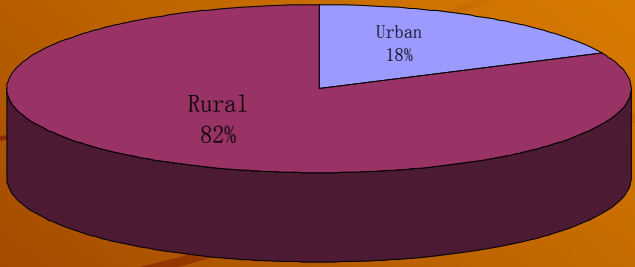


Oct. 2005

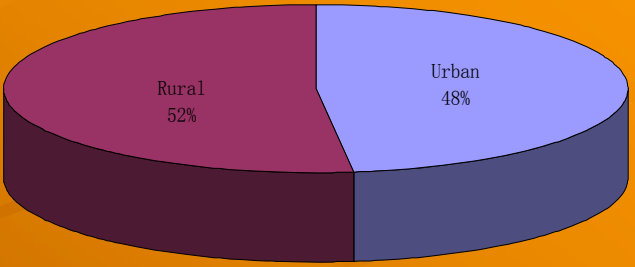
Urbanisation



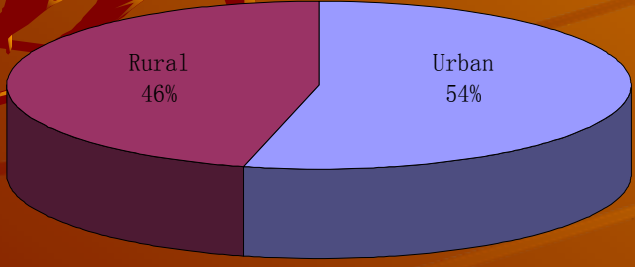
1998



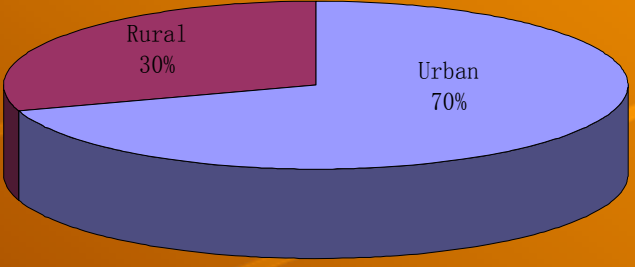
2007



2010



2020



Chongqing actions

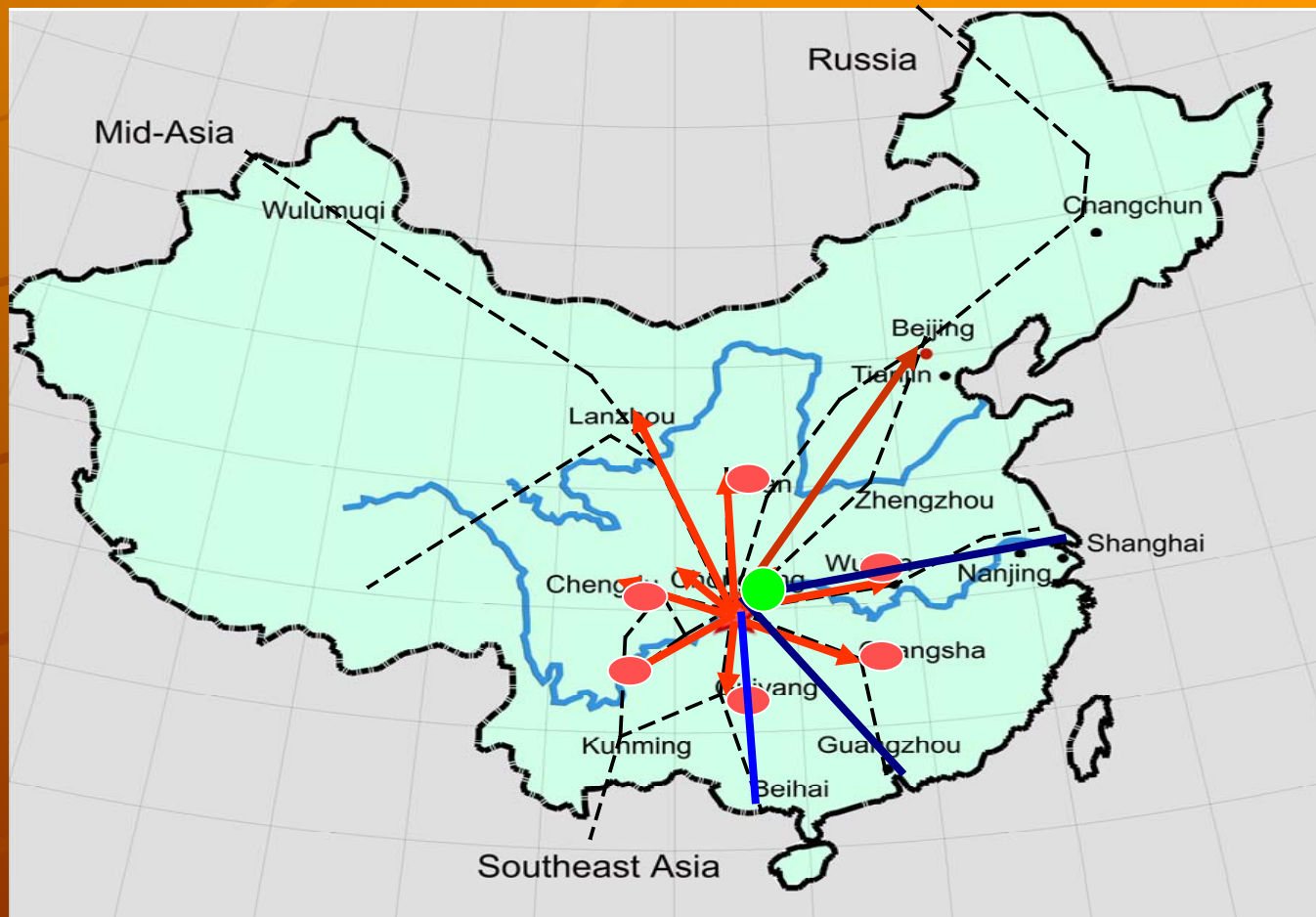
- ◆ Infrastructure
- ◆ Five actions (regeneration, transportation, forest, health and safety)
- ◆ Relocating area for business from coast areas
- ◆ Attracting foreign investment
- ◆ Supporting companies “going out”

Infrastructure



Huge infrastructure development (2008 – 2012)

Roads
Railways
Water
transportation
Air
passengers
Free trade
port area



Railway links

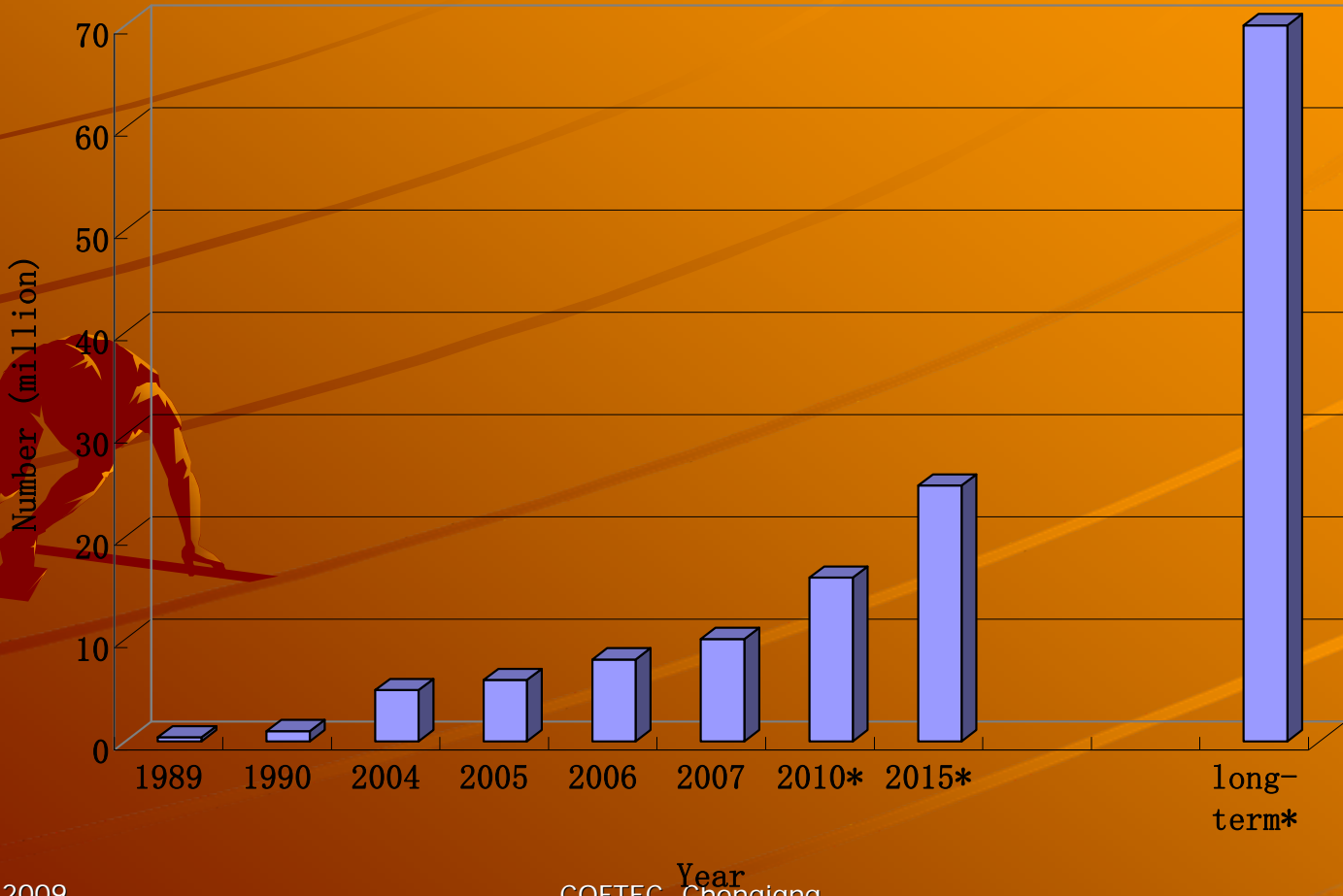


Huge infrastructure development by 2010

- ✦ 2000 km of highway network with “2 circles and 8 radiating lines”;
- ✦ 2000 km of railways network with “1 circles and 9 radiating lines”;
- ✦ 1.6 million TEU of containers (2 million by 2012);
- ✦ 16 million passengers in airport capacity.



Rapid growth of air passengers



Chongqing opportunities



Investment within five years (2008-2012)

Chongqing's total investment (2000 billion RMB within 5 years)

- ◆ Urban construction (1000 billion RMB)
- ◆ Investment in different industries (1000 billion RMB)

Opportunities

Investment within five years (2008-2012)

◆ Key manufacture:

- Automobile and motorcycle
- Chemical
- Equipment
- Steel and metal
- Electronic and IT
- Ordinary energy
- Labor based and city based industries

◆ Services industry

◆ Agriculture

Opportunities

Investment within five years (2008-2012)

Auto mobile and motorcycle 150 billion yuan



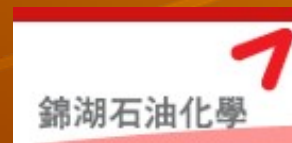
Opportunities

Investment within five years (2008-2012)

Chemical 180 billion yuan



CNPC



Opportunities

Investment within five years (2008-2012)

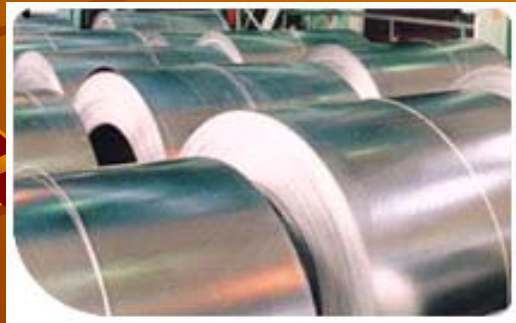
Equipment 120 billion yuan



Opportunities

Investment within five years (2008-2012)

Metal and material industry 100 billion yuan



Honeywell



Opportunities

Investment within five years (2008-2012)

Electronic and IT 100 billion yuan



Opportunities

Investment within five years (2008-2012)

Ordinary energy 100 billion yuan



Opportunities

Investment within five years (2008-2012)

◆ Labor based and city based
industries
250 billion yuan



Answers

- ◆ Are there opportunities?
- ◆ Is the market is bigger?
- ◆ Does the actions help?



 Thanks

