



China 🇨🇳

Facts & figures

Business language(s): Chinese (mandarin); **English**
Business currency: Chinese Yuan (RMB); **US Dollar**
Working days: Monday to Friday, services 7 days, 24 hours
Time Zone: China Standard Time (CST), UTC + 08:00
Climate: extremely diverse; tropical in south to subarctic in north
Surface: 9,596,960 km²
Population: 1,413,142,846 (2023 est.)
GDP per capita (PPP): 12.54 thousand (2023 est.)
Growth rate: 5.0% (2023 est.)
Inflation rate: 0.7% (2023 est.)
Unemployment rate: 5.3% (2023 est.)
Ease of doing business: 31/190
Logistics Performance Index: 3.7 (ranking 19)
Corruption indicator: 45/100 (ranking 66/180) (2022)
Country risk classification (Coface): B
Credit ratings: A1 negative, Moody's (Dec 05, 2023)
A stable, DBRS (Nov 09, 2023)

Beijing

Surface: 16,410.5 km²
Population: 21.84 million (2022)
GDP: ¥4.161 trillion yuan (2022)
GDP per capita (PPP): ¥190,059 yuan/\$26,742 (2022)
Growth rate: 0.7% (2022)
Inflation rate: 1.8% (2022)
Unemployment rate: 3.12% (2022)
Exports/imports: \$6.96 billion / \$36.9 billion (Oct. 2023)
Main economic sectors: Financial, ICT, innovation, smart city, R&D, education, culture & tourism, green tech, space, RE, steel

Shanghai

Surface: 6,340.5 km²
Population: 28.52 million (2022) 35 million (2035est)
GDP: ¥4.47 trillion
GDP per capita (PPP): ¥179,900 yuan/\$25,313 (2022)
Growth rate: 0.2% (2022)
Inflation rate: 2.5% (2022)
Unemployment rate: 2.7% (2022)
Exports/imports: \$243 billion / \$385 billion (2021)
Main economic sectors: Financial, trade, AI, Startups, Automotive, transport & Logistics, circular economy, biotech, R&D, RE, manufacture, textile

Sources: CIA World Factbook, World Bank, IMF, OECD, Coface, The Observatory of Economic Complexity (OEC), www.statista.com, European Business in China Position Paper 2023-2024, Sustainable Development Report 2023, <https://tradingeconomics.com/>

Momentum of the Dragon

TEXT International Affairs, Chamber of Commerce

PHOTOS Schindler (Daxing Airport) and Hanny Naibaho / Unsplash (Shanghai)

China is the world's second largest economic power based on its GDP and the biggest one based on its Purchasing Power Parity (PPP) since 2016. This fast-growing oriental giant dragon had just suffered over 3 years' "lockdown" due to the health crisis and entered a post-Covid recovering and reopening period.

China's two most dynamic and vibrant cities continue to be a beacon of economic vitality, driven by innovation, sustainable development, and a dynamic business environment. With a strategic focus on technology, infrastructure, and environmental sustainability, the two cities and their regions remain an attractive investment destination.

Beijing

As the country's capital city, Beijing is the political and cultural center of the People's Republic of China. It is the center of political and economic power, and China's largest companies are headquartered in the city. A major part of the economy belongs to the service sector, with financial services and information technology exerting growing influence. Together with surrounding Hebei province and Tianjin municipality, Beijing forms the Jing-Jin-Ji metropolitan cluster in Northern China.

As China's key center for technology and innovation, Beijing has witnessed significant advancements in AI, biotech, and fintech. Government support and collaborations with leading tech companies foster an environment conducive to innovation and entrepreneurship.

The Beijing region is actively addressing environmental concerns with a commitment

to green initiatives. Investments in renewable energy, waste management, and pollution control underscore the region's dedication to sustainable development.

Beijing's financial sector continues to evolve, with a focus on fintech and digital banking. Regulatory adjustments support financial innovation, and the region is witnessing increased collaboration between traditional financial institutions and tech-driven startups. Beijing's central business district is the primary area for finance, media, and business services. Beijing Financial Street (BFS) is where Chinese regulatory agencies are located, including the central bank's headquarters as well as three national regulatory commissions of the central government.

The tourism sector is rebounding, with the easing of travel restrictions. Beijing's rich cultural heritage, coupled with modern attractions, positions the region as a key destination. The hospitality industry is adapting to changing traveler preferences.

Ongoing infrastructure projects, including transportation and connectivity upgrades, contribute to the region's economic development. The new airport (photo), improved metro systems, and high-speed rail connections enhance accessibility and facilitate business activities.



01

01. Beijing Daxing Airport, designed by Zaha Hadid, has the potential to cater to up to 100 million visitors per year by 2040.



02

02. Shanghai Iconic landmarks.

Beijing has 14 municipality-level economic and technological development zones and 44 county-level development zones, these zones are the special areas of China where foreign direct investment is encouraged.

Shanghai Region

Traditionally, Shanghai has been a key economic hub in China, serving as a global financial center and a major port city. The city has experienced rapid economic growth, driven by robust industrialisation, international trade, and a thriving financial sector.

Shanghai's economy is diverse, with strengths in finance, manufacturing, technology, and services. The city is a major player in the global financial system, boasting a prominent stock exchange and serving as the headquarters for numerous multinational corporations. The development of the Shanghai Free-Trade Zone has further facilitated international trade and investment.

In recent years, Shanghai has been at the forefront of China's efforts to transition towards a more innovation-driven and consumer-oriented economy. The city has invested heavily in research and development, technology parks, and innovation centers. This focus on innovation and technology is expected to contribute significantly to Shanghai's long-term economic sustainability.

While Shanghai has enjoyed substantial economic success, challenges such as population growth, urbanisation, and

environmental concerns persist. The city's authorities are actively working on strategies to address these challenges and ensure sustainable development.

Shanghai maintains a robust economic outlook, posting a commendable GDP growth. In 2022, its GDP amounted to approximately 4.47 trillion yuan, the largest of all Chinese cities, reserving its title as the "showpiece" of the booming economy of China.

The city thrives as a hub for technology and innovation, particularly in areas like AI and biotechnology. Public-private partnerships and government support foster a conducive environment for startups and established tech companies alike.

Ongoing infrastructure projects, including metro expansions and modernisation of transportation networks, enhance connectivity within Shanghai. These developments contribute to the city's efficiency and attractiveness for businesses. Shanghai also has the busiest container port in the world.

Shanghai continues to be a dynamic economic powerhouse, characterised by financial strength, technological innovation, and a commitment to sustainable development. As a global city, Shanghai remains an appealing destination for businesses and investors seeking opportunities in a thriving market. —

Useful contacts

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8/2/2024: Chinese New Year reception – Year of the Dragon at the Luxembourg Chamber of Commerce
 25-29/11/2024: Trade mission to China: Beijing & Shanghai