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Chinese Cities of Opportunity 2026

Sharing the Diverse Opportunities of Chinese Cities with the World

Foreword

Today, 80% of global foreign direct investment flows to just 20% of host economies, while strategic sectors including AI and semiconductors account for 44% of greenfield investment value. These patterns point to a clear shift: capital is no longer simply chasing growth; it is seeking certainty. Over the past year, in my conversations with global business leaders, the questions have become more targeted. They are no longer asking whether to invest in China, but where and how — which cities, which sectors, and which business models offer the strongest fit.

This need for certainty depends on more than GDP growth. It also depends on the different strengths of China's cities. Many cities have developed clear areas of expertise and now play important roles in global supply chains. Their value is not only their economic size, but also the way they connect supply networks, regional markets, and innovation hubs. For this reason, assessing Chinese cities should not be a simple ranking. Each city has different strengths and serves different sectors.

In our work with multinational boards and Chinese company leaders, we hear the same request: they want a clear way to understand what makes each city different. Our Chinese Cities of Opportunity report was created for that purpose. Now in its 13th year, the report has expanded from 15 cities to 60, assessing them across 10 dimensions and 50 variables. Its aim remains the same: to give a detailed view of opportunities across China. This year, we also look at what supports long-term growth, including city tiers, regional clusters, and network effects. For investors, the question is no longer whether there is opportunity in China, but which cities best match the capabilities they want to build.

China is moving from being mainly a manufacturing base to becoming a place for shared innovation — from "Made in China" to "Co-created in China". Cities are where this change is taking shape. Each city supports growth in the domestic market while also linking that market to global value chains. Investing in a Chinese city can therefore provide both a strong base in China and a path to global markets.

PwC remains committed to connecting China and global markets. We hope this year's Chinese Cities of Opportunity gives investors a clear message: the value of China's market lies in both its scale and its diversity. The opportunity is to choose the cities that match the capabilities you need and to work with the supply and innovation ecosystems already in place. This is what co-creating with China means in practice, and where the next chapter of global growth can begin.

Hemione Hudson
PwC China Chair and CEO
September 2026

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Overview

Consumer drones manufactured in Shenzhen account for 70% of the global market, while humanoid robot shipments from Hangzhou exceed 30% of the global total. The investment value of these cities depends not on their economic scale, but on their importance and innovativeness in critical links of the industrial chain. The investment value of Chinese cities is no longer defined by administrative boundaries. Instead, it is jointly determined by their nodal positions in global industrial chains, the strength of their connections within regional networks, and their systemic roles in innovation ecosystems.

Investment in China is shifting from single-point competition to ecological symbiosis. The true strategic opportunity lies not only in sharing the dividends of growth, but in deeply embedding into the ecosystems of Chinese cities and participating in the full process of value creation that involves research and development in China, validation in China, and output to the global market. This requires elevating the logic of investing in China: from selecting countries to selecting cities, from examining scale to examining ecosystems, and from focusing on the macro level to delving into the micro level.

The following analysis unfolds across three levels: why, what to observe, and what has been discovered.

Upgrading the logic of investing in China: From selecting countries to selecting cities

Global capital is concentrating on certainty. In 2025, global foreign direct investment grew by 6% to USD1.6 trillion, yet 80% was concentrated in 20 host economies. Strategic sectors such as AI and semiconductors accounted for 44% of greenfield investment value, up from only 16% in 2020. At the same time, the AI investment boom has given rise to a K-shaped mergers and acquisitions market. Industry boundaries are being rapidly reshaped by disruptive technologies, and industrial chains are shifting from prioritising efficiency to placing equal emphasis on security and resilience. PwC's 29th Annual Global CEO Survey China Report shows that the investment regions most favoured by global CEOs over the past five years have remained largely unchanged, but their advantages have become more concentrated and identifiable: leading hard technology, a vast consumer market, vibrant R&D and innovation, and a stable business environment. These four elements constitute the core combination of China's structural strengths. In a landscape where capital concentrates on certainty and industrial boundaries accelerate towards integration, Chinese cities offer not single-dimensional advantages but the dual certainty of hard technology, consumer markets, innovation ecosystems and institutional stability. This is precisely the resource most scarce to global capital.

China's certainty resides not only in the macroeconomic data of sustained GDP growth, but also in the investment portfolios of cities with differentiated strengths. In 2025, China's GDP surpassed RMB140 trillion, its contribution rate to world economic growth remained around 30%, and its export value reached approximately USD3.77 trillion. These macroeconomic figures form the foundation. Above this foundation, the microeconomic development of individual cities presents a multi-layered map of opportunities.

China has 293 prefecture-level cities and four municipalities directly under the central government. These cities are distributed across different stages of development, different industrial cycles and different geographical locations, with each participating in economic growth in its own distinctive manner. Some are in a phase of accelerated industrialisation, corresponding to opportunities in equipment manufacturing and engineering construction. Others have entered a stage dominated by the services sector, corresponding to scope for brand expansion and technology application. Still others are transitioning from traditional manufacturing to intelligent manufacturing, corresponding to demand for digital transformation and green upgrading. Differences among Chinese cities are no longer a distinction between better and worse, but a structural distribution in which each city has its own track and its own strengths.

At the same time, every Chinese city possesses dual value: domestically as an anchor for the deep cultivation of vertical markets, and externally as an important link in global industrial chains. On the one hand, the economic scale of many Chinese cities already rivals that of some medium-sized countries, offering unique advantages of scale for deep cultivation of vertical fields. Establishing a presence in these cities is itself an important global investment strategy. On the other hand, manufacturing cities in the Yangtze River Delta and the Pearl River Delta are becoming the home bases for Chinese enterprises' overseas expansion of production capacity, brands and ecosystems. Suzhou and Shenzhen, with their complete industrial chains, provide the industrial foundation for enterprises going global, while Xi'an and Zhengzhou, relying on China-Europe freight trains, have become strategic nodes connecting domestic manufacturing with overseas markets. For global investors, investing in a Chinese city means simultaneously capturing the growth dividends of the domestic market and the opportunities for global resource allocation. It is precisely this distribution that makes selecting cities rather than selecting countries a more precise investment strategy.

Ten dimensions: Each constitutes an investable value track

To identify the respective strengths and characteristics of these Chinese cities requires a systematic evaluation framework. This report proceeds from ten dimensions to clearly outline the diversified opportunity map of Chinese cities. Each dimension corresponds to a category of value track that can be captured and invested in:

01

Economic Strength: Only with a solid foundation can returns be sustainable

Those cities that have taken the lead in completing the transition from scale expansion to efficiency conversion are providing investors with higher labour productivity, stronger profitability and more sustainable returns. Changzhou, with a population of just over five million, has generated a gross domestic product of RMB1 trillion, demonstrating that cities without population advantages can likewise achieve a leap in economic capacity through industrial focus and efficiency enhancement.

02

Technological Innovation: R&D investment and the innovation application ecosystem are equally important

Technological innovation is transitioning from a policy-driven phase to one of commercial value realisation. Cities with high R&D intensity, rapid talent agglomeration and dense clusters of specialised, high-end and innovation-driven SMEs are nurturing primary market opportunities in hard technology tracks. Those cities capable of connecting the cycle of science and technology, industry and finance are becoming core nodes for the allocation of global capital to innovation.

03

Consumer Vitality: Market depth determines growth resilience

The growth rate of service retail sales has substantially outpaced that of goods retail sales. New tracks such as the silver economy, emotional consumption among Generation Z and county-level tourism continue to gain momentum. Among the 60 observed cities, urban per capita consumption expenditure in 41 exceeds the national average. Six cities with retail sales of consumer goods exceeding RMB1 trillion form the fundamental base, and opportunities in consumption investment are shifting from total volume expansion to deep cultivation of scenarios.

04

Digital-Intelligence Empowerment: AI is not a tool, but the underlying operating system

According to PwC's 29th Annual Global CEO Survey China Report, 17% of Chinese enterprises have already achieved the dual benefits of cost reduction and revenue growth from AI projects, leading the world. Digital intelligence has upgraded from an efficiency tool to the underlying operating system through which cities restructure industrial competitiveness. Those cities that have taken the lead in completing data assetisation and in opening application scenarios are entering a period of value release.

05

Open Development: Institutional opening-up determines global connectivity

The role of Chinese cities in global industrial chains has upgraded from manufacturing bases to global R&D hubs and sources of innovation. An increasing number of MNCs are treating China as the first stop for innovative products and the validation ground for business models.

06

Regional Synergy: Network value exceeds node layout

In 2025, the combined gross domestic product of the Beijing-Tianjin-Hebei Region, Yangtze River Delta and Pearl River Delta city clusters accounted for 41.8% of the national total, while their combined total value of goods imports and exports accounted for 67.9%. The investment perspective needs to shift from point-based layout to network thinking, focusing on the connection value and synergy premium within city clusters.

07

Urban Resilience: Public safety has become an investable market

During the 15th Five-Year Plan period, China plans to construct and renovate approximately 770,000 kilometres of underground pipelines nationwide, generating additional investment demand exceeding RMB5 trillion. Tracks such as urban lifelines, city information modelling (CIM) platforms and Internet of Things sensing equipment are set to welcome significant growth opportunities.

08

Green and Low-Carbon: Green generates additional revenue

Direct green electricity supply, carbon asset operations and zero-carbon manufacturing are transforming from policy concepts into investable and tradable commercial realities. In the first half of 2026, the trading volume of national carbon emission allowances increased by approximately 37% year on year.

09

Market Environment: Institutions serve as a safety cushion

Competition in the market environment has moved from streamlining processes and lowering thresholds into a new stage of stabilising expectations, strengthening the rule of law and reducing costs. Institutional stability, the level of rule of law and fiscal health are forming a safety cushion for investment, helping investors assess the medium- and long-term risk-return ratios of different cities.

10

Culture and Quality of Life: Culture is a quantifiable attraction point

From immersive cultural spaces and the derivative development of museum IP to smart sports facilities and the digitalisation of public health services, those places that have taken the lead in converting cultural resources into urban attractiveness are reaping quantifiable development dividends from the operation of urban soft power.

Observation of 60 cities: Orderly tiers and evidence-based selection

Applying the above ten dimensions to the analysis of 60 Chinese cities[1] shows that differences are not randomly scattered, but present a clear structure and hierarchy. Understanding this structure is the key to selecting cities.

The 60 sample cities observed in this report account for 56% of national total GDP, 72% of the national transaction value of technology contracts, 63% of the deposit balances of financial institutions and 56% of total retail sales of consumer goods. They possess broad representativeness and significant influence.

72% of the national transaction value of technology contracts

63% of the deposit balances of financial institutions

56% of national total GDP

56% of total retail sales of consumer goods

Note: The above data is based on statistics from 2025.

Distribution reveals hierarchy, with each city in its place and displaying its strengths.

Beijing, Shenzhen and Shanghai remain in the first tier with total scores exceeding 2,400, firmly occupying the leading group of urban development. Guangzhou, Hangzhou, Suzhou, Nanjing, Chengdu, Wuhan, Changsha, Tianjin and Ningbo — nine cities in total — have overall scores between 2,000 and 2,400. This range has added Tianjin and Ningbo compared with the previous year. These cities all demonstrate strong comprehensive competitiveness and regional radiating capacity. Wuxi, Chongqing, Qingdao, Xi'an, Hefei, Xiamen, Zhengzhou, Jinan, Changzhou, Fuzhou, Kunming, Dongguan, Nantong, Foshan, Shenyang, Jiaxing, Wenzhou — 17 cities in total — have overall scores between 1,500 and 1,999, forming the third tier. This range has added Jiaxing and Wenzhou compared with the previous year, reflecting the trend of some cities accelerating breakthroughs on specialised tracks. The existence of multiple tiers indicates that urban differentiation has direction and rhythm, rather than being mediocre or polarised into extremes.

First tier Overall score>2,400	Second tier 2,000–2,400	Third tier 1,500–1,999	Fourth tier <1,500
Beijing, Shenzhen, Shanghai • 3 cities in total	Guangzhou, Hangzhou, Suzhou, Nanjing, Chengdu, Wuhan, Changsha, Tianjin, Ningbo • 9 cities in total • 2 more than in the previous year	Wuxi, Chongqing, Qingdao, Xi'an, Hefei, Xiamen, Zhengzhou, Jinan, Changzhou, Fuzhou, Kunming, Dongguan, Nantong, Foshan, Shenyang, Jiaxing, Wenzhou • 17 cities in total	Cities: Dalian, Shijiazhuang, Zhuhai, Nanchang, Shaoxing, Yantai, Taiyuan, Yichang, Guiyang, Taizhou, Quanzhou, Yangzhou and others • 31 cities in total

Differentiation has a clear centre of gravity, and innovation constitutes the greatest divide.

The Technological Innovation dimension records the highest dispersion and is the area of most pronounced differentiation in current Chinese urban development, reflecting the structural characteristic of highly concentrated innovation resources. The dispersion of the Digital-Intelligence Empowerment dimension ranks second only to Technological Innovation, revealing relatively large gaps among cities in digital infrastructure and the penetration rate of the digital economy. By contrast, the dispersion of the Market Environment dimension is significantly lower than that of other dimensions, indicating that institutional reforms possess broader inclusiveness. The implication of this finding for investors is clear: Technological Innovation and Digital-Intelligence Empowerment are the dimensions yielding the highest returns from selecting nodes, and also those where risks are most concentrated. The Market Environment dimension exhibits the smallest differences and constitutes the most evenly distributed safety cushion of certainty.

Value is not depressed, and precise identification brings opportunities.

Among the 60 cities, 29 rank in the top 10 in at least one dimension and 43 rank in the top 20 in at least one dimension. This data itself constitutes a strong response to the disparity narrative: there are no wholly lagging cities, only investment value that has yet to be discovered.

From Shenzhen, which leads the nation in R&D intensity, to Chengdu, where consumer market resilience stands out; from Zhengzhou, rising as a computing power hub, to Yancheng at the frontier of the green energy revolution. Investment opportunities in Chinese cities are not evenly distributed, but structural, multi-dimensional and hierarchical. Those single-dimension champion cities that occupy irreplaceable positions in critical links of the industrial chain are often value depressions overlooked by aggregate thinking. The tiered distribution does not mean that cities in later tiers lack opportunities, but that the types of opportunities differ. Leading cities provide comprehensive certainty, while mid-tier cities provide explosive power on specific tracks. Identifying which form of certainty matters more to oneself is the true meaning of value discovery.

Overall scoring table (Top 20)

Rank	City	Economic strength	Technological innovation	Consumer vitality	Digital-intelligence empowerment	Open development	Regional synergy	Urban resilience	Green and low-carbon	Market environment	Culture and quality of life	Overall score
1	Beijing	294	298	202	288	203	287	266	213	218	234	2503
2	Shenzhen	280	277	198	258	272	275	231	273	233	184	2481
3	Shanghai	289	283	237	274	265	293	217	237	217	165	2477
4	Guangzhou	213	263	218	279	216	288	240	223	190	211	2341
5	Hangzhou	268	264	215	254	175	247	238	213	228	222	2324
6	Suzhou	233	262	214	251	247	224	225	172	203	235	2266
7	Nanjing	255	261	201	261	182	258	241	131	181	268	2239
8	Chengdu	211	255	202	224	193	262	248	212	209	177	2193
9	Wuhan	181	275	208	242	192	230	191	200	186	204	2109
10	Changsha	159	233	212	239	185	171	166	235	182	252	2034
11	Tianjin	204	235	154	244	221	269	212	178	136	155	2008
12	Ningbo	222	223	191	214	204	189	209	204	193	157	2006
13	Wuxi	193	221	210	206	195	169	192	156	175	225	1942
14	Chongqing	143	192	188	248	154	252	152	245	172	188	1934
15	Qingdao	190	207	181	229	213	210	204	152	145	176	1907
16	Xi’an	159	264	193	211	185	228	204	160	126	154	1884
17	Hefei	206	250	166	217	165	178	145	162	178	203	1870
18	Xiamen	186	175	166	177	249	184	157	190	225	151	1860
19	Zhengzhou	186	185	190	208	146	195	230	160	189	118	1807
20	Jinan	200	214	168	248	141	207	197	107	134	155	1771

01

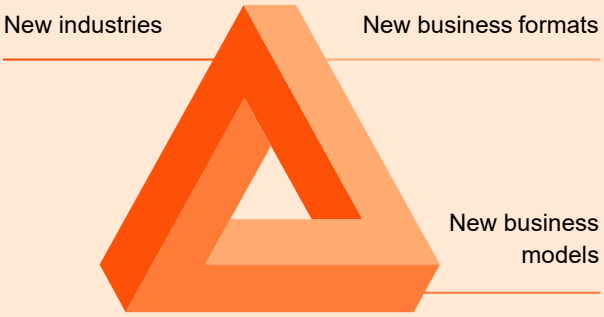
Economic Strength

Seeking structural opportunities in efficiency conversion

Global economic growth drivers are shifting, geopolitical competition is intensifying and trade rules are being restructured. Industrial chains are moving from prioritising efficiency towards regional reorganisation that balances security and resilience. Against this backdrop, China's contribution rate to world economic growth has remained around 30%. In 2025, China's GDP surpassed the new threshold of RMB140 trillion for the first time, growing by 5.0% year on year. Of greater note is the structural upgrading: the value-added of high-tech manufacturing as a proportion of industrial enterprises above designated size rose to 17.1%, while the value-added of the "three new" economy (represented by new industries, new business formats and new business models) already accounts for more than 18% of GDP. New tracks such as AI, quantum technology, the low-altitude economy and embodied intelligence are developing rapidly. China's weight in the global economy is no longer limited to serving as a ballast of scale; more importantly, through the systematic cultivation of New Quality Productive Forces, it offers a feasible transformation pathway for the restructuring of global industrial chains.

The core value of urban economic strength has shifted from aggregate scale to efficiency conversion. In the past, investment decisions were highly concentrated on the leading cities with the largest GDP. However, as growth drivers diffuse from a few centres to a multi-polar network, population size no longer constitutes a natural advantage. Unit output, capital density, endogenous fiscal capacity ratio and the agglomeration of corporate brands are becoming the key variables determining a city's economic standing. What truly matters is not the size of GDP, but rather which cities can efficiently convert inputs into outputs and transform scale advantages into industrial ecosystem advantages.

Column I: The "three new" economy



The "three new" economy accounted for

18.39%

of GDP in 2025

China vigorously encourages the development of the "three new" economy. According to statistics from relevant national authorities, the value-added of the "three new" economy accounted for 18.39% of GDP in 2025, with a growth rate 2.2 percentage points higher than that of GDP. The "three new" economy has become an important thermometer for observing the conversion of old and new growth drivers in the Chinese economy, and also a key field pursued by capital for high efficiency.

Economic Strength

Dimension insight

In the Economic Strength dimension, Beijing, Shanghai, Shenzhen and Hangzhou remain firmly in the leading positions; Ningbo, Jinan, Jiaxing, Shaoxing and Urumqi also demonstrate relative advantages. Among the 60 observed cities, 29 have reached a GDP of RMB1 trillion, 9 cities have achieved high GDP growth of more than 6%, and 23 cities have per capita GDP exceeding the USD20,000 threshold of developed economies. In 15 cities, the contribution of tax revenue to general public budget revenue exceeds 80%. Beijing has taken the lead among China's super-large cities in implementing high-quality development characterised by reduction-oriented growth, with its GDP surpassing RMB5 trillion for the first time. Nanshan District in Shenzhen, as the first trillion-yuan district under a prefecture-level city, has strategic emerging industries accounting for 60% of its GDP. Shaoxing ranks first among the 60 observed cities with a GDP growth rate of 6.5%, achieving a magnificent transformation from a traditional textile city focused on the "three vats" [2] to a new city of advanced intelligent manufacturing centred on the "three new" economy. Cities of different scales and locations are creating differentiated value on their respective advantageous tracks.

9 cities
achieve high GDP growth of more than 6%

23 cities
have per capita GDP exceeding the USD20,000 threshold of developed economies

15 cities
see tax revenue account for over 80% of general public budget revenue

Economic Strength scoring table (Top 20)

Rank	City	Economic aggregate potential	Per capita economic output	Deposit and loan density	Number of brand companies	Endogenous fiscal capacity ratio	Total score
1	Beijing	56	60	59	60	59	294
2	Shanghai	58	59	55	59	58	289
3	Shenzhen	59	57	51	58	55	280
4	Hangzhou	45	52	57	57	57	268
5	Nanjing	43	54	56	54	48	255
6	Suzhou	54	56	24	47	52	233
7	Ningbo	36	53	29	55	49	222
8	Guangzhou	30	48	46	56	33	213
9	Chengdu	60	25	45	52	29	211
10	Hefei	58	37	28	52	31	206
11	Tianjin	33	35	41	52	43	204
12	Jinan	46	39	30	45	40	200
13	Jiaxing	21	36	32	45	60	194
13	Shaoxing	48	43	23	38	42	194
15	Wuxi	35	58	10	45	45	193
16	Qingdao	49	46	18	47	30	190
17	Zhengzhou	47	26	38	52	23	186
17	Xiamen	40	47	26	45	28	186
19	Wenzhou	51	18	34	33	46	182
19	Changzhou	29	55	13	29	56	182

Economic Aggregate Potential measures a city's development foundation and growth drivers.

Chengdu, Shenzhen, Shanghai, Hefei and Beijing rank high in scores. Wenzhou and Dalian have become newly added trillion-yuan GDP cities. Tangshan leads the trillion-yuan cities with a GDP growth rate of 6.2%, mainly benefiting from the application of 17 vertical large models in the steel sector, which has revitalised traditional industries with new efficiency. Hefei, Wenzhou and Yantai have also achieved high growth of 6.1%. Among them, Yantai's four 100-billion-yuan projects cover high-end chemical new materials, clean energy, new energy vehicles and other core industries, driving the value-added of industrial enterprises above designated size to grow by 13.5%.

The combination of new projects arising from the extension of industrial chain supporting facilities and the demand for intelligent transformation of traditional industries not only jointly supports urban economic growth, but also contains continuous investment opportunities in structural transformation.

Per Capita Economic Output is the core yardstick for measuring a city's output efficiency.

Beijing, Shanghai, Wuxi, Shenzhen and Suzhou lead the rankings. Changzhou, with a population of just over five million, has created a GDP of RMB1 trillion, with per capita GDP exceeding RMB200,000. Its new energy industry scale exceeds RMB1 trillion, making it currently the only dual-trillion-yuan city in China with both GDP and the new energy industry surpassing RMB1 trillion. Fuzhou's per capita GDP grew by nearly 6% to rise to 11th place nationwide, with the scale of the digital economy accounting for nearly 60% of GDP, while the marine economy advances in parallel.

As land and demographic dividends gradually fade, deep cultivation of high value-added industries has become the key pathway to continuously improve economic efficiency. Cities' intensive cultivation in high-value fields will build a solid value foundation for investors in the specialised, high-end and innovation-driven domain.

Deposit and Loan Density reflects the depth of support that financial capital provides to the real economy.

Taiyuan, Beijing, Lanzhou, Hangzhou and Nanjing rank high in the ratio of deposit and loan balances to GDP. Among the 60 observed cities, 51 have seen an increase compared with the previous year. Taiyuan precisely anchors the transformation of its resource-based economy, providing financial guidance for energy transition and industrial renewal. Nanjing's deposit balance grew by 15.3%, with sci-tech finance reform and industrial fund guidance forming a positive cycle of finance, technology and industry. Cities such as Yancheng, Yangzhou and Tangshan recorded loan balance growth exceeding 10%.

The differentiation in financial indicators maps the deeper changes in capital flows: cities with high-density financial capital are often also those undergoing profound industrial structure adjustment and accelerated formation of new growth drivers. This serves as a leading signal for identifying industrial investment hotspots. Capital is voting with its feet, telling investors where opportunities lie.

Number of Brand Companies measures a city's capacity to agglomerate brand resources by the number of Fortune China 500 enterprises it hosts.

Leading cities such as Beijing, Shanghai, Shenzhen, Hangzhou and Guangzhou are far ahead by virtue of their headquarters economy advantages. Foshan has seven Fortune China 500 enterprises. Although its economic scale is smaller than that of first-tier cities, its manufacturing brand matrix is solid, forming global influence in fields such as smart home and building materials. Among the newly listed companies on the Fortune China 500 this year, three popular companies in the new consumption sector have emerged, marking that new consumption brands are moving from niche tracks to the mainstream stage and confirming that the diversified demand of the consumer market for emotional value, cost-performance ratio and cultural identity is reshaping the brand landscape.

The distribution of profit centres represented by the headquarters of brand enterprises signifies a city's pricing power and resource allocation rights within the industrial chain. The rise of new consumption brands indicates that urban investment is expanding from traditional manufacturing and internet giants towards more diversified and flexible directions.

Endogenous Fiscal Capacity Ratio measures the quality of local fiscal endogenous growth by the proportion of tax revenue in general public budget revenue.

Jiaxing, Beijing, Shanghai, Hangzhou and Changzhou rank at the forefront. Among the 60 sample cities, the range of this indicator reaches 46 percentage points, with only 15 cities exceeding 80%. The Yangtze River Delta city cluster as a whole performs outstandingly, with most cities maintaining this ratio stably above 75%. Jiaxing leads with a share of 86.9%, highlighting its strong endogenous economic momentum and excellent fiscal quality.

The differentiation in this variable is essentially a mapping of industrial structure quality. Cities with a solid tax base often possess a higher proportion of modern services and advanced manufacturing. Fiscal health means that a city can continuously invest in infrastructure, industrial support and public services, with stronger policy continuity and a more predictable institutional environment. This is a core indicator for assessing the medium- and long-term safety of investment.

Structural investment opportunities in Chinese cities are dispersing and descending from a few leading cities to cities of different scales and on different tracks. Those cities that can continuously improve total factor productivity, form irreplaceability in critical links of the industrial chain, and possess healthy finances to achieve self-circulation are seeing further rises in their endogenous growth capacity and development efficiency. The superposition of the above three characteristics constitutes both the core logic of high-quality urban economic development and an analytical framework for investors to identify medium- and long-term value targets from the three dimensions of industrial depth, fiscal sustainability and factor allocation efficiency.

Economic Strength

Case studies

In the past, investment in China's leading cities was always the focus of attention. However, today, as New Quality Productive Forces accelerate their implementation and industrial chains extend in depth, a number of second- and third-tier cities are demonstrating unique investment value on specific tracks. They may not possess the largest population or GDP, yet they have formed irreplaceable competitiveness in specialised industrial fields.

Hefei:
Converting basic scientific research into hard technology industrial strength

In 2025, Hefei's GDP reached RMB1.42 trillion, accounting for 27% of Anhui province's total GDP. From the home appliance capital to chips, displays, new energy vehicles and the integration of AI with integrated circuits, Hefei has completed a switch in its industrial label. Behind this lies its reliance on leading research institutes and strengths in basic disciplines. Through the pathway of frontier breakthroughs, achievement commercialisation and industrial take-off, original innovation from the laboratory has grown into a hard technology tree.

Hefei is home to national strategic scientific assets such as the University of Science and Technology of China and the Hefei Institutes of Physical Science of the Chinese Academy of Sciences, and continues to produce globally leading original innovation results in fields such as quantum information, nuclear fusion, AI and new materials. Over the past three years, Hefei has proactively connected with research teams from more than 200 universities and research institutes nationwide, and has cumulatively promoted the commercialisation and landing of more than 3,400 scientific and technological achievements in the city. In the first half of 2026, the value-added of high-tech manufacturing enterprises above designated size in Hefei grew by 79% year on year, maintaining high growth of more than 30% for 12 consecutive months and accounting for 41.9% of the city's industrial enterprises above designated size. Output of lithium-ion batteries, industrial robots and liquid crystal displays grew by 95.1%, 24.4% and 17.6% respectively. What Hefei offers is not merely a series of industrialisation opportunities for frontier technologies, but a hard technology incubation paradigm in which research, pilot-scale testing and mass production are seamlessly connected, while building a sound institutional environment that enables basic research to move from papers to the market.

Shaoxing:
Traditional industry upgrading superimposed on emerging industry dividends

Shaoxing ranks first among the 60 observed cities with a GDP growth rate of 6.5%. From the “three vats” to the “three new”, Shaoxing has achieved a transformation from a traditional textile city to a new city of advanced intelligent manufacturing through continuous promotion of the transformation and upgrading of traditional industries. In the first half of 2026, the value-added of digital economy core industries, high-tech industries and equipment manufacturing industries above designated size in Shaoxing grew by 18.0%, 17.6% and 17.2% respectively. Behind these figures lie the real demand for digital transformation of traditional factories, renewal of intelligent manufacturing equipment and deployment of industrial software. The proportion of R&D expenses to operating revenue of industrial enterprises above designated size in the city reached 4.25%, ranking first in the province.

While providing investors with opportunities for the intelligent transformation of traditional industries such as textiles and chemicals, Shaoxing also drives the coordinated development of emerging industries such as integrated circuits, the low-altitude economy and embodied intelligence through demand for intelligent transformation. Shaoxing is not alone; many similar cities in China are currently in an investment window period driven by the dual wheels of traditional industry upgrading and emerging industry cultivation.

Changzhou:
The secret to high-efficiency output of the trillion-yuan city with the smallest population

In 2025, Changzhou created a GDP of RMB1.1 trillion with a permanent resident population of 5.42 million, achieving per capita GDP exceeding RMB200,000 and becoming the trillion-yuan GDP city with the smallest population in China. The core engine supporting this achievement is the new energy industry. In 2025, the scale of Changzhou’s new energy industry surpassed RMB1 trillion. The city has built a full-chain cluster around new energy vehicles, power batteries, photovoltaics and smart grids, with power battery industrial chain completeness reaching 97%. More critically, Changzhou highly focuses limited resources on high value-added industries. The competitiveness of its 10 advanced manufacturing clusters and 28 key industrial chains continues to strengthen, and it has independently or jointly built five national-level industrial clusters. In addition, Changzhou has three world lighthouse factories, eight national excellent-level smart factories and 21 national 5G factories, with the digitalisation rate of production equipment reaching 69.4% and that of operation and management reaching 90.2%.

This specialised, high-end and innovation-driven high-end manufacturing model has formed an advantage of offsetting scale shortcomings with industrial precision. In 2025, the output value of high-tech industries in Changzhou accounted for 62.2% of the total output value of industrial enterprises above designated size, ranking among the highest in the country.

Hefei, Shaoxing and Changzhou represent capital-driven hard technology investment opportunities, the dual drivers of traditional industry upgrading and emerging industry cultivation, and the specific industrial investment value of high-efficiency output cities respectively. When a city can form a closed-loop ecosystem of chain-master enterprises plus complete supporting facilities plus regional synergy on a specific industrial track, it can create economic returns that transcend its scale even without a population advantage. This is the best verification sample of the investment logic upgrade from examining scale to examining efficiency.

02

Technological Innovation

Anchoring technological breakthroughs with the innovation ecosystem

Global scientific research continues to achieve breakthroughs in fields such as aerospace, life sciences, AI and new energy, constantly rewriting the rules of industrial competition. The PwC's 29th Global CEO Survey China Report shows that 42% of business leaders are most concerned about keeping pace with technological change. China is transforming from a technology follower into an important contributor: its R&D intensity has reached 2.8%, surpassing the OECD average for the first time; its full-time equivalent of R&D personnel has ranked first globally for 13 consecutive years; and its volume of PCT international patent applications has ranked first globally for seven consecutive years. An increasing number of MNCs are treating China as the first-launch station for innovative products and the validation ground for business models. After completing the cycle of research and development, validation and scaling, they roll out these solutions to the global market. This model is redefining the global R&D landscape.

The innovation ecosystems of Chinese cities are upgrading from pure R&D investment to a contest of efficiency and resilience in the cycle of innovation, capital and industry. Cities with high R&D intensity, rapid talent agglomeration, dense clusters of specialised, high-end and innovation-driven SMEs and active technology transactions often nurture more primary market investment opportunities on hard technology tracks. At the same time, the three international technological innovation centres of Beijing (Beijing-Tianjin-Hebei Region, the BTH Region), Shanghai (Yangtze River Delta) and the Guangdong-Hong Kong-Macao Greater Bay Area (the Greater Bay Area, GBA) have been formally included in the outline of the 15th Five-Year Plan, marking the upgrade of innovation from single-city breakthroughs to regional coordinated and integrated development. The spillover effects of technological innovation are accelerating their penetration into a broader range of real-economy industries, continuously generating new industrial growth points and providing dual investment opportunities of hard tech breakthroughs plus scenario implementation dividends.

Column II: The three major international technological innovation centres

1

Region
Beijing
(BTH Region)

Coverage
Beijing, Tianjin, Hebei

Strategic direction
Focus on building an important source of independent innovation and a primary hub for original innovation in China

2

Region
Shanghai
(Yangtze River Delta)

Coverage
Shanghai, Jiangsu, Zhejiang, Anhui

Strategic direction
Continuously strengthen its role as a source of technological innovation and as a leader in high-end industries

3

Region
The Greater Bay Area

Coverage
Hong Kong SAR, Macao SAR and the nine Pearl River Delta cities

Strategic direction
Focus on developing New Quality Productive Forces, strengthen the deep integration of technological innovation with industrial innovation, and build a modern industrial system with international competitiveness

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Dimension insight

In the Technological Innovation dimension, Beijing, Shanghai, Shenzhen, Wuhan and Hangzhou rank at the forefront; Xi'an, Baoding, Zhuhai, Dongguan and Zhongshan perform outstandingly in this dimension. Among the 60 observed cities, 34 have R&D intensity higher than the national level; 18 cities have full-time equivalent of R&D personnel exceeding 100,000 person-years, with sci-tech talent concentrating in regions with sci-tech advantages; 29 cities have achieved double-digit growth in technology transaction value, with the activity of technology factor circulation continuing to rise. Wuhan consolidates its advantages in basic research by relying on university resources and diversified innovation entities, tackling areas such as optoelectronic information, high-end equipment and biomedicine, with some core technologies achieving leading breakthroughs. Dongguan, relying on a complete matrix of large scientific facilities and innovation platforms, is leaping from the world's factory to a strong city of sci-tech manufacturing. It is evident that Chinese cities are exploring differentiated innovation pathways according to their own endowments, with diverse approaches flourishing.

34 cities
have R&D intensity higher than the national level

18 cities
record full-time equivalent of R&D personnel exceeding 100,000 person-years

29 cities
achieve double-digit growth in technology transaction value

Technological Innovation scoring table (Top 20)

Rank	City	R&D investment intensity	Innovative talent support	Innovative enterprises	Invention patent density	Technology transaction scale	Total score
1	Beijing	59	59	60	60	60	298
2	Shanghai	56	56	58	54	59	283
3	Shenzhen	60	45	60	59	53	277
4	Wuhan	54	56	55	53	57	275
5	Hangzhou	50	50	56	56	52	264
5	Xi'an	58	54	46	48	58	264
7	Guangzhou	42	60	55	52	54	263
8	Suzhou	55	48	57	55	47	262
9	Nanjing	50	54	52	57	48	261
10	Chengdu	51	58	53	38	55	255
11	Hefei	53	49	48	50	50	250
12	Tianjin	45	47	50	37	56	235
13	Changsha	43	51	43	45	51	233
14	Ningbo	39	43	51	44	46	223
15	Wuxi	44	40	48	51	38	221
16	Jinan	36	46	41	46	45	214
17	Qingdao	31	44	44	47	41	207
18	Changzhou	48	33	42	49	34	206
19	Dongguan	52	38	45	43	15	193
20	Chongqing	23	58	49	13	49	192

R&D Investment Intensity is the key support for the construction of the innovation system.

Shenzhen (6.67%), Beijing (6.58%) and Xi'an (5.39%) rank in the top three, with R&D investment intensity approaching twice the national level. Shenzhen's R&D investment exhibits the characteristics of large total volume, steady growth rate, high intensity and optimised structure, with enterprise-funded R&D expenditure accounting for 93.5%. Zhuhai's growth rate of R&D expenditure has been strong, benefiting from leading enterprises' long-term adherence to a R&D strategy of investing according to need with no upper limit.

Large-scale and continuous R&D investment, on the one hand, helps key core technologies break through critical bottlenecks and gives rise to hard technology enterprises; on the other hand, it also leverages the vigorous development of related industries such as sci-tech intermediaries, pilot-scale platforms, IP services, as well as hard tech venture capital and incubation. This is precisely a key signal for evaluating a city's innovation value.

Innovative Talent Support measures the depth and quality of a city's innovative human capital.

Guangzhou, Beijing, Chengdu, Nanjing and Shanghai rank high in scores. Guangzhou focuses on key tracks such as next-generation information technology, biomedicine and new energy vehicles, launching the Million Talents Gathering in South Guangdong action and becoming a talent hub of the Greater Bay Area. Beijing leads the nation in the density of R&D personnel, with a high concentration of top scientific research institutions and leading enterprises continuously supplying high-calibre talent for hard technology fields such as chips, AI and aerospace. Zhengzhou vigorously advances the construction of industry-education consortia and industry-education integration communities, while opening pathways to upgrade academic qualifications, providing skilled talent with ample room for growth.

As the trend of integration between industry and talent continues to deepen, the large scale of students enrolled in higher education and the investment in R&D personnel both serve as important talent support for enterprise innovation and development.

Innovative Enterprises are the core indicator for measuring the vitality of a city's innovation ecosystem.

Beijing, Shenzhen, Shanghai, Suzhou and Hangzhou perform outstandingly. Among the 1,523 unicorn enterprises worldwide, China accounts for 343, ranking second in the world. The number of high-tech enterprises in China has exceeded 500,000. Cumulatively, more than 17,600 "little giant" enterprises[3] and over 1,800 manufacturing single-item champions have been cultivated. Fifteen cities have more than 10,000 national high-tech enterprises each. The combined number of "little giants" in Shenzhen, Beijing and Shanghai accounts for 20% of the national total. Cities such as Yancheng and Suzhou have seen rapid growth in "little giants".

Innovative enterprises serve as a leading signal for judging whether a city possesses the value of investing early, investing small and investing in hard tech. These enterprises are often the hidden champions of specialised tracks.

Invention Patent Density measures the quality and efficiency of a city's scientific and technological innovation output.

Beijing, Shenzhen and Zhuhai rank in the top three. Cities in central and western China such as Hohhot, Nanchang, Yinchuan and Guiyang show the most outstanding growth rates. Although their stock bases are relatively low, their innovation momentum is sufficient and they are in a stage of rapid catch-up. In 2025, Foshan's number of effective invention patents exceeded 70,000, with patents in smart home appliances holding an absolute advantage, reflecting the concentrated emergence of innovation achievements during the transformation of a major traditional manufacturing city into a strong intelligent manufacturing city. Zhongshan lays out high-value patents around advantageous industries such as home appliances, lighting and equipment manufacturing. The registered amount of IP pledge financing has reached a new high, successfully opening the channel for converting IP into assets.

Invention patent density is not only a report card of innovation capacity, but also a market demand signal for productive service industries such as IP services, sci-tech finance and technology transfer and commercialisation.

Technology Transaction Scale reflects the level of market-oriented operation of technological innovation.

In 2025, the number of registered technology contracts nationwide exceeded one million for the first time, with transaction value maintaining double-digit growth for nine consecutive years. Beijing's technology contract transaction value is approaching the trillion-yuan scale and serves as the core hub for national technology output. Xi'an, as the science and education centre of northwest China, stands out uniquely in transaction scale among central and western regions. In terms of growth rate, Shijiazhuang leads the 60 sample cities with a growth rate of 43.8%. Western cities such as Hohhot and Yinchuan also rank among the top in growth rates. Shanghai still achieved high-speed growth of 24.9% on a high base, reflecting the strong demand of the real economy for technological innovation.

The flow of technology factors is spreading from leading hubs to a wider range of cities, which will drive tracks such as hard technology industries, technology transfer services and scientific and technological achievement commercialisation funds into a period of investment returns.

According to estimates, by 2030 the six emerging pillar industries of integrated circuits, aerospace, biomedicine, the low-altitude economy, new-type energy storage and intelligent robots in China will provide a market of tens of trillions of yuan for global investors pursuing innovation. The true strategic opportunity lies not only in sharing the growth dividends of the Chinese market, but also in deeply embedding into China's innovation ecosystem and participating in the full process of value creation involving research and development in China, validation in China and output to the global market, advancing together with China's innovation ecosystem onto the world stage. Those cities that can continuously attract MNCs to establish high-level R&D centres and deeply embed into global innovation networks are transforming from destinations of global capital inflows into sources of global innovation. This is the irreplaceable long-term value that Chinese cities offer to global innovation investors.

Technological Innovation

Case studies

As the costs of large model training and space launches continue to rise in the technology race, differentiated technologies are becoming a new coordinate for hard technology investment. This means that hard technology investment no longer focuses solely on scale, but places greater emphasis on the matching of technological depth with local endowments. Beijing, Shenzhen and Hangzhou have each forged differentiated development paths through original innovation, industrial application innovation and full-chain independent R&D innovation respectively.

Beijing:
Source of original innovation in AI

Beijing's competitiveness in AI does not stem from the technological breakthrough of any single enterprise, but from a complete original innovation ecosystem. This is a systematic layout centred on national strategic scientific and technological forces, supported by top talent and using new-type R&D institutions as experimental fields.

Beijing's core advantage lies in its capacity for original innovation from 0 to 1. The city hosts two national laboratories, five industry-education integration platforms and one national-level AI academy. Fourteen universities including Tsinghua University and Peking University have established AI schools, building platforms for talent cultivation and the integration of industry, academia and research in the field of AI. A group of new-type R&D institutions operating with flexible mechanisms continuously produce original and leading basic research results. The Wujie series of large models drives AI to break through the barrier between the digital world and the physical world. The world's first full-chain scientific research AI platform, the Bohr Scientific Research Space Station, reshapes the paradigm of scientific research. Large models such as GLM-5.2 and Kimi K3 have set new world records. In early 2026, Beijing released the Nine Major Actions for building an AI innovation highland, clearly aiming to complete a 100,000-card-level domestic intelligent computing cluster in two years and to push the scale of the core AI industry beyond RMB1 trillion. In the first half of 2026, Beijing had 259 large models that had completed filing, continuing to rank first nationwide.

Beijing's AI innovation encompasses a basic research chain from national laboratories to new-type R&D institutions, a technology commercialisation echelon from large models to the application layer, and a domestic computing power chip cluster. The complete innovation chain covering the basic layer, technology layer and application layer enables investors to achieve full-cycle layout from original innovation to industrialisation within the same city.

Shenzhen:
Efficiency highland for the industrialisation of global hard technology

Shenzhen's innovation value lies not in what is produced, but in how quickly it can be turned into an industry. In 2025, Shenzhen's volume of PCT international patent applications ranked first nationwide for the 22nd consecutive year. Behind this figure lies systematic proof of the efficiency with which technology is converted into products, and a core competitiveness that is difficult for other global innovation cities to replicate.

In Nanshan Robot Valley, 80% of components can be sourced within a 40-kilometre radius, enabling enterprises to complete R&D prototyping within a half-hour supply circle. While overseas enterprises often take weeks to repair components, Shenzhen manufacturers can resolve issues in as little as one day. One robotics enterprise started from a 10-square-metre office and grew within ten years into the global leader in LiDAR shipments, with total shipments reaching 912,000 units in 2025. This is not the success story of a single enterprise, but the verification of a systematic efficiency: when a region's innovation ecosystem can compress the cycle from technology to product to the extreme, hard technology here is no longer a question of whether it can be produced, but of how fast, how large-scale and how cost-effectively it can be achieved.

Shenzhen's core value lies in providing hard technology with the shortest path from prototype to mass production. Embodied intelligence, LiDAR, AI large models and core robotics components — whichever hard technology track is involved, full-factor support from technology validation to scaled implementation is available in Shenzhen. From an investment perspective, Shenzhen's value lies not in betting on any single technology direction, but in entering a system that enables hard tech to generate industrial returns at the fastest possible speed.

Hangzhou:
Full-chain R&D innovation ecosystem for embodied AI

Hangzhou has built China's leading closed-loop pilot-scale ecosystem for embodied intelligence. The Zhijiang Robot Industry Service Home Port has established a "1+3+1" full-chain supporting system: one pilot-scale base that provides engineering validation services from laboratory samples to mass-produced products, addressing process feasibility, and linking three platforms — the humanoid robot pilot-scale base, the Zhejiang Testing Centre of the National Robot Testing and Evaluation Centre, and the Shuangpu Robot Training Ground. This ecosystem enables enterprises to complete the entire process from concept validation and pilot-scale maturation to product evaluation and scenario verification within a single closed loop, without the need to develop standards or build testing environments independently. In 2026, Hangzhou took the lead in introducing China's first local regulation on embodied intelligence, covering technological innovation, infrastructure, industrial development and application empowerment, and encouraging enterprises to pioneer and experiment. This close synergy of research and development, manufacturing and institutions shortens the cycle from prototype to mass production and substantially reduces trial-and-error costs and certification risks.

Hangzhou's closed-loop pilot-scale ecosystem for embodied intelligence offers investors three layers of value: risk mitigation, as the pilot-scale base and testing centres significantly increase the probability of early-stage projects crossing the valley of death; certainty of returns, as industrial supporting facilities shorten the cycle from investment to exit; and ecosystem dividends, as more than 700 robot-related enterprises and a trillion-yuan AI industrial fund enable investors to share in systematic growth opportunities.

Beijing, Shenzhen and Hangzhou correspond respectively to three paradigms of technological innovation: research-driven, efficiency of innovation commercialisation from 1 to N, and full-chain R&D services. As the hard technology race shifts from competing on single-point technological breakthroughs to competing on innovation systems, these cities are redefining the underlying logic of technology investment in China through their irreplaceable technological depth.

03

Consumer Vitality

Reconstructing growth value through layered needs

The global consumer goods industry is facing multiple challenges of inflationary pressure, changes in consumer behaviour and rapid technological iteration. The focus of competition has shifted from price wars to product innovation and ecological synergy, building long-term competitiveness through differentiated value. Against this backdrop, China's consumer market is accelerating its transformation from being dominated by goods consumption to placing equal emphasis on goods consumption and service consumption. High-quality goods in the green, health and intelligent categories are growing strongly. New business formats such as live-streaming e-commerce, instant retail and community group buying continue to expand, and the in-depth transformation of consumption scenarios by AI is also accelerating. With its ultra-large-scale market, continuously upgrading consumption structure and vibrant digital innovation ecosystem, China is no longer merely a traditional market of consumption scale, but has become a perception frontier and source of innovation for global consumption trends, continuously attracting MNCs to conduct consumer goods innovation here.

Cities are no longer simply pursuing growth in the total volume of retail sales of consumer goods, but are opening differentiated growth paths through the refined operation of local culture and resources. Total consumption potential, per capita consumption expenditure, cultivation of first-store economy, rent coverage ratio and tourism revenue contribution have become important influencing factors in enhancing urban consumption vitality. From first-store highlands in first-tier cities to consumption buffer zones in lower-tier markets, from high-end quality consumption to mass experience consumption, multi-layered and refined demand is being activated one by one. Emerging fields such as the silver economy, emotional consumption, county-level tourism and Guochao (China Chic) consumption continue to heat up, continuously enriching the structural layers of the consumer market. 15 cities have already been included in China's international consumption city pilot programme. Investors of all types can find investment entry points that align with their own value in China's large consumer market.

Column III: Key international consumption cities

01

International consumption centre cities
Beijing, Shanghai, Guangzhou, Tianjin, Chongqing

02

Pilot cities for building an internationalised consumption environment
Beijing, Shanghai, Guangzhou, Tianjin, Chongqing, Nanjing, Hangzhou, Xiamen, Qingdao, Wuhan, Changsha, Shenzhen, Chengdu, Kunming, Xi'an

Consumer Vitality

Dimension insight

In the Consumer Vitality dimension, Shanghai, Guangzhou, Hangzhou, Suzhou and Changsha rank at the forefront, with the consumption base of first-tier cities and regional central cities playing a prominent supporting role. Cities such as Jiaxing, Wenzhou, Shaoxing and Hohhot also perform outstandingly. Among the 60 observed cities, six trillion-yuan consumption cities account for about one-fifth of the national total retail sales of consumer goods. Eight cities recorded growth of 5.5% or above in total retail sales of consumer goods, demonstrating strong consumption growth momentum. Urban per capita consumption expenditure in 41 cities exceeds the national average, with residents' consumption capacity and willingness recovering in tandem. 12 cities have tourism revenue exceeding RMB300 billion, with culture-tourism cross-boundary integration becoming an important increment for consumption expansion. Hangzhou tops the per capita consumption ranking by virtue of its digital economy and residents' high spending power. Jiaxing unleashes full-area consumption potential through urban-rural common prosperity. Weifang and Weihai build consumption buffer zones with low living costs. Chengdu opens new tracks through the first-store economy and the integration of culture, commerce, tourism, sports and exhibitions. The multi-point blossoming of consumption markets across cities is a profound manifestation of China's consumer vitality.

6 trillion-yuan consumption cities account for about one-fifth of the national total retail sales of consumer goods

8 cities record growth of 5.5% or above in total retail sales of consumer goods

12 cities have tourism revenue exceeding RMB300 billion

Consumer Vitality scoring table (Top 20)

Rank	City	Total consumption potential	Per capita consumption expenditure	Cultivation of first-store economy	Rent coverage ratio	Tourism revenue contribution	Total score
1	Shanghai	57	58	60	3	59	237
2	Guangzhou	59	49	51	6	53	218
3	Hangzhou	50	60	49	5	51	215
4	Suzhou	33	55	48	36	42	214
5	Changsha	44	46	42	33	47	212
6	Wuxi	28	48	50	49	35	210
7	Wuhan	52	38	53	8	57	208
8	Jiaxing	48	52	31	57	16	204
9	Wenzhou	43	59	25	50	26	203
10	Beijing	28	54	59	1	60	202
10	Chengdu	60	24	58	4	56	202
12	Nanjing	45	47	55	10	44	201
13	Shenzhen	37	53	57	2	49	198
14	Xi'an	55	15	52	16	55	193
15	Ningbo	23	56	45	35	32	191
16	Zhengzhou	56	18	47	29	40	190
17	Chongqing	46	11	54	19	58	188
18	Kunming	13	44	44	31	54	186
19	Qingdao	41	37	22	38	43	181
20	Shaoxing	42	57	8	58	14	179

Total Consumption Potential measures the scale foundation and growth momentum of a city's consumer market.

Chengdu, Guangzhou, Fuzhou, Shanghai and Zhengzhou rank in the top five by score. Chongqing, Shanghai, Beijing, Chengdu, Guangzhou and Shenzhen have taken the lead in entering the trillion-yuan consumption club. Chongqing, supported by a high population base of nearly 31.9 million and the boost of culture and tourism scenarios, ranks first nationwide in total retail sales of consumer goods. Beijing's service consumption grew by 5%, demonstrating resilience in offsetting scale slowdown through structural upgrading. The catch-up momentum of other cities is equally strong. Weifang leads with a growth rate of 6.3% in total retail sales of consumer goods, while Fuzhou ranks first among provincial capitals with a growth rate of 6.0%. Chengdu achieved total volume surpassing with a growth rate of 5.5%, overtaking Guangzhou and Shenzhen to rank fourth nationwide and first among sub-provincial cities.

Investors can either lay out in consumption centre cities to capture the traffic dividends of international brands and high-end commerce, or position themselves in lower-tier markets with fast growth in total retail sales of consumer goods to seize growth opportunities in cost-performance retail and regional commerce, thereby achieving differentiated allocation.

Per Capita Consumption Expenditure is the core yardstick for measuring residents' consumption capacity and willingness.

Hangzhou, Wenzhou, Shanghai, Shaoxing and Ningbo rank at the forefront by score. Hangzhou's per capita consumption expenditure once again tops the national ranking, with strong consumption driving force. Wenzhou's urban per capita consumption expenditure approaches RMB60,000, ranking second nationwide and serving as a vivid microcosm of Zhejiang's practice of storing wealth among the people. Among the 60 observed cities, Yangtze River Delta cities occupy half of the top 20 in urban per capita consumption expenditure, highlighting their core leading position in consumption. Cities such as Kunming, Shenyang, Guiyang and Haikou all show high proportions of urban per capita consumption expenditure relative to income.

In high-income, high-consumption cities such as those in the Yangtze River Delta, tracks involving quality upgrading such as luxury goods, high-end health and wellness, and customised services offer broad space. In medium-income cities with strong consumption willingness in southwest and northeast China, the growth logic of inclusive service consumption and scenario-based affordable retail is clearer.

Cultivation of First-Store Economy reflects the innovation vitality and brand attractiveness of a city's commerce.

Shanghai, Beijing, Chengdu, Shenzhen and Tianjin rank high by score. Shanghai and Beijing have built debut-economy highlands with a scale of thousands of stores. Chengdu firmly ranks third nationwide, with the proportion of original brands and high-level first stores second only to Beijing and Shanghai, and possesses enormous potential to convert this kind of debut traffic into consumption increments. Shenzhen leads the nation in the scale of quality first stores and, empowered by technology in scenarios, has become a frontier of non-standard commercial innovation. Tianjin's quality first stores surged by 96% year on year. Hohhot's growth rate of first-store entries rose by 45% compared with 2022, emerging as a new force in the rise of the first-store economy in western China.

In commercial layout, different types of cities demonstrate different advantages. Cities with mature ecosystems serve as core landing bases for the debut launches of original consumer brands, high-level flagship first stores and co-branded IP activities. New rising cities with outstanding growth rates hold clearer advantages in return rates when laying out regional first stores, local original brands and distinctive non-standard commerce.

Rent Coverage Ratio measures the degree to which housing costs squeeze consumption by the ratio of per capita disposable income to housing rent.

Weifang, Weihai, Shaoxing, Jiaxing and Yantai rank at the forefront. In core cities such as Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou, housing expenditure continues to squeeze space for upgraded consumption. In contrast, prefecture-level cities such as Weifang, Weihai and Jiaxing have built unique consumption buffer zones by virtue of lower living costs. Weifang's rental costs are far lower than those of core cities. Combined with support from manufacturing jobs and the attraction of culture and tourism IP, its consumer market vitality continues to burst forth. Weihai's low cost of living attracts the inflow of young groups, driving the rising popularity of Korean-style consumption, coastal health and wellness and other business formats.

Low living-cost cities are core targets for consumption layout in lower-tier markets. With ample disposable consumption space for urban residents, they are priority areas for the layout of mass consumption and livelihood-oriented consumer chain brands.

Tourism Revenue Contribution measures a city's ability to convert culture and tourism traffic into consumption increments.

Beijing, Shanghai, Chongqing, Wuhan and Chengdu rank at the forefront. At the same time, the five international consumption centre cities are exploring the construction of a two-way support pattern of local consumption strength plus inbound tourism traffic. Chongqing's total tourist spending exceeded RMB550 billion. Its 8D magical cityscape and distinctive "Jiangyajiedongtian" (riverfront, walkways, streets, caves and rooftops) scenarios continue to attract global attention. Chengdu links performing arts, sports events and local consumption through the ticket-stub economy, with 134 large-scale concerts driving comprehensive consumption exceeding RMB6.3 billion. Harbin consolidates its winter culture and tourism highland with the Ice and Snow World as its core IP. Nanning, based on its dual location as the ASEAN gateway and a Beibu Gulf hub, advances on the dual tracks of cross-border tourism and coastal transit, becoming an emerging node driving the rapid rise of the culture and tourism consumption market in southwest China.

For leading tourism cities, abundant traffic is suitable for developing business formats such as large-scale commercial performances, scenario-based retail and departure tax-free shopping. For distinctive culture and tourism node cities, rich expansion opportunities are available for IP operations, vertical culture and tourism services and cross-border consumption supply chain enterprises.

As consumption demand shifts from having or not having to quality, and from buying goods to buying services, experiences and emotions, the new space for consumption growth lies not in replicating the paths of leading cities, but in basing on one's own endowments, deeply cultivating specialised tracks and meeting the differentiated demands of the market. Those cities that dare to deeply cultivate specialised tracks and continuously create new consumption scenarios will continuously release consumption potential and convert it into the most solid growth driving force for the city.

Consumer Vitality

Case studies

As the dividends of online traffic and the costs of offline operations simultaneously reach their peak, cities are reshaping the new coordinates of domestic demand investment through differentiated consumption ecosystems. Changsha, Wuxi and Chengdu, according to their own characteristics, have built irreplaceable competitiveness in the consumption field through the three paths of night-time economy, digital new retail and first-store economy respectively.

Changsha:
Resonance of youth economy and night-time economy

Young people account for as high as 80% of Changsha's net population inflow, making it a dual benchmark city for youth consumption and night-time economy in China. Changsha has keenly seized the era opportunity of Generation Z becoming the main force of consumption. The business formats it has launched, such as e-sports-themed night markets, immersive night tours and outdoor sports parks, essentially provide consumption scenarios that are photographable, shareable and social, precisely matching the psychological needs of young people. Changsha has also been selected as one of the top ten Chinese cities for night-time economy influence for three consecutive years. Night-time consumption accounts for about 64% of full-day consumption, a proportion ranking among the highest in the country. Its night-time economy has upgraded from traditional night market snacks to a composite ecosystem covering food, shopping, entertainment, culture, wellness and tourism. The single-day attraction of more than 10,000 visitors by Tianxin Pavilion's Kuixing Lighting Ceremony proves that the deep integration of cultural IP and night-time scenarios can generate enormous traffic value.

Changsha provides an observable and verifiable Generation Z consumption laboratory. Here, traditional catering and retail extend towards multiple tracks of youth trendy play, cultural performances, late-night light drinking and health and wellness leisure. Investors can focus on projects that can create immersive, interactive and socialised consumption scenarios, as Generation Z consumers are willing to pay a premium for experiences.

Wuxi:
Reshaping digital new retail with AI

Wuxi leverages its solid digitalisation and intelligentisation foundation to deeply integrate AI-related technologies into consumption scenarios, giving rise to multiple entirely new commercial business formats and reconstructing the consumption chain. China's first 5G-A smart retail system has been implemented in a commercial complex in Binhu. Users open the door, take the goods and close the door, with settlement completed automatically within three seconds without any need for scanning codes, achieving grab-and-go seamless payment. China's first automobile e-commerce live-streaming town has been launched in Xuelang Town, Wuxi, building a model of online live-streaming plus offline experience plus talent cultivation plus supply chain supporting facilities, and establishing an AI traffic-investment laboratory to empower the full process of live-streaming e-commerce with AI technology. In 2025, Wuxi's total retail sales of consumer goods reached RMB441.85 billion, hitting a historic high, of which online retail grew by 36.5% year on year.

Wuxi's practice of AI new retail is answering a key question: how technology can truly be translated into commercial value. AI is no longer a concept in the window, but is truly landing at the consumption terminal and empowering operational efficiency. Investors can focus on enterprises that can deeply embed technology into scenarios, effectively improve efficiency and crystallise it into replicable solutions. These enterprises are defining the future landscape of AI new retail.

Chengdu:
Integration of first-store economy and local culture

In 2025, Chengdu newly introduced 876 first stores, up 6.8% year on year, ranking third nationwide for seven consecutive years. By the end of April 2026, Chengdu had accumulated more than 4,800 first stores, firmly ranking first in central and western China. In 2025, a total of 370 new product launches, premieres, and exhibitions were held, including 14 global premieres. Chunxi Road business district gathers nearly 2,000 international brands and more than 600 first stores, ranking fourth among the nation's top business districts and first in southwest China. Chengdu is moving beyond the race to attract first stores and toward creating debut launches, and from single-point subsidies to full-chain services. It has set the clear target of landing a cumulative 6,500 first stores by 2027, building 100 landmark carriers for the debut economy and cultivating 500 new consumption brands. In addition, Chengdu is accelerating a chain-based development system of first R&D, debut launch, first store and headquarters. Jinjiang District uses Bailuwan Technology Ecological Park as the R&D source and Chunxi Road business district as the debut-launch platform, and has already achieved the debut launches and first shows of more than 40 technology products.

Chengdu's distinctive feature lies in the deep integration of the first-store economy with local culture. International brands no longer simply replicate stores, but actively integrate Chengdu culture. One sports brand incorporated panda elements into its store in Taikoo Li, one outdoor brand introduced the artistic conception of snowy mountains in western Sichuan into its first store nationwide, and China's first Shu brocade aesthetics immersive dining show turns shopping into a cultural experience. Driving industry with debut launches and promoting debut launches with industry, consumption traffic is being converted into real industrial increments. Investment opportunities lie in the full-chain consumption ecosystem from brand first stores to cultural IP, and from technology experiences to scenario innovation.

Changsha creates a one-stop consumption ecosystem through the youth night-time economy. Wuxi reshapes the consumption highland by reconstructing digital new retail with technology. Chengdu builds new consumption scenarios by integrating the debut economy with local culture. Their common insight is that the core of consumer vitality lies not only in the scale of traffic, but also in the depth of scenario innovation, business format integration and digital empowerment. As consumption growth enters the era of competing on experiences, those cities that deeply cultivate new consumption tracks and accurately identify their urban distinctiveness will become the investment coordinates of the future.

04

Digital-Intelligence Empowerment

From pilots to a period of scaled returns

2025 has been defined by the industry as the first year of large-model application implementation. AI plus has become the main engine of industrial upgrading, and the global AI industry has entered a period of value realisation. The PwC's 29th Global CEO Survey China Report shows that Chinese enterprises have performed outstandingly in the commercialisation of AI. Seventeen per cent of enterprises have achieved the win-win outcome of cost reduction and revenue growth through AI, significantly higher than the global average. This confirms that China's AI has moved beyond the pilot stage into a period of scaled value release. Rich data sources, complete manufacturing scenario supporting facilities and a diversified AI application market converge in China, forming a four-in-one ecosystem of technology, scenarios, data and manufacturing that is difficult for other regions to replicate. Deeply embedding into China's digital-intelligence ecosystem will effectively support enterprises in being the first to run through the complete closed loop from technology to value in global competition.

Chinese cities are accelerating towards intelligentisation. The upgrade from building foundations to empowering scenarios is accelerating the amplification of the value of intelligent technologies in economic development. In the past, the core of digital intelligence was "building": building 5G base stations, building computing power centres and building data platforms. In the future, the core is "using": using AI to transform industries, using data to create assets and using intelligent agents to replace traditional processes. Digital infrastructure, information network service capabilities, progress in smart factory construction and the realisation of data element value are jointly driving the continuous enhancement of the digital development momentum of Chinese cities. Cities that take the lead in promoting scenario implementation are becoming important carriers leading investment in the intelligent field.

Column IV: China's "8+10+3" integrated computing power network layout

8 major national computing power hubs:

BTH Region, Yangtze River Delta, the Greater Bay Area, Chengdu-Chongqing Region, Guizhou, Gansu, Ningxia and Inner Mongolia as backbone nodes of the computing power network, undertaking the functions of regional computing power coordination and scheduling.

3 computing-electricity coordinated development regions:

mainly exploring integrated source-grid-load-storage and direct green electricity supply models.

10 national computing power clusters:

Zhangjiakou cluster, Wuhu cluster, Yangtze River Delta Eco-Green Integrated Development Demonstration Zone cluster, Shaoguan cluster, Tianfu cluster, Chongqing cluster, Gui'an cluster, Qingyang cluster, Zhongwei cluster and Horinger cluster.

Digital-Intelligence Empowerment

Dimension insight

In the Digital-Intelligence Empowerment dimension, Beijing, Guangzhou, Shanghai, Nanjing and Shenzhen rank high in comprehensive scores. The outstanding performance of Chongqing, Jinan, Guiyang, Nanning and Lanzhou in this dimension has made a significant contribution to raising their overall scores. Among the 60 observed cities, the number of 5G factories in 20 cities has grown exponentially, 23 cities have recorded double-digit growth in 5G base stations, and the number of AI enterprises in all 60 cities has shown double-digit growth, indicating that the AI industry has entered a period of high-speed development. Beijing far leads in the number of large models that have completed registration. Shenzhen's Lingsheng (LineShine) topped the global TOP500 supercomputing list. Hangzhou's City Brain project has been promoted as a typical case by international institutions such as UN-Habitat.

The R&D of large models and embodied intelligence training grounds in first-tier cities enjoy stable technological and policy support, with high fault tolerance and strong predictability of growth. Industrial digitalisation projects and basic AI service industries such as data annotation undertaken by cities in central and western China are in a period of policy dividend release, with prominent input-output ratio advantages. Different cities are all seeking growth drivers in digitalisation and intelligentisation.

20 cities
see the number of 5G factories grown exponentially

23 cities
record double-digit growth in 5G base stations

60 cities
show double-digit growth in the number of AI enterprises

Digital-Intelligence Empowerment scoring table (Top 20)

Rank	City	Digital infrastructure	Information network services	Number of smart factories	Data element market	AI industry activity	Total score
1	Beijing	60	59	49	60	60	288
2	Guangzhou	56	58	54	52	59	279
3	Shanghai	46	60	58	51	59	274
4	Nanjing	52	46	53	56	54	261
5	Shenzhen	47	57	43	54	57	258
6	Hangzhou	59	53	38	48	56	254
7	Suzhou	51	54	57	37	52	251
8	Chongqing	24	56	60	58	50	248
8	Jinan	57	40	43	59	49	248
10	Tianjin	42	51	55	48	48	244
11	Wuhan	30	49	53	57	53	242
12	Changsha	49	48	48	43	51	239
13	Qingdao	36	38	51	56	48	229
14	Chengdu	15	55	45	54	55	224
15	Hefei	45	43	43	40	46	217
16	Ningbo	34	45	59	37	39	214
17	Xi'an	40	47	39	39	46	211
18	Zhengzhou	39	52	30	43	44	208
19	Wuxi	38	41	47	45	35	206
20	Fuzhou	30	32	37	45	38	182

Digital Infrastructure determines a city's basic capacity to carry digital-intelligence industries.

Beijing, Hangzhou, Zhuhai, Jinan and Guangzhou rank high in scores. Beijing and Hangzhou laid out early, with the number of 5G base stations per 10,000 people approaching twice the national average. Zhuhai has built the nation's first and largest low-altitude integrated communication and sensing network, opening tracks for supporting software and hardware in the low-altitude economy. The number of 5G base stations per 10,000 people in Kunming has reached 60 , and the city's smart mining solutions provide reusable commercial models for the digital transformation of traditional resource-based industries. Yichang's computing power and big data industry saw its output value exceed RMB100 billion for the first time in 2025, with specialised data resource operators along the Yangtze River Economic Belt entering a window of value release.

The returns on digital infrastructure are no longer indirect social benefits, but are directly reflected in the continuously emerging market demand for AI scenario services, industry digitalisation solutions and intelligent terminal applications in these cities.

Information Network Services directly reflect whether a city can become a convergence node of data traffic in the era of the computing power economy.

Shanghai, Beijing, Guangzhou, Shenzhen and Chongqing perform outstandingly. Information network services are no longer the foundational capability of infrastructure, but an emerging track that can generate continuous cash flow and value-added space. Chongqing's 10-gigabit optical network has given rise to demand in smart communities and the digital content industry. Dongguan's city-level AI large model centre has driven the agglomeration of upstream and downstream industrial chains such as AI chips, servers and data annotation. The landing of Zhengzhou's 100,000-card cluster marks that the computing power hub itself is an investable industrial track. Operating computing power is like operating electricity. Enterprises that lay out hub nodes in advance have a greater opportunity to grasp the charging rights of the computing power era.

Computing power hub nodes are becoming a new investment trend alongside transport hubs and financial hubs.

Number of Smart Factories is the core manifestation of the effectiveness of the digital-intelligence transformation of manufacturing, and also the core for judging the intelligence content per unit of output value in a city's manufacturing sector.

Chongqing, Ningbo, Shanghai, Suzhou and Nantong rank at the forefront. China has cumulatively built more than 35,000 basic-level, over 8,200 advanced-level and more than 500 excellence-level smart factories. Its 109 lighthouse factories account for 45.8% of the global total. Qingdao tops the nation with 10 lighthouse factories. The number of Chongqing's lighthouse factories has risen to first place in western China, with the world's first lighthouse factory in the traditional Chinese medicine industry as a distinctive feature. Suzhou, Chongqing and Shanghai hold an absolute lead in the number of smart factories. By the end of 2025, the proportion of industrial enterprises above designated size in China that had carried out digital transformation reached 89.6%, and the penetration rate of digital equipment reached 57.7%.

The digital-intelligence transformation of traditional industries has entered the stage of scaled renovation. From industrial software and intelligent sensors to AI quality inspection and predictive maintenance, every smart factory is a B-end customer that continuously generates paid demand.

Data Element Market reflects a city's capacity to aggregate, circulate and assetise data resources.

Beijing, Jinan, Chongqing, Wuhan and Nanjing rank high in scores. 2026 has been defined as the year of data element value release, with data formally becoming a new type of production factor that can be measured, traded and pledged. Jinan ranks next to Beijing in the number of enterprises that have completed the recognition of data assets on the balance sheet and has taken the lead in running through the full chain of rights confirmation, registration and circulation. This means that data assetisation is no longer a policy concept, but an industrial track with real revenue, paying customers and a growth curve.

Professional services such as data rights confirmation and assessment, data compliance review, data asset valuation and data asset pledge financing in China are rapidly opening up. Industrial and government-related real-economy enterprises that have completed data asset reserves also possess higher long-term investment value because of the continuous appreciation of their data assets.

AI Industry Activity directly reflects a city's effectiveness in cultivating the AI industry.

Shanghai, Beijing, Shenzhen and Guangzhou each have more than 100,000 AI enterprises, having formed a stable supply of technical talent and a capital agglomeration effect. They are the preferred locations for laying out high-threshold tracks such as foundational large models and AI chips. Chengdu is the only city in western China that ranks among the top ten in both the number of AI enterprises and the number of large models that have completed registration. In 2025, the scale of its core AI industry exceeded RMB150 billion, with a growth rate of more than 39%. In 2026, the APEC Digital and AI Ministerial Meeting and related high-level Digital Week activities were held in Chengdu, proving that its AI industrial capacity has received international recognition.

The AI industry has an extremely high talent and technology spillover effect. This phenomenon of differentiation between leading and mid-tier cities precisely constitutes differentiated investment space.

Global AI investment will shift from being capital-driven to industry-driven. Enterprises that take the lead in running through closed-loop business model and realising quantifiable returns are more likely to become the next anchor points for AI capital. China has already demonstrated unique advantages in this regard. Investors can capture cash flows from computing power services and hardware integration at computing power hub nodes, lay out in the blue-ocean market of professional services for data assetisation in cities that take the lead in data elements, lock in order growth for vertical industry solutions in cities rich in AI application scenarios, and find corresponding B-end service demand at every level of the gradient cultivation of smart factories. This is also a historic dividend opportunity that global capital cannot afford to miss in China's digital-intelligence process.

Digital-Intelligence Empowerment

Case studies

As large models shift from parameter competition to scenario implementation and embodied intelligence moves from laboratories to industrialisation, a number of cities are reshaping the system of digital-intelligence investment with differentiated industrial ecosystems. Shanghai, Suzhou and Wuhan each have distinctive characteristics in scenario-driven approaches, factory intelligentisation and digital foundations respectively.

Shanghai:
AI has been integrated into urban living scenarios

Shanghai has formed a complete closed loop of technological breakthrough, scenario implementation and sharing by all in integrating AI into urban living scenarios. In the transport field, China's first traffic congestion control large model has been put into use at 360 intersections. Through second-level identification of intersection overflow and autonomous generation of signal control strategies, it has increased average vehicle speed by 12.9%. In the meteorological field, the Rainmaster large model has improved the resolution of severe convective weather warnings from 3 kilometres to 1 kilometre and increased the lead time of rainstorm warnings from 30 minutes to 45 minutes. In the government affairs field, the Xuhui District government service large model has achieved intelligent guidance for 65% of high-frequency matters and shortened window handling time by 33%. On the streets, robot coffee carts equipped with embodied large models can autonomously complete coffee making and interaction. In communities, AI walking sticks can automatically raise an alarm when an elderly person falls through form recognition. The WAIC CityWalk event further embeds six AI-themed routes into urban space, allowing citizens to encounter AI while strolling. From the emotion-symbiosis tree at Wukang Building to the unmanned boat group performing digital ballet at North Bund, AI has become a tangible urban cultural symbol.

Shanghai's experience shows that the true value of AI investment lies not only in algorithm parameters or computing power scale, but more in whether specific problems can be solved in real scenarios, allowing AI to penetrate imperceptibly into consumption and daily life. In the future, those invisible service providers that can deeply embed into urban governance, livelihood services and consumption scenarios and form replicable, quantifiable efficiency improvements will usher in ample room for growth.

Suzhou:
Intelligent manufacturing reshaping the global industrial efficiency benchmark

Suzhou currently has nine global lighthouse factories, including multiple types such as production efficiency lighthouses and talent lighthouses, ranking among the highest in China. It has cumulatively established ten national excellent-level smart factories, and the total number of projects included in the 5G factory directory has ranked first nationwide for three consecutive years. From national-level benchmarks to provincial-level echelons and then to basic-level factories, Suzhou has built a complete smart factory system, with production efficiency greatly improved.

One Suzhou enterprise, as the first production-type lighthouse factory in China's flexible packaging industry, has built a full-chain AI system covering R&D, production and quality. Its intelligent product design platform integrates 56 algorithm models and can analyse 180 material characteristics within seconds, shortening the overall R&D cycle by 45%. The AI visual inspection system of an enterprise in the high-tech zone has been iterated to the third generation, with the product inspection misjudgement rate approaching zero. The numerical control rate and networking rate of key equipment have both reached 100%, the product development cycle has been shortened by 38% and production efficiency has increased by 20%. The all-optical network plus AI digital factory built by a fibre-optic technology enterprise requires only a dozen people on duty. 3D digital twins and intelligent visual online inspection work in synergy, with the centralised control centre managing the entire process.

As manufacturing competition shifts from scale to efficiency, Suzhou is using smart factories as models to convert combat-tested digital factory solutions into quantifiable and replicable efficiency standards. Industrial software and intelligent equipment enterprises that can provide modular and replicable solutions will usher in space for deterministic growth.

Wuhan:
Optoelectronic information as the infrastructure of the AI era

About 25% of the world's optical fibre and cable is produced in Wuhan, the Optics Valley of China, and one in every four optical transmission devices comes from Wuhan Optics Valley. As the world's largest production base for optical fibre and cable, Wuhan Optics Valley now has 16,000 optoelectronic information enterprises.

The Optics Valley of China focuses on the core fields of the optoelectronic information industry and deeply implements the integrated mechanism of chain-master, chain-innovator and chain-leader enterprises, forming a complete industrial chain from optical fibre and cable, optical chips and optical modules to optical communication equipment. The world's first SWLP (super wafer lever packaging) technology of an infrared detector enterprise has broken through the core bottleneck of civilian infrared thermal imaging. The beam quality of a laser enterprise has reached the internationally optimal level for 10,000-watt-class fibre lasers. In June 2026, Wuhan Optics Valley launched four industry-specific fund of funds, among which the optoelectronic information mother fund has a scale of RMB5 billion. It is estimated that by 2030 it will leverage a new fund cluster of no less than RMB100 billion and drive total investment exceeding RMB300 billion.

The 400G and 800G high-speed optical modules that are rigid demand for AI data centres are rolling off the production lines in Wuhan in a continuous stream. Wuhan's decades of industrial deep cultivation provide investors with a full industrial chain allocation opportunity running through materials, devices, modules and equipment. As the AI computing power race enters the stage of competing on optical interconnection, Wuhan is moving from selling optical fibre to selling the infrastructure of the AI era.

Shanghai provides a testing ground and first-launch location for AI with its massive scenarios. Suzhou reshapes the efficiency benchmark of manufacturing with smart factories. Wuhan becomes a key supplier of AI computing power infrastructure with its full optoelectronic industrial chain. Investment opportunities on the digital-intelligence empowerment track are expanding from computing power and algorithms themselves to the vast space of scenario implementation, efficiency improvement and industrial chain support.

05

Open Development

From trade linkages to the construction of global capabilities

Multilateral mechanisms and regional frameworks for global cooperation are advancing in parallel. The focus of cooperation has shifted from traditional tariff reductions to the coordination of rules and the alignment of technical standards, with digital trade, green supply chains and cross-border data flows becoming new focal points. In 2026, APEC ushers in its third China year, with the theme of Building an Asia-Pacific Community to Prosper Together, promoting the deepening of consensus in the region in areas such as trade facilitation, digital interconnectivity and green transformation. In the first half of 2026, China's trade export value grew by 13.4%[4] year on year, of which exports of high-tech products and independent brands grew by 39% and 25.4% respectively. Import value grew by 22.1%, faster than exports, promoting balanced trade development. At the same time, China's outward foreign direct investment across all industries reached USD174.38 billion in 2025, growing by 7.1%, with the stock of outward investment remaining among the world's top three for nine consecutive years. China vigorously advances institutional opening-up. Through the alignment of rules, industrial synergy, market sharing and participation in governance, it provides valuable certainty and stability guarantees for the balanced development of global trade and the economy.

The connotation of urban open development has upgraded from the scale of opening-up to the capacity for global resource allocation. In the past, urban open development was an enhancement of product trade capacity in terms of what to sell and to whom. At present, it is shifting towards a systemic capability competition over what position to occupy and what rules to master in the restructuring of global industrial chains. About 70% of the world's consumer drones are produced in Shenzhen, Dongguan's AI glasses shipments account for nearly half of the global market share, Wuhan produces one-quarter of the world's optical fibre, and Xi'an has become a globally important production base for flash storage chips. Foreign Trade Dependence, Trade Balance, Foreign Investment Attractiveness, Tourism Activity and International Reputation jointly determine the capacity of a city's open development and global resource allocation.

Column V: APEC China Year 2026

APEC is an important platform for global economic governance and multilateral cooperation. In 2026, China serves as APEC host for the third time. A series of meetings will be held in multiple places across China, with the Informal Leaders' Meeting taking place in Shenzhen in November. China places opening-up in a priority position and opens the door of cooperation to the business community through about 300 events.

APEC total (USD trillion)

Real GDP	Total exports of merchandise goods	Total imports of merchandise goods
61.4	13.2	12.9

APEC's share of the world (%)

Real GDP	Total exports of merchandise goods	Total imports of merchandise goods
61.6	50.1	48.5

Note: Data sourced from StatsAPEC

Open Development

Dimension insight

In the Open Development dimension, Shenzhen, Shanghai, Dalian, Xiamen and Suzhou rank at the forefront. Harbin, Haikou, Nanning and Huizhou perform outstandingly in this dimension, powerfully raising their overall scores. Qingdao's ranking has improved significantly compared with the previous year, entering the top ten. Among the 60 observed cities, seven have total import and export value exceeding RMB1 trillion, with Shanghai and Shenzhen showing a significant leading effect. Eighteen cities have achieved double-digit growth in import and export value, of which inland cities account for two-thirds. The growth rate of actual utilised foreign investment in 22 cities has turned from negative to positive, with foreign investment attractiveness steadily recovering. Four cities have recorded growth of more than 20% in the number of tourists received. Shenzhen performs outstandingly in this dimension. In 2025, its exports achieved first place for the 33rd consecutive year, actual utilised foreign investment grew against the trend by 14.4%, and newly established foreign-invested enterprises grew by 63.3%.

7 cities
have total import and export value exceeding RMB1 trillion

18 cities
achieve double-digit growth in import and export value

22 cities
have their growth rate of actual utilised foreign investment turned from negative to positive

Open Development scoring table (Top 20)

Rank	City	Foreign trade dependence	Trade balance	Foreign investment attractiveness	Tourism activity	International reputation	Total score
1	Shenzhen	59	47	60	49	57	272
2	Shanghai	56	53	51	46	59	265
3	Dalian	43	55	59	57	46	260
4	Xiamen	58	52	36	53	50	249
5	Suzhou	57	44	57	44	45	247
6	Tianjin	44	59	41	22	55	221
7	Guangzhou	37	36	55	30	58	216
8	Qingdao	49	49	34	37	44	213
9	Dongguan	60	45	46	32	24	207
10	Ningbo	55	33	28	52	36	204
11	Beijing	50	12	54	27	60	203
12	Taiyuan	16	58	38	48	38	198
13	Wuxi	47	27	44	48	29	195
14	Shenyang	12	56	21	58	47	194
15	Chengdu	32	50	31	24	56	193
16	Wuhan	25	40	17	59	51	192
17	Zhuhai	54	30	45	30	32	191
18	Harbin	5	60	33	56	35	189
19	Changsha	21	42	41	38	43	185
19	Xi’an	34	21	47	41	42	185

Foreign Trade Dependence measures the depth of a city's embedding into global industrial chains and the growth space of its export-oriented economy.

The proportion of total import and export value to GDP in Dongguan, Shenzhen, Xiamen, Suzhou and Shanghai is all at a high level. Inland cities such as Xi'an, Zhengzhou and Hefei, relying on strategic channels such as China-Europe Railway Express, have shifted their export products from traditional low value-added categories to technology-intensive products, with strong global supporting demand for the cross-border supply chain industry. Suzhou has become the fourth city with Foreign Trade Dependence exceeding 100%. The "hundred groups and thousand enterprises going global" campaign has achieved remarkable results, with the independent brand rate of general trade exports rising to 29.7%.

A number of inland cities are transforming from the passive role of undertaking industrial transfer from coastal areas to active participants deeply embedding into global industrial chains, and are driving related supporting service providers in marketing, compliance and overseas warehouse services to obtain opportunities for continuous dividend growth.

Trade Balance measures a city's position in the global value chain and the investment value of its cross-border industrial chain.

Harbin, Tianjin, Taiyuan, Nanning and Shenyang perform excellently. Harbin ranks first in this indicator. In 2025, mechanical and electrical product exports accounted for 58.5% of total exports, and the proportion of high-tech products rose to 9.9%. Its foreign cooperation is transforming from traditional resource trade to high value-added fields, which is precisely the substantive effect of the strategy of building a new highland for opening to the north. In terms of export growth rates, Lanzhou exceeded 100%, and another seven cities surpassed 20%.

Against the backdrop of overall pressure on global trade, export growth at the city level is increasingly driven by technology-intensive products rather than traditional low value-added scale expansion. Cities with high growth in technology-intensive exports are also core high-quality tracks for industrial and supporting service investment.

Foreign Investment Attractiveness measures a city's competitiveness in global capital flows and the development potential of its open economy.

Shenzhen, Hefei, Dalian, Suzhou and Haikou rank high in scores. Hefei's actual utilised foreign investment grew by 86.4% year on year, with the proportion of actual utilised foreign investment in high-tech industries reaching 90.3%. Integrated circuit design and technological R&D have become new growth points for attracting foreign investment. Jiangmen, by virtue of the transport convenience brought by the construction of three channels including the Shenzhen-Zhongshan Link, saw actual utilised foreign investment grow by 254.8%. Inland cities such as Xi'an, Shijiazhuang and Hohhot have seen the growth rate of utilised foreign investment turn from negative to positive, reflecting the new trend of foreign investment layout expanding from the eastern coastal areas into the inland interior.

From the perspective of the business formats of foreign investment layout in China, conducting R&D in China and serving the world is becoming a consensus among more MNCs. This trend reflects that a city's competitiveness in attracting foreign investment has upgraded from a comparison of policy preferences to a systemic contest of industrial ecosystems and innovation environments.

Tourism Activity measures a city's humanistic attractiveness, depth of international exchanges and growth potential of culture and tourism resources.

Changchun, Wuhan, Shenyang, Dalian and Harbin rank at the forefront. Cities in northeast China perform outstandingly, fully demonstrating the high-growth value and investment attractiveness of the culture and tourism track in the region. Changchun ranks first among the 60 observed cities in the growth rate of tourist numbers by virtue of its culture and tourism development pattern of one centre, one belt, two wings, three lines and four seasons. Harbin achieved a 57.7% increase in inbound tourists by virtue of the 9th Asian Winter Games and the 240-hour visa-free transit policy. In the first half of 2026, inbound foreign visitors reached 22.914 million person-times, growing by 20.4% year on year. An increasing number of international friends are deeply experiencing the diverse local customs and cultural characteristics of various Chinese cities.

The vitality of people-to-people exchanges is becoming an investment value anchor for cities to leverage global culture and tourism consumption capital, attract the landing of projects integrating culture, sports, tourism and commerce, and enhance international visibility.

International Reputation reflects a city's global brand influence and discourse power, as well as its soft power in participating in international industrial cooperation.

Forty-two Chinese cities are listed in World Cities 2024, with six cities including Beijing, Shanghai, Guangzhou and Shenzhen ranked at Alpha level. Guangzhou jumped to 22nd place globally. Through a three-in-one strategy of attracting traffic with high-end conferences, empowerment by international awards and leading organisational appointments, it has become a core gateway node for China to link global industrial resources. Wuhan has laid out China's first humanoid robot 7S store and the world's first robot-themed space, the Journey of Creation, as technology consumption landmarks. In 2025, Chongqing's outward non-financial direct investment grew by 54.8% year on year, opening a distinctive path of two-way investment. Nanning, relying on its advantage as the permanent venue of the China-ASEAN Expo, is accelerating the building of a highland for digital cross-border cooperation and has constructed a two-way service system of "entering southwest China and exiting to ASEAN" oriented towards the RCEP.

A city's international ranking not only affects its bargaining power in attracting investment, but also determines whether investors can enter an industrial ecosystem already embedded in the global network at a lower information cost.

China has comprehensively cancelled restrictions on foreign investment access in the manufacturing sector and substantially shortened the negative list for foreign investment access, providing a long-term and stable investment environment for global capital. Chinese cities are also moving from being seen to being recognised, deeply participating in the global division of labour while taking part in rule-making. Cities that can provide institutional escort for enterprises' global development, an innovation ecosystem for global capital and a liveable environment for international talent are the core layout carriers for investors in globalised development.

Open Development

Case studies

In the past, opening-up was often simply equated with attracting foreign investment or expanding exports. Today, true opening-up capability is reflected in whether a key position can be occupied in the global supply chain and whether enterprises can be effectively helped to develop globally. Shenzhen, Qingdao and Xi'an have each formed distinctive characteristics in high-tech supply chain hubs, industrial cluster going global and inland opening channel construction respectively.

Shenzhen:
Hub of global high-tech products

In the first half of 2026, Shenzhen's imports and exports totalled RMB2.88 trillion, a 33% increase from the same period last year, maintaining its position as the leading mainland city in terms of foreign trade volume. High-tech product imports and exports accounted for 59.1% of the city's total value, indicating that Shenzhen's growth no longer relies on the scale expansion of traditional trade, but is driven by the two-way flow of high-tech products.

On the import side, Shenzhen's imports reached RMB1.37 trillion, growing by 59.8%, with AI-related product imports and exports exceeding RMB1 trillion. This is not simply buying in, but indicates that Shenzhen is becoming a core collection and distribution hub for global high-tech products and key components. On the export side, intelligent product exports grew by 92.3%. Shenzhen has transformed from a synonym for the "world factory" into a core output location for global high value-added intelligent products.

"Shenzhen-created high-tech products" are replacing "Shenzhen processing", becoming the city's new label in the global industrial chain. The foundation of this transformation is continuous high-intensity R&D investment and industrial ecosystem accumulation. In 2024, Shenzhen's R&D investment accounted for 6.67% of GDP, ranking first among cities nationwide, with enterprise R&D investment accounting for 93.5%. An enterprise-led system means a shorter commercialisation path for technological achievements and higher industrialisation efficiency. High-tech products are not traded out, but created. The landing of the 2026 APEC Economic Leaders' Meeting further marks that Shenzhen is moving from participating in the global division of labour to participating in rule-making. It is no longer merely a collection and distribution location for high-tech products, but a strategic fulcrum for the allocation of global innovation resources.

Qingdao:
Pioneer of industrial chain going global and a globalised service ecosystem

Qingdao's opening-up model differs from that of most Chinese cities. It does not rely on foreign investment driven by bringing in, but on the coordinated going global of the entire industrial chain driven by the global layout of leading enterprises. One enterprise adheres to the localised strategy of independent brand building and integrated three-in-one model, and has established 10 major R&D centres, 35 industrial parks, 138 manufacturing centres and 230,000 sales networks worldwide. More importantly, such layouts do not exist in isolation. From core component suppliers to logistics service providers, from overseas warehouse operators to localised installation teams, upstream and downstream enterprises follow the footsteps of chain-master enterprises in global layout, forming a going-global ecosystem of "chain-master driving and full-chain following".

Qingdao has taken the lead in launching the construction of an Overseas Qingdao comprehensive service system, building a "1+3+N" service system: one online plus offline comprehensive service public platform, three overseas service networks and N items of professional and precise services. It relies on the legal service stations of the Central Legal District for enterprises going global, strengthens the brand building of "Tax Road Connect@Qingdao", and establishes a Qingdao Enterprises Going Global Financing service mechanism. It has built more than 20 vocational and technical schools overseas to provide international talent for enterprises.

Centred on local leading enterprises, Qingdao has achieved a three-level jump in globalisation from product exports to brand export and then to localised operations and value sharing. Here, one can see how Chinese manufacturing is step by step migrating the entire local industrial ecosystem onto the global map.

Xi'an:
Strategic node leveraged by China-Europe Railway Express

In November 2013, the first international freight train from Xi'an to Almaty departed from Xinzhu Station. By August 2025, the cumulative number of trains operated had exceeded 30,000, accounting for one-quarter of China's China-Europe freight trains. In 2026, the transport efficiency of the China-Europe Railway Express (Xi'an) improved by about 25%, with the average running time reduced from 20 days in the previous year to around 15 days, and the fastest taking only 11 days. Changes in commercial efficiency has transformed Xi'an from a geographical inland location into a frontier node of Eurasian continental trade.

After the corridor was opened, the scale and structure of Xi'an's trade and investment rose in tandem. During the 14th Five-Year Plan period, Xi'an's cumulative import and export scale exceeded RMB2 trillion, growing by 48.9% compared with the 13th Five-Year Plan period. In the first half of 2026, the total value of imports and exports reached RMB450.2 billion, growing by 96.2% year on year, of which exports grew by 120%. The structure of goods underwent a qualitative change at the same time, upgrading from early low value-added categories such as building materials and daily necessities to the "new trio" products[5], and expanding to high-tech products such as spacecraft components and traffic signal equipment. The categories of goods have expanded to more than 200 types across nine major groups. In the first half of 2026, exports of high-tech products grew by 2.2 times and exports of mechanical and electrical products grew by 1.4 times. In terms of investment, actual utilised foreign investment in manufacturing and high-tech industries grew by 32.1% and 72.6% respectively in 2025. Xi'an manufacturing is replacing Xi'an distribution as the city's new label for participating in Belt and Road trade.

Xi'an's role is upgrading from a corridor to a strategic node. It is not only a necessary passage for the transit of goods, but also a carrier where industry, capital and technology converge on the Eurasian continent, and a strategic fulcrum connecting the markets of Central Asia, West Asia and Europe with the westward layout of domestic high-tech industries.

The three cities have each formed their own characteristics in the three directions of high-tech supply chain hubs, industrial cluster going global and inland opening corridors. The core of open development has shifted from simply bringing in to placing equal emphasis on bringing in and going global, and from the advantages of individual cities to the synergistic capabilities of industrial chains and clusters. What these cities provide is not a single market opportunity, but an ecological service system embedded in the global supply chain.

06

Regional Synergy

Reconstruction of spatial economic forms and value resonance

Relative to Open Development, the Regional Synergy dimension focuses on exploring investment opportunities hidden within China's large domestic market. In China, the combined GDP of the BTH Region, Yangtze River Delta and Pearl River Delta city clusters accounted for 41.8% of the national total in 2025, while their combined total value of goods imports and exports accounted for 67.9% of the national total. As the construction of a unified national market enters a stage of in-depth advancement, various factors flow smoothly over a wider range, and new forms such as corridor economies, river-basin economies and metropolitan-area economies spanning regions and river basins are gradually evolving. The 2026 Report on the Work of the Government included computing-electricity synergy in new infrastructure projects for the first time. The coordinated linkage of multiple networks, including water networks, new-type power grids, computing power networks, next-generation communication networks, urban underground pipeline networks and logistics networks, is reshaping the new logic of regional synergy.

At the same time, linkage among China's regions has deepened from the hard connectivity of infrastructure to the soft connectivity of institutional mechanisms. Represented by the cross-provincial redemption of Yangtze River Delta science and technology innovation vouchers, the same-city treatment of government services in BTH Region, and the cross-provincial co-construction of the Sichuan-Chongqing Gaozhu New Area, cross-administrative-region cooperation mechanisms such as planning coordination, industrial collaboration and benefit sharing among regions are accelerating their implementation. Administrative boundaries between regions are gradually being transformed into bonds of cooperation. Investors' regional layout strategies in China can shift from point-based layout to network thinking, focusing no longer on the ceiling of a single city, but on the connection value and synergy premium within and among city clusters.

Column VI: Enhancing synergistic linkage effects led by major city clusters

	Yangtze River Delta	Pearl River Delta	BTH Region	Combined total
Share of national GDP	24.7%	8.5%	8.6%	41.8%
Share of national total value of goods imports and exports	37.4%	20.1%	10.3%	67.9%
Share of national population	16.9%	5.7%	7.8%	30.4%

Note: Calculated and analysed based on data from local statistical communiqués of 2025.

Regional Synergy

Dimension insight

In the Regional Synergy dimension, Shanghai, Guangzhou, Beijing, Shenzhen and Tianjin rank high in scores. The scores of Xi'an, Shenyang, Harbin and Urumqi make a relatively high contribution to their overall scores. In 2025, the Shenzhen-Hong Kong-Guangzhou innovation cluster topped the world's top 100 innovation clusters for the first time, fully reflecting the effectiveness of regional synergy through collaborative innovation and complementary advantages among cities. Among the 60 observed cities, five recorded an increase of more than 100,000 in permanent resident population in 2025; 42 cities saw year-on-year growth in operating revenue of accommodation enterprises above the designated size in 2024; 18 cities achieved growth in the number of social organisations, with diversified social service demand and grassroots governance innovation continuing to release vitality; and 42 cities simultaneously achieved year-on-year growth in both freight and passenger turnover, with inter-regional flows of people and goods becoming closer and the effectiveness of the construction of a unified national market beginning to show.

42 cities
see year-on-year growth in operating revenue of accommodation enterprises above the designated size in 2024

18 cities
achieve growth in the number of social organisations

42 cities
simultaneously achieve year-on-year growth in both freight and passenger turnover

Regional Synergy scoring table (Top 20)

Rank	City	Talent attraction index	Business carrying capacity	Social organisation linkage	Passenger and freight transport scale	Urban collaboration capacity	Total score
1	Shanghai	59	54	60	60	60	293
2	Guangzhou	56	60	53	59	60	288
3	Beijing	60	57	58	52	60	287
4	Shenzhen	58	55	57	55	50	275
5	Tianjin	47	57	52	53	60	269
6	Chengdu	54	59	51	48	50	262
7	Nanjing	53	52	54	49	50	258
8	Chongqing	29	46	59	58	60	252
9	Hangzhou	57	43	56	41	50	247
10	Wuhan	52	27	49	52	50	230
11	Xi’an	41	54	44	39	50	228
12	Suzhou	55	36	43	40	50	224
13	Shenyang	25	52	46	38	50	211
14	Qingdao	49	26	55	50	30	210
15	Jinan	50	22	50	55	30	207
16	Zhengzhou	36	34	31	44	50	195
17	Ningbo	48	26	48	47	20	189
18	Dalian	23	43	47	42	30	185
19	Xiamen	38	22	37	57	30	184
20	Hefei	45	48	27	38	20	178

Talent Attraction Index reflects a city's capacity to agglomerate high-quality talent and its regional radiating power.

Beijing, Shanghai, Shenzhen, Hangzhou and Guangzhou rank at the forefront. Suzhou, Jiaxing, Chongqing and Nanchang have improved relatively significantly compared with the previous year. Nearly 60% of talent flows to the five major city clusters. Suzhou's talent attractiveness continues to strengthen, with a solid manufacturing base providing ample employment space and precise talent housing policies reducing living costs. Nanchang actively integrates into the industrial ecosystem of the middle reaches of the Yangtze River city cluster, deeply docking with Wuhan's sci-tech innovation resources and Changsha's advantages in advanced manufacturing and commerce, leveraging win-win cooperation to forge a distinctive talent attraction path of gathering people with industry and retaining people with environment.

As more and more second-tier cities join the ranks of new talent-inflow stars by virtue of industrial ecosystems and policy combinations, this heralds a new direction for industrial investment and urban vitality.

Business Carrying Capacity measures the vitality of a city's service economy and its function as a regional business hub.

Guangzhou, Quanzhou, Beijing, Tianjin and Shenzhen rank high in scores. The accommodation industry, as a thermometer of business activity, shows structural differentiation. Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou, as core agglomeration locations for national business travel, lead in the scale and quality of the accommodation industry. Emerging node cities such as Hohhot, Weifang, Nantong and Quanzhou show outstanding growth rates, reflecting that business demand is spreading outward from core cities and that service increments brought by regional synergy are being released at an accelerated pace.

The regional diffusion of Business Carrying Capacity means that tracks such as high-end distinctive hotels, conference operators and local cultural experience service providers are moving from exclusive occupation by first-tier cities to multi-point blossoming. Multi-format linked services have also promoted the upgrade from space operations to co-creation of urban experiences.

Social Organisation Linkage reflects the density of cross-regional collaboration networks and governance effectiveness through the number of social organisations.

Shanghai, Chongqing, Beijing, Shenzhen and Hangzhou rank at the forefront. The number of social organisations in Dalian, Dongguan and Nanning grew by more than 10%. The first Northeast Super League (China's first cross-provincial city football league) vividly demonstrates the practical role of association organisations in promoting cross-regional economic linkage and the integration of culture, sports and tourism. In the year since the establishment of China's first industry association focused on designer toys, it has built a full-chain service system centred on IP, jointly formulated a series of group standards for designer toys, and linked more than 20 industry organisations nationwide to construct a cross-regional collaboration network.

China is further standardising the management of social organisations and enhancing their service capabilities in information connection, cooperation and communication, and standardisation, helping investors achieve efficient matching of supply and demand.

Passenger and Freight Transport Scale indicates the level of interconnectivity in logistics and personnel flows.

Shanghai, Guangzhou, Chongqing, Xiamen and Haikou lead comprehensively. Shanghai Port's container throughput has ranked first globally for 16 consecutive years. Guangzhou Port's foreign trade container volume surpassed domestic trade for the first time, with a growth rate of nearly 20%. Tianjin Port's world's first smart zero-carbon terminal operates efficiently[6], with ART (artificial intelligence robots of transportation) serving global customers. Major airports within the Greater Bay Area are shifting towards coordinated development through innovative cooperation models, sharing passenger flows and resources with the help of projects such as Fly via Shenzhen and Fly via Zhuhai-Hong Kong.

Growth in Passenger and Freight Transport Scale directly corresponds to demand expansion in tracks such as trade logistics, cross-border e-commerce and airport economy. The hub capacity of ports and airports is an important support for a city's nodal value in regional and even global supply chains.

Urban Collaboration Capacity reflects a city's institutional dividends and radiating potential through its functional positioning in the regional network.

The five national central cities of Beijing, Shanghai, Tianjin, Chongqing and Guangzhou constitute strategic fulcrums of regional synergy. The outline of the 15th Five-Year Plan emphasises giving full play to the synergies between the coordinated regional development strategy, major regional strategies, the functional zoning strategy and the new urbanisation strategy, promoting the shift of the regional economy from locally competitive growth to nationally synergistic growth. In 2026, a number of new cross-regional cooperation plans were released, including the Spatial Coordination Plan for the Modern Capital Metropolitan Area (2023–2035), the Action Plan for Coordinated Development of the Zhejiang-Anhui-Fujian-Jiangxi (Quzhou-Huangshan-Nanping-Shangrao) Inter-Provincial Border Area (2026–2028) and the Action Plan for Linked Development of Provincial Capital Cities in the Middle Reaches of the Yangtze River City Cluster (2026–2028).

Those cities assigned the positioning of nodes or hubs in city-cluster synergy are often the areas with the most intensive institutional dividends and infrastructure investment.

As the spatial economy moves from administrative-region economy to functional-zone economy, and from physical connection to ecological integration, regional synergy itself is releasing an opportunity that transcends the boundaries of a single city. Xinjiang is shifting from selling green electricity to outputting high cost-performance tokens[7]. Inner Mongolia's Horinger has built the nation's first point-to-point green electricity direct-supply data centre[8]. These are the most vivid illustrations of the new hub economy. Cities that simultaneously possess the three conditions of green electricity resources, computing power layout and locational hubs, as well as the cross-regional infrastructure networks, data circulation service platforms and green electricity and computing power dispatch systems that connect these nodes, are becoming the focus of a new round of value reassessment.

Regional Synergy

Case studies

As metropolitan areas move from concept to substance and industrial chains move from single points to closed loops, a number of central cities are reshaping the regional economic landscape with differentiated synergy paths. Tianjin, Jiaxing and Hong Kong have each formed distinctive characteristics in cross-provincial synergy and linkage, radiating influence, and metropolitan-area institutional innovation respectively.

Tianjin:
Commercialisation hub of BTH regional collaborative innovation

More than ten years into the coordinated development of BTH Region, synergistic results in industry, transport, ecology and other fields are accelerating their implementation. In recent years, the industrial gradient synergy effect of R&D in Beijing, commercialisation in Tianjin and mass production in Hebei has become increasingly significant. In the first five months of 2026, Tianjin absorbed RMB3.76 billion in technology contract transaction value from Beijing, growing by 84% year on year. Tianjin Binhai-Zhongguancun Science Park has cumulatively registered more than 6,500 enterprises, with revenue from strategic emerging industries and high-tech services growing by more than four times compared with the end of 2020. R&D achievements are agglomerating in Tianjin at an unprecedented speed.

What drives the smooth landing of achievements is a continuously improving service system and linkage mechanism from the R&D end to the commercialisation end. Beijing, Tianjin and Hebei have introduced a number of reform and innovation measures, increasing the number of mutual recognition items for qualifications and effectively reducing the institutional costs of cross-regional achievement transfer. Tianjin has built full-chain support of concept validation, pilot-scale platforms and industrialisation landing, providing validation sites, engineering development and supply chain supporting facilities for early-stage projects of Beijing universities and research institutes. Taking a Tianjin drone technology enterprise as an example, after settling in Tianjin Binhai-Zhongguancun Science Park in 2017, its operating revenue has grown by more than 15% annually on average. The three places have also jointly established the Beijing-Tianjin-Hebei Scientific and Technological Achievement Commercialisation Guidance Fund to leverage social capital participation in a market-oriented manner. From mutual recognition of qualifications to pilot-scale platforms, and from benefit-sharing mechanisms to fund leverage, R&D in Beijing, commercialisation in Tianjin and mass production in Hebei are moving from a policy goal to a replicable commercial path.

Tianjin’s unique value lies in its commercialisation efficiency from laboratory to production line. After Beijing’s technological achievements land in Tianjin, the complete supply chain system of BTH Region is within a two-hour drive. As the strategy of the Beijing International Science and Technology Innovation Centre advances in depth, this commercialisation corridor will continue to widen, providing clear demand scenarios and investment space for equipment manufacturing, pilot-scale bases and industrial commercialisation service enterprises.

Jiaxing:
Linkage dividends of Yangtze River Delta synergy

Jiaxing lies in the core hinterland of the Yangtze River Delta, connecting to Shanghai in the east, neighbouring Suzhou in the north and linking to Hangzhou in the west. High-speed rail can reach the three core cities within half an hour, and rental costs are less than half those of neighbouring Shanghai and Hangzhou. In 2025, Jiaxing's GDP grew by 5.2% year on year. Total retail sales of consumer goods grew by 5.6% year on year, ranking first in Zhejiang province. Retail sales of automobiles by units above the designated size grew by 8.0%, of which retail sales of new energy vehicles grew by 21.1%, with supporting opportunities along the industrial chain continuing to be released. Retail sales of wearable smart devices grew tenfold and those of smartphones grew threefold, confirming the strong driving force of consumption upgrading under a balanced income structure. The Jiaxing Sam's Club store that opened in March 2025 recorded sales exceeding RMB1.1 billion in its opening year, radiating five counties (cities) and surrounding areas such as Huzhou. The explosive growth of a high-end commercial project is the most telling illustration of regional synergy dividends.

Jiaxing's value lies not in scale, but in the chemical reaction generated by connection. As a key node of Yangtze River Delta integration, Jiaxing is converting its locational advantages into tangible industrial and consumption increments, and with lower operating costs it has become an ideal choice for laying out regional R&D centres, logistics nodes or manufacturing bases. When low cost meets high connectivity, Jiaxing is releasing unique growth momentum in regional synergy.

Hong Kong:
Value-adding hub under the Greater Bay Area institutional opening-up

In 2026, the compilation of Hong Kong's first five-year plan was formally launched, with the Policy Address advancing in tandem. The two documents are consistent in lineage, promoting Hong Kong's upgrade from a traditional "super connector" to a "super value-adder": not merely a capital corridor, but a hub of value creation.

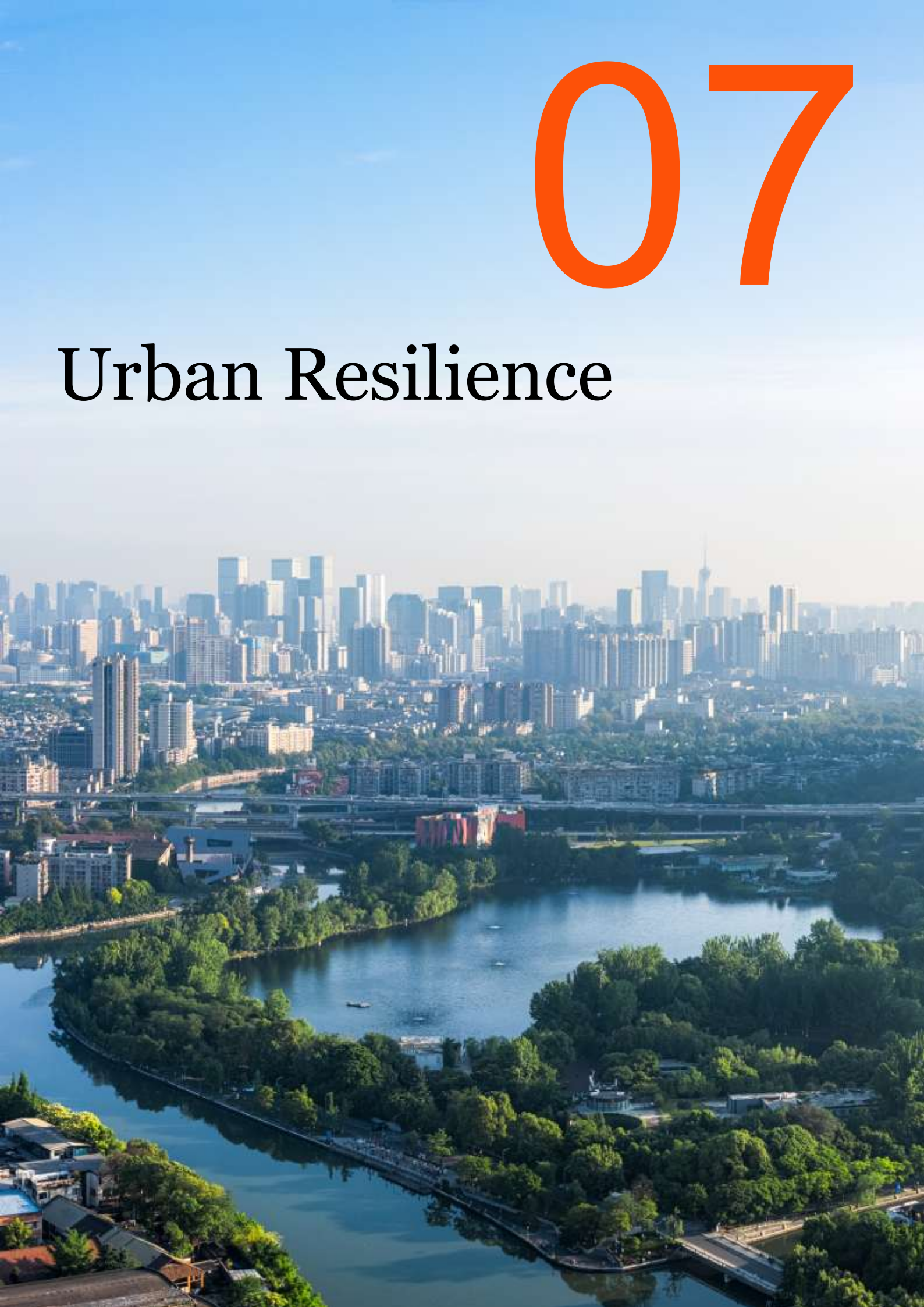
Institutional breakthroughs are reshaping the mode of industrial collaboration between Hong Kong and the Greater Bay Area. The measures of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" and "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong" have been extended to the Greater Bay Area pilot cities. The Qianhai Shenzhen-Hong Kong Cross-Boundary Data Verification Platform has cumulatively handled more than 2,300 transactions, helping mainland micro, small and medium enterprises raise more than HKD260 million in Hong Kong. By July 2026, the Task Force on Supporting Mainland Enterprises in Going Global (GoGlobal Task Force) had assisted more than 200 mainland enterprises in establishing or expanding businesses in Hong Kong, helping enterprises go global. The 2026/27 Budget further announced the establishment of a cross-sector professional services platform, pooling professional service strengths in law, accounting, finance, testing and certification. The landing of spatial carriers has given industrial collaboration physical support. The five-year plan consultation document lists accelerating the development of the Northern Metropolis as the first chapter, clearly providing more than 70,000 housing units and 1 million square metres of economic floor area over the next five years. The Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone focuses on real-economy industries such as life and health technology, AI and robotics, new energy and high-end intelligent manufacturing. It has attracted about 80 enterprises to settle, half of which are from the mainland. More than 10% of settled enterprises have already listed in Hong Kong, mostly industry leaders or technology-leading enterprises in specialised fields.

From law to data, and from capital to space, institutional opening-up is building a borderless Greater Bay Area real-economy industrial collaboration platform, advancing Hong Kong's upgrade from a capital corridor to a value-adding corridor. Investors who move first can reap the dual returns of institutional dividends and industrial synergy.

Tianjin's technology commercialisation, Jiaxing's linkage and Hong Kong's institutional opening-up represent three modes of value addition in cross-regional synergy. The manifestation of these values is driving the investment logic from selecting cities to selecting nodes. Opportunities lie not only in the growth of individual cities, but also in specialised fields such as cross-city industrial chain supporting facilities, institutional innovation dividends and infrastructure connectivity, as well as those node cities that can create increments through synergy.

07

Urban Resilience



Safety governance moving towards an investable market

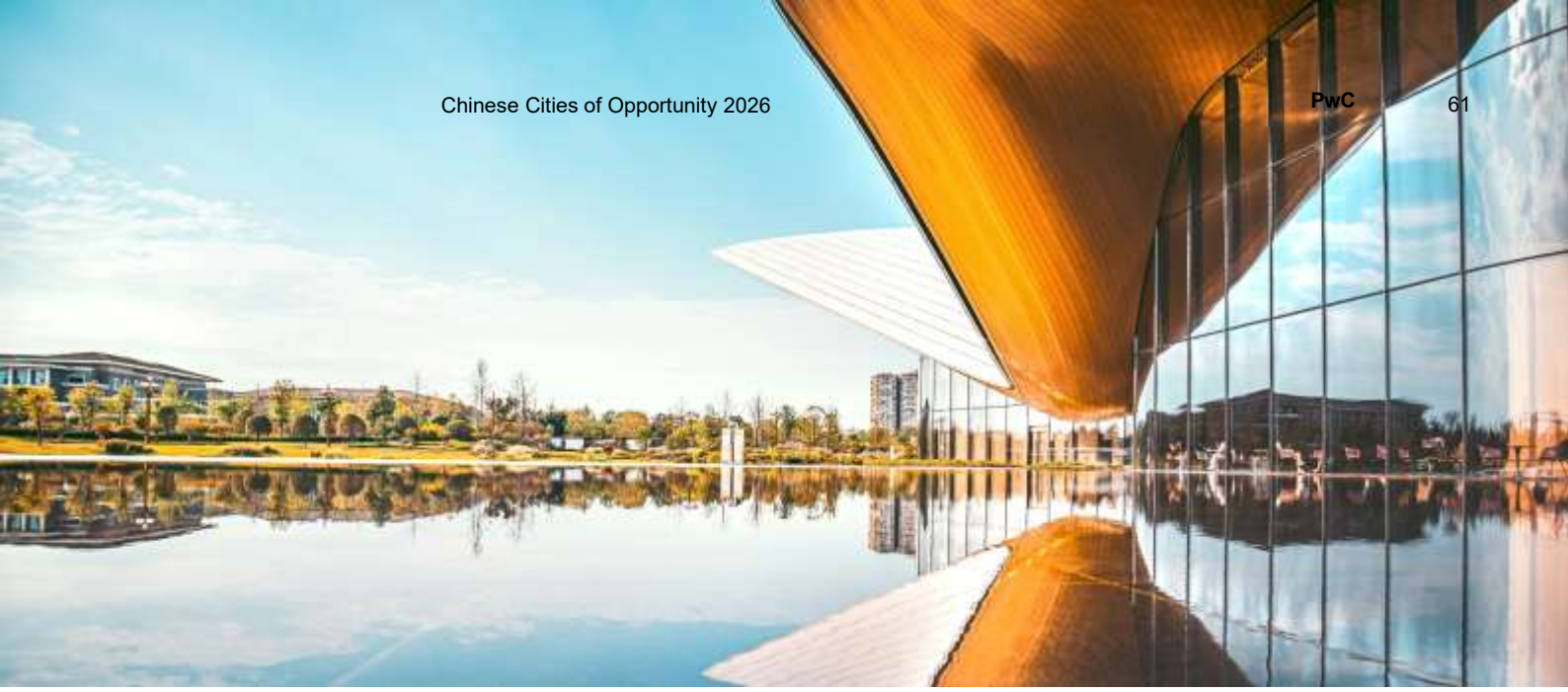
Extreme weather events are occurring frequently worldwide, and the economic losses caused by disasters continue to rise. Urban resilience has become an urgent issue jointly faced by the international community. China has undergone the largest and fastest urbanisation process in world history, with the urbanisation rate of the permanent resident population reaching 67.89%[9]. Building safe and reliable resilient cities has been elevated to a systematic project at the national strategic level. China's experience in resilient city construction was showcased at the 13th World Urban Forum and received wide recognition from the international community. The sponge city concept has been extended to developing countries such as Brazil and Pakistan. Today, China is converting the Chinese approach to resilient cities into public experience that can be shared globally through large-scale practice, institutional innovation and South-South cooperation.

Resilient city construction is upgrading from engineering compliance to systemic resilience. On the one hand, hard resilience at the physical level continues to be consolidated. During the 15th Five-Year Plan period, the state plans to construct and renovate approximately 770,000 kilometres of urban underground pipelines, generating additional investment demand exceeding RMB5 trillion[10]. On the other hand, soft resilience at the institutional and social levels is accelerating to fill gaps. Localities are exploring pathways for resilient community construction and building a pattern of social co-governance. Market-oriented risk-sharing mechanisms such as catastrophe insurance and climate loans are gradually being implemented. As urban lifeline safety projects accelerate, demand for city information modelling (CIM) platforms, Internet of Things sensing equipment and AI-driven early-warning systems continues to be released. Resilient city construction is transforming from purely public expenditure into an investable industrial track.

Column VII: Investment space indicators in urban renewal during the 15th Five-Year Plan period

		2025	2030
01	**Number of dilapidated urban houses renovated (10,000 units/rooms)**	〔25〕	〔50〕
02	**Number of old urban residential communities with newly started renovation (10,000)**	〔24〕	〔11.5〕
03	**Number of urban villages renovated**	〔4,100〕	〔4,000〕
04	**Length of urban underground pipelines renovated (10,000 km)**	〔25〕	〔36.5〕
05	**Digitalisation rate of basic information on urban housing (%)**	—	>95

Note: Figures in brackets are five-year cumulative totals.



Urban Resilience

Dimension insight

In the Urban Resilience dimension, Beijing, Chengdu, Guangzhou, Hangzhou and Shenzhen rank high in scores, while Shijiazhuang, Haikou and Changchun demonstrate relative advantages. Beijing received the 2025 Bloomberg Philanthropies Local Leaders Climate Award at the United Nations Climate Change Conference (COP30) due to its efforts in building a climate-resilient Beijing municipal administrative centre. Guangzhou's case of New Urban Infrastructure Empowering Resilient City Construction was included by UN-Habitat. Among the 60 observed cities, 46 recorded a year-on-year decline in the number of deaths from production safety accidents per RMB10 billion of GDP, with the production safety situation improving. Property insurance income grew in 51 cities, indicating enhanced risk protection awareness. In 29 cities, the number of health technical personnel per 1,000 population exceeds 10, with medical resources gradually being optimised. Against the backdrop of relatively high fiscal pressure, 22 cities still achieved an increase in the proportion of disaster prevention and control expenditure, reflecting the importance attached to resilient city construction.

46 cities
record a year-on-year decline in the number of deaths from production safety accidents per RMB10 billion of GDP

51 cities
achieve property insurance income growth

29 cities
have more than 10 professional health technical personnel per 1,000 population

Urban Resilience scoring table (Top 20)

Rank	City	Disaster prevention and control investment	Smart governance capacity	Production safety level	Property risk protection	Per capita medical support	Total score
1	Beijing	59	60	36	51	60	266
2	Chengdu	51	54	39	59	45	248
3	Nanjing	24	52	57	55	53	241
4	Guangzhou	43	57	35	57	48	240
5	Hangzhou	19	56	46	60	57	238
6	Shenzhen	57	58	53	58	5	231
7	Zhengzhou	53	42	34	50	51	230
8	Suzhou	49	55	58	41	22	225
9	Shanghai	31	59	30	55	42	217
10	Tianjin	58	44	37	35	38	212
11	Ningbo	35	51	44	49	30	209
12	Xi’an	51	41	31	37	44	204
12	Qingdao	47	47	48	27	35	204
14	Jinan	17	49	41	31	59	197
15	Wuxi	44	45	56	20	27	192
16	Wuhan	36	50	38	33	34	191
17	Shijiazhuang	55	13	26	56	32	182
18	Baoding	60	3	29	52	37	181
19	Fuzhou	32	43	55	17	28	175
20	Guiyang	40	38	3	46	46	173
20	Foshan	56	40	24	46	7	173

Disaster Prevention and Control Investment reflects the intensity of a city's fiscal guarantee for risk prevention and control and the foundation of its emergency industry.

Baoding, Beijing, Tianjin, Shenzhen and Shijiazhuang rank high in scores. In 2025, Baoding's disaster prevention and control and emergency management expenditure exceeded RMB10 billion, accounting for 11.6% of general public budget expenditure, significantly higher than that of other cities (mostly less than 1%). Shijiazhuang and Baoding, in deep linkage with Beijing and Tianjin, are building a national first-class benchmark for the safety and emergency equipment industry. The BTH Safety and Emergency Equipment Cluster has laid out 48 national-level technological innovation platforms, with various innovation factors accelerating their agglomeration in the cluster. As China's first comprehensive disaster-reduction community standardisation pilot city, Shenzhen has achieved full coverage of comprehensive disaster reduction across all 677 communities in the city.

High-intensity fiscal investment is not only a guarantee of the safety bottom line, but also simultaneously drives the development of upstream and downstream industrial chains such as emergency equipment, smart security and monitoring and early-warning equipment.

Smart Governance Capacity reflects a city's digital-intelligence level in risk prevention and control and emergency response.

Beijing, Shanghai, Shenzhen, Guangzhou and Hangzhou lead in scores, while Xiamen, Chongqing, Dongguan and Weihai perform outstandingly. Xiamen's City Brain perception middle platform is connected to more than 100,000 IoT devices, with more than 100 algorithms deployed on the AI middle platform to empower over 70 categories of intelligent identification application scenarios. Weihai has built an integrated air-space-ground-sea communication network, raising emergency response efficiency by more than 50% and sharing its refined intelligent governance practice nationwide.

The state has clearly required the advancement of CIM platform construction, the building of an aggregated and integrated data resource system, and the deepening of CIM-plus applications across multiple fields. As the urban perception layer, algorithm layer and data layer continue to iterate, and as scenarios such as urban lifelines and low-altitude safety continue to deepen, related technology and service providers are ushering in a period of growth opportunities.

Production Safety Level reflects risk control capacity in economic growth through the accident rate per unit of GDP.

Nantong, Nanjing, Wuxi, Fuzhou and Shenzhen perform relatively well, achieving a virtuous interaction between high-quality development and high-level safety. Nantong is a major chemical city and has promoted hundreds of chemical enterprises to take the lead in constructing 5G smart factories and leak-free factories, forming a virtuous cycle of safety investment, industrial upgrading, investment growth and safety improvement. Fuzhou uses the Minqi An production safety AI assistant to achieve intelligent identification of risk hazards and customised generation of inspection plans.

As safety concepts and requirements are raised, demand for safety equipment upgrading, intelligent transformation and monitoring system construction will continue to grow, and will drive market expansion in intelligent equipment, industrial internet, AI algorithms and sensors. Supporting service industries such as production safety liability insurance, risk assessment and safety training will also usher in development opportunities.

Property Risk Protection reflects a city's capacity to disperse economic risks through property insurance coverage.

Hangzhou, Chengdu, Shenzhen, Guangzhou and Shijiazhuang perform comprehensively at the forefront. In 2025, Chengdu's property insurance scale entered the top five, and Xining's property insurance density entered the top five, indicating that risk prevention awareness in western cities has been significantly enhanced. Harbin and Zhongshan perform outstandingly. Small and medium-sized cities and traditional industrial cities are also effectively enhancing their capacity to disperse property risks through policy guidance and industrial upgrading. Over the past year, multiple types of emerging property insurance have been implemented at an accelerated pace. China's first flood relief liability insurance for flood storage and detention areas was launched in Shandong, and Chongqing established the nation's first low-altitude economy co-insurance body.

Economically strong cities have mature risk protection systems, providing a stable market foundation for fields such as insurance technology. The rapid growth of insurance scale in central and western cities brings investment demand for service networks and product innovation. At the same time, the insurance industry is transforming towards ex-ante prevention, creating new growth points in fields such as risk reduction services and data analysis.

Per Capita Medical Support measures a city's public health emergency support capacity through the ratio of medical and nursing personnel.

Regional central cities such as Beijing, Jinan, Taiyuan and Hangzhou rank high in scores, while Urumqi, Kunming and Shenyang perform outstandingly. Beijing has 16.4 health technical personnel per 1,000 population. Provincial capitals in central and western China such as Taiyuan, Kunming and Xining have per capita medical and nursing resources that surpass those of some economically developed cities, reflecting the siphon effect of medical resources in provincial capitals.

The regional differentiation of medical resources is giving rise to new opportunities. The state continues to advance the construction of regional medical centres and guide high-quality resources to sink, providing investment space for hierarchical diagnosis and treatment, telemedicine and smart healthcare. First-tier cities have large medical fiscal investment and strong payment capacity, with strong market demand for medical informatisation, high-end medical devices and innovative drugs, opening new markets for related service and equipment suppliers.

Resilient city construction in China contains enormous investment demand. From the renovation of underground pipelines and the construction of CIM platforms to smart emergency management and catastrophe insurance innovation, and then to grassroots community governance and the optimisation of medical resources, various tracks are accelerating their integration. Cities and asset operation entities that have formed technological barriers in risk perception and intelligent early warning, and that have achieved commercial closed loops through diversified investment and financing mechanisms, deserve attention. At the same time, as urban safety shifts from a government responsibility to an investable market, resilience itself is becoming a new track of certainty.

Urban Resilience

Case studies

As extreme weather occurs frequently and production safety risks rise, a number of cities are converting disaster prevention and reduction into investable opportunities in infrastructure, equipment manufacturing and smart governance through differentiated pathways. Guangzhou, Zhengzhou and Shijiazhuang have each formed distinctive characteristics in smart governance, post-disaster engineering reconstruction and emergency equipment clusters respectively.

Guangzhou:
A pioneering sample of digital technology empowering urban governance

In October 2025, Guangzhou's case of "New-Type Infrastructure Empowering Construction of Resilient Cities" was selected for the 2025 edition of the Shanghai Handbook: A Guide for Sustainable Urban Development in the 21st Century, providing a sample for high-density coastal cities globally to address disaster risks.

Since 2020, Guangzhou has successively become a national pilot city for CIM and new urban infrastructure construction. Through a systematic plan of top-level design guidance, legislative and institutional guarantees, cultivation of key industries and sharing of knowledge achievements, it has promoted the shift of urban safety governance from risk response to proactive prevention and control. Its core foundation is a three-dimensional digital base map covering 7,400 square kilometres of three-dimensional topography and landforms across the city and current-status models of 1,400 square kilometres of key areas, integrating basic models of 2.97 million buildings and connecting more than 230 data services from departments of planning, transport and ecological environment. It has cumulatively shared more than 2,700 square kilometres of three-dimensional model data, directly saving about RMB162 million in fiscal funds for repeated surveying and mapping. The platform can conduct simulation analysis of extreme rainstorms and flooding in combination with real-time meteorological data, achieving early warning and efficient handling of disaster risks.

Guangzhou's practice releases multiple investment signals. CIM platform construction directly drives tracks such as digital twins, three-dimensional modelling and data services. The intelligent transformation of municipal facilities such as water supply, drainage and gas provides continuous demand scenarios for IoT sensing equipment, intelligent monitoring systems and pipeline network renovation projects. The completion of a single map of underground pipelines points to the long-term market space for the digital operation and maintenance of urban infrastructure.

Zhengzhou:
Resilience upgrading driven by post-disaster reconstruction

After the extremely heavy rainstorm of 20 July 2021, Zhengzhou has continuously treated the construction of flood control, drainage and extreme weather response capacity as a systematic project. It has recently achieved key breakthroughs and built one of the nation's first digital twin river-basin demonstration projects, achieving precise dispatch of forecasting, early warning, rehearsal and pre-planning in actual flood-season operations. At the same time, it has accelerated the upgrading and renovation of drainage networks and rainwater pumping stations, built an overall flood control and drainage pattern of intercepting in the west, draining in the north, diverting in the east and flowing south, and promoted the legislative implementation of the Zhengzhou Extreme Weather Response Regulations, strengthening early-warning response and grassroots equipment allocation. At the engineering level, the PPP model has been introduced, with social capital deeply participating in the investment, construction and operation of river treatment. The project has extended to park-plus operation and investment attraction along the riverbanks. Digital twins and AI flood control platforms have driven the landing and application of a number of smart water conservancy solutions.

The systematic investment opportunities of post-disaster reconstruction include: demand for engineering construction and equipment brought by large-scale infrastructure and pipeline network renovation; technology solutions generated by digital twins and AI flood control platforms; and ecological corridors that open long-term operation and cultural tourism supporting space through the park-plus model. Zhengzhou is converting what was once a flood-control shortcoming into sustainable infrastructure and ecological assets, providing a full-chain sample from engineering to operation for investment in the field of urban renewal.

Shijiazhuang:
Converting disaster prevention investment into emergency industry competitiveness

Shijiazhuang's construction of resilient city has forged a unique path of converting the rigid demand for disaster prevention and reduction into an endogenous driving force for industrial upgrading, moving from spending money to ensure safety to creating value through industry.

The key to this transformation lies in accurately identifying the industrial direction. Relying on the coordinated development strategy of the BTH Region, Shijiazhuang links with Beijing and Tianjin, focuses on key fields such as emergency communication command, monitoring and early warning and rescue equipment, systematically integrates various resources and builds a safety and emergency equipment industrial cluster. Luquan District of Shijiazhuang is its core carrying area and has been selected as one of the nation's first characteristic parks for the safety and emergency equipment industry, covering multiple industrial directions including emergency communication, engineering rescue, specialised mine production safety equipment and emergency power and energy.

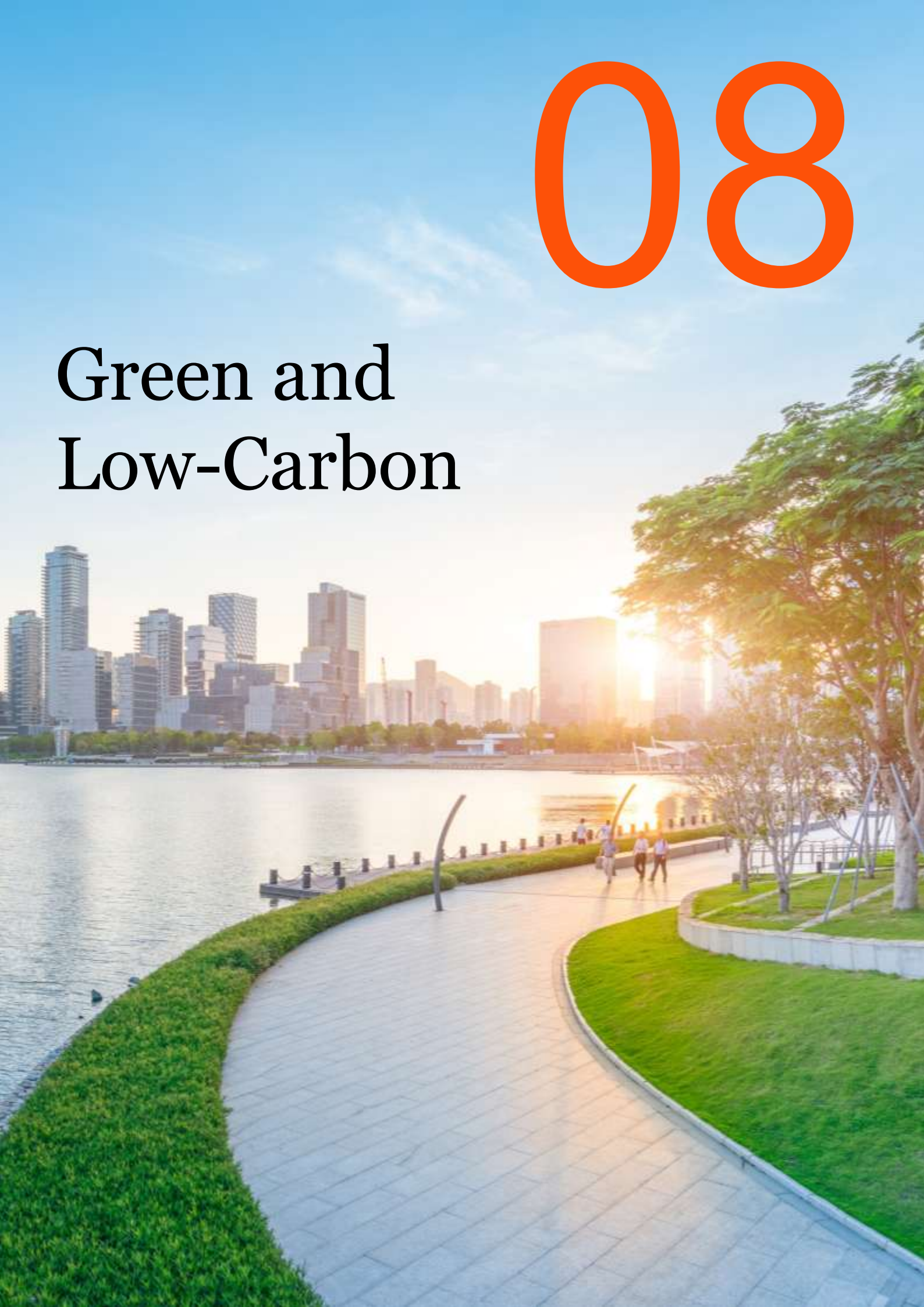
In 2025, the Beijing-Tianjin-Hebei Safety and Emergency Equipment Cluster recorded revenue of RMB425.4 billion, with 1,319 enterprises above designated size. The cluster has built four excellent-level smart factories and five 5G factories, and laid out 48 national-level technological innovation platforms. In 2025, the cluster's industry-finance matching event released 67 items in a Financial Product Catalogue and enterprise financing demand of RMB1.29 billion. Shijiazhuang successively hosted the 2025 China Safety and Emergency Industry Conference and the 2026 Fourth Beijing-Tianjin-Hebei Safety and Emergency Expo.

The State Council issued the 15th Five-Year Plan for the Construction of a Modern Emergency Response System, taking strengthening the safety and emergency equipment industry as a core task for reinforcing all-factor support and improving the guarantee system for handling major and extraordinarily serious emergencies. The plan makes systematic arrangements in industrial chain collaborative innovation, the promotion and application of major technical equipment, and the layout and construction of industrial clusters, marking that the safety and emergency industry has formally entered a new stage from passive procurement to active creation.

Guangzhou, Zhengzhou and Shijiazhuang represent respectively the urban governance demand driven by smart governance, infrastructure and operation opportunities in post-disaster engineering reconstruction, and the path of converting disaster prevention investment into an emergency equipment industry. They no longer regard resilience simply as a cost, but convert risk control capacity into sustainable investment value through pathways such as engineering, industry and technological upgrading.

08

Green and Low-Carbon



From technological breakthroughs to systemic efficiency

Global investment in the energy transition has reached a historic high, yet energy-related carbon dioxide emissions remain at record levels. At the same time, demand for energy—particularly clean energy—driven by AI and computing power is expanding exponentially. Consequently, global capital is accelerating toward regions with abundant green power and robust industrial infrastructure. China supplies roughly 60% of the world's wind power equipment and 80% of its photovoltaic modules. Beyond housing the world's largest installed renewable energy capacity, extensive new-type energy storage, and a complete new energy manufacturing system, China is seeing the rapid emergence of new business models, such as direct green electricity supply, computing-electricity synergy, and zero-carbon industrial parks, alongside the continuous refinement of its carbon market and green certificate trading systems. As a result, China's green and low-carbon advantages have evolved from supplying standalone technologies to offering a fully developed industrial ecosystem.

Urban green development has shifted from basic environmental compliance to monetising green capabilities. In the past, corporate carbon reduction was seen as a compliance cost. Today, carbon trading transforms emission reductions into tradable assets, direct green electricity supply cuts operational energy costs, and zero-carbon products yield brand premiums in export markets. Regions with abundant green electricity are increasingly prioritising and attracting data/computing centers as well as export-oriented manufacturers. Meanwhile, cities with strong industrial foundations present investors with new opportunities in green manufacturing and carbon asset management, while those with high institutional innovation capacity offer new gateways for carbon finance and green technology services.

Column VIII: Main energy development indicators for the 15th Five-Year Plan period

		2025	2030
01	**Comprehensive energy production capacity (100 million tonnes of standard coal)**	51.3	58
02	**Total installed power capacity (100 million kW)**	38.9	54
03	**Proportion of non-fossil energy consumption (%)**	21.7	25
04	**Proportion of electricity generation from non-fossil fuels (%)**	42.3	50

Green and Low-Carbon

Dimension insight

In the Green and Low-Carbon dimension, Shenzhen, Chongqing, Shanghai, Kunming, and Changzhou lead the overall rankings, while Yichang, Yancheng, and Tangshan stand out for the strong contribution of this dimension to their total scores. Among the 60 observed cities, revenue from the waste resource utilisation industry accounts for over 1% of the total output of industries above designated size in eight cities, marking the shift of comprehensive waste resource utilisation from a niche sector into a scaled industry. Thirteen cities boast over 100 green factories, demonstrating a strong cluster effect of green manufacturing in top-tier cities. Suzhou High-speed Railway New Town Dual Carbon Pioneer Zone received the international Global Human Settlements Planning and Design Award for its science-based carbon reduction practices, establishing itself as a benchmark for China's urban-rural dual-carbon transformation. Furthermore, Hangzhou, Sanya, and Suzhou were named among the world's first "20 Cities Moving Towards Zero Waste".

8 cities
see the revenue from the waste resources utilisation industry as a proportion of industry above designated size exceeds 1%

13 cities
have more than 100 green factories

3 cities
(Hangzhou, Sanya and Suzhou) are selected among the world's first 20 cities moving towards zero waste

Green and Low-Carbon scoring table (Top 20)

Rank	City	Waste utilisation level	Government environmental protection investment	Number of green factories	Carbon emission intensity	Clean energy proportion	Total score
1	Shenzhen	49	55	55	60	54	273
2	Chongqing	39	59	59	40	48	245
3	Shanghai	31	51	60	54	41	237
4	Changsha	34	56	53	51	41	235
5	Kunming	35	52	33	52	58	230
6	Changzhou	55	41	48	39	41	224
7	Guangzhou	34	25	52	58	54	223
8	Foshan	54	22	45	47	54	222
9	Hangzhou	43	30	42	57	41	213
9	Beijing	16	57	56	59	25	213
11	Chengdu	21	36	40	56	59	212
12	Yichang	48	38	11	53	57	207
13	Ningbo	24	32	55	49	44	204
14	Fuzhou	45	33	32	36	54	200
14	Wuhan	24	35	50	50	41	200
16	Jiaxing	52	18	37	43	48	198
17	Nanchang	58	43	20	46	25	192
18	Yancheng	50	7	23	55	55	190
18	Xiamen	6	45	43	48	48	190
20	Tianjin	46	49	58	18	7	178

Waste Utilisation Level reflects a city's resource recycling efficiency and the scale of its solid waste disposal industry.

Xuzhou, Tangshan, Nanchang, Taizhou, and Zhaoqing rank in the top five. Leveraging world-leading technologies in ecological restoration materials made from solid waste, Xuzhou is driving a citywide transformation from a "grey industrial hub" into a model of green transition. Tangshan, defined by its steel industry initiative of "keeping solid waste within the factory", has established an integrated waste governance framework linking the steel industry with urban metabolism, generating over RMB25 billion in revenue from the comprehensive utilisation of waste resources among industries above designated size.

Extending from comprehensive solid waste management to the disposal of emerging solid waste—such as retired power batteries, photovoltaic modules, and wind turbine blades—a new market worth hundreds of billions of yuan is set to emerge.

Government Environmental Protection Investment measures the policy momentum and fiscal sustainability of a city's green transition.

Chongqing, Beijing, Shenzhen, Xi'an, and Shijiazhuang rank at the top. In terms of investment scale, Beijing, Shanghai, and Chongqing lead the nation, each spending over RMB20 billion annually on energy conservation and environmental protection. However, government expenditure in this sector declined year-on-year in 31 cities, with 14 experiencing drops for two consecutive years. Regarding investment intensity (measured as a percentage of general public budget expenditure), cities such as Urumqi, Yinchuan, and Xining rank highest, demonstrating strong fiscal backing.

Environmental protection investment has evolved from policy-driven momentum to market-led initiatives, with its core logic shifting from infrastructure construction to a dual-wheel driver of operational services and technological innovation. While dividends from environmental engineering construction are narrowing, market demand is accelerating for public sector energy efficiency management, the optimisation and operation of existing facilities, and government-bank-enterprise matching for green projects. This shift will provide relevant service providers with more stable, long-term avenues for collaboration.

Number of Green Factories reflects the reach of green manufacturing transitions and the strength of supply chain carbon management.

Shanghai, Chongqing, Tianjin, Suzhou, Beijing, Ningbo, and Shenzhen are leading the way. Green manufacturing has advanced from pilot demonstrations to widespread adoption at scale. In 2025, 2,038 new green factories were recognised, bringing the cumulative total past 8,000 and rapidly broadening the sector's coverage. Ningbo has established a tiered green factory cultivation system, building a cumulative total of 159 national-level green factories—the highest among sub-provincial cities nationwide. In terms of new additions, Suzhou leads with nearly 100, while Chongqing, Wuxi, and Changzhou also recorded top-tier gains.

The density of green factories serves not only as an indicator of a city's green manufacturing transition, but also as a signal of its capacity to manage supply chain carbon footprints. With the EU Carbon Border Adjustment Mechanism (CBAM) entering formal implementation, cities with a high density of green factories benefit from lower export compliance costs and greater supply chain resilience.

Carbon Emission Intensity[11] measures the actual progress of low-carbon economic transformation.

Shenzhen, Beijing, Guangzhou, Hangzhou, and Chengdu rank in the top five. Beijing ranks among the top in national assessments of 81 low-carbon pilot cities, with green electricity accounting for nearly 30% of its total electricity consumption, maintaining optimal energy and carbon efficiency nationwide at the provincial level. Shenzhen's carbon emission intensity is just one-fifth of the national average, serving as a benchmark for balancing economic growth with carbon reduction in a megacity. Hangzhou continues to upgrade its energy "dual-carbon" digital-intelligence platform and advance carbon budget management, exporting digital solutions for carbon peaking pilots. Meanwhile, Chongqing executed China's first aquatic ecological carbon sink transaction for a reservoir.

As the carbon market expands to cover steel, cement, and aluminum smelting, carbon assets are gaining real pricing clarity and trading liquidity. Innovative models such as green electricity trading, corporate carbon accounts, and carbon inclusiveness are accelerating on the ground, creating extensive growth opportunities for related services like carbon accounting, carbon asset management, and low-carbon tech consulting.

Clean Energy Proportion is the key metric evaluating how clean a city's energy mix is.

Xining leads with 70%, closely followed by Chengdu, Kunming, Yichang, and Nanning, forming a pattern led by the western region with multi-point breakthroughs nationwide. Inner Mongolia's Ulanqab is constructing China's first data center park featuring incremental distribution and direct green electricity supply, translating its wind and solar resources into green computing power. Relying on a comprehensive energy conservation and carbon reduction system, Kunming boasts over 90% green energy and over 40% new energy in its installed capacity. Yichang is evolving from the "world capital of hydropower" into a "clean energy hub" and "global energy storage hub", with clean energy exceeding 94% of its installed capacity. In Jilin province, Baicheng and Songyuan have leveraged the full "wind-solar-hydrogen to green chemical" value chain to build the world's largest standalone green ammonia project and the world's largest integrated green hydrogen-ammonia-alcohol project, respectively—both earning international sustainability certifications and opening global trade routes for green hydrogen chemicals.

The abundance of clean energy is redefining urban investment value in the era of computing-electricity synergy. Cities offering low-cost green electricity are rapidly becoming preferred locations for deploying AI computing infrastructure.

China's green and low-carbon trajectory has shifted from relying on policy subsidies and external compliance pressures to actively pursuing systemic profitability. Green transformation has evolved from a regulatory burden into a profitable opportunity. Direct green electricity supply, carbon asset operations, and zero-carbon manufacturing are transitioning from conceptual models into investable, tradable realities. Capital is moving toward locations that help businesses monetise their green transition: cities with rich green energy resources, strong carbon asset management capabilities, and well-developed green manufacturing ecosystems are emerging as the prime focal points for new investment.

Green and Low-Carbon

Case studies

As the “dual-carbon” goals advance, green and low-carbon development has evolved from a pure policy constraint into a pivotal driver for cities to attract capital and reshape industrial competitiveness. Chongqing, Yantai, and Xining are actively converting emission reduction pressures into investable industrial momentum through large-scale digital factory retrofits, comprehensive nuclear energy utilisation, and green computing power provision, respectively.

Chongqing:
Digitally driven green upgrading of traditional industries

As a major manufacturing hub along the upper reaches of the Yangtze River, Chongqing is driving simultaneous intelligence and low-carbon upgrades by combining large-scale digital factory construction with deep green technology integration. By June 2026, the city had cumulatively established 211 municipal-level smart factories and 1,231 digital factories, ranking among the top nationwide. Its energy consumption per unit of GDP and carbon emissions are both approximately 30% lower than the national average. In March 2026, installed new energy capacity surpassed 10 million kW. By May, the city had built a cumulative total of 218 national-level green factories, second only to Shanghai. As the sole local carbon market pilot in western China, Chongqing facilitated the country's first reservoir aquatic ecological carbon sink transaction in 2025. By June 2026, cumulative trading volume in the Chongqing carbon market reached approximately 55.33 million tonnes, with a transaction value of RMB1.34 billion. The rapid rollout of digital factories provides a direct framework for energy conservation and carbon reduction in traditional sectors like automotive, equipment, and materials. Meanwhile, green factory certifications and carbon market mechanisms further lower transformation costs while enhancing product sustainability.

Chongqing’s dual path of combining digital intelligence with green development offers a highly representative framework. Investors can engage in smart factory retrofits, industrial software deployment, and energy management systems, or expand into green manufacturing equipment, carbon asset management, green power consumption, and low-carbon supply chain certification. This presents capital focused on traditional industry upgrades and zero-carbon supply chains with scalable, rapidly executable investment opportunities.

Yantai:
Pioneer of zero-carbon applications of nuclear energy

Haiyang, Yantai, district achieved a global landmark in nuclear energy utilisation by launching China's first cross-prefecture nuclear heating project, extending nuclear heating from a single industrial park to an entire municipality. Since becoming China's first zero-carbon heating city in 2021, Haiyang has achieved full citywide clean nuclear heating for seven consecutive years. In November 2025, Haiyang entered its seventh heating season, serving 400,000 residents and 13 million square meters across both Haiyang and Rushan[12]. In March 2026, the seventh season concluded successfully, having delivered 5.41 million GJ of clean heat and replacing 490,000 tonnes of raw coal[13]. Over the past six winters combined, the "Warm Core No. 1" system from Haiyang Nuclear Power has saved approximately 1.29 million tonnes of raw coal.

Large-scale efforts in zero-carbon industrial parks are converting nuclear advantages into industrial competitiveness. In December 2025, the Dingzi Bay New Energy Innovation Zone was selected among China's inaugural national-level zero-carbon industrial parks. The park plans to construct 19 units across three nuclear power plants to supply high-quality, zero-carbon industrial steam, while existing and planned offshore wind, onshore wind, offshore PV, and fishery-PV complementary projects will deliver abundant green electricity. The park has already fostered four RMB10-billion-level industrial clusters in clean energy, high-end equipment, aerospace, and new materials, achieving an aggregate output value approaching RMB40 billion.

Yantai has for the first time verified both the technical and economic viability of scaling nuclear energy from electricity generation to multi-scenario applications. Companies seeking to establish capacity within zero-carbon industrial parks and tap into direct green electricity supply can find a stable landing spot in Yantai, backed by strong policy support and reliable energy access.

Xining:
Green electricity moving from outward transmission to value addition

Xining is not only a major green power hub in China, but also one of the country's most cost-effective hubs for green computing.

On the power transmission side, as of mid-May 2026, Qinghai's cumulative green electricity trading volume exceeded 20 billion kWh, with inter-provincial transactions accounting for over 90% across 23 provinces. In 2025, construction began in Xining on the RMB73-billion Qinghai Hainan Clean Energy Outward Transmission Base ("Shagehuang" Mega-Base, which refers to "desert, Gobi and wasteland"). Designed with a total capacity of 19.44 million kW, the project will transmit 36 billion kWh of green electricity annually to the Greater Bay Area upon completion. On the computing side, the green computing capacity of the Xining Development Zone surged from 400P to over 10,000P in 2025, marking explosive growth. Backed by its high proportion of installed clean energy and a cool local climate—with an average annual temperature of just 3.9° C and Power Usage Effectiveness (PUE) consistently below 1.2—Xining offers a natural location for green computing under the national "East Data, West Computing" strategy. Today, China's first clean energy and green computing dispatch center is operational, while the Sanjiangyuan Green Electricity and Intelligent Computing Integration Demonstration Park has deployed 17,000 PFLOPS of computing capacity, making it the largest operational intelligent computing center on the Qinghai-Tibet Plateau.

Xining is advancing from simply exporting green electricity to extracting high-value productivity from it—turning affordable green power into high-value computing services. From PV modules and green electricity trading to the operation of smart computing centers and green power traceability certification, a complete value chain from "watts to bits" is rapidly taking shape in Xining.

Chongqing, Yantai, and Xining no longer treat green and low-carbon metrics as a cost burden; instead, they are converting emission reduction targets into scalable industrial opportunities through technological, operational, and resource innovations. China's green and low-carbon landscape is moving from policy-driven directives toward market-led growth, creating opportunities not only in core renewable energy, but also in specialised areas like smart factory retrofits, clean energy utilisation, and computing-electricity synergy.

09

Market Environment

Entering the stage of returns from institutional trust

The World Bank Business Ready (B-READY) system reveals a global shortcoming: most economies are strong in institutional design but weak in service implementation, with significant public service gaps and efficiency gaps. Against this backdrop, China is shifting from being an assessed party to a rule-aligner and experience provider. In the 2025 Business Ready survey, six of China's eight assessed areas outperformed the median of 103 economies, and 12 assessment points reached the globally optimal level. China's pioneering practice of the negative list management model, the government digitalisation revolution represented by one-stop online government services, the institutional opening-up stress tests of pilot free trade zones aligned with the CPTPP, and the supply chain resilience model are providing a referable paradigm for the world, especially rapidly industrialising countries, of hedging global uncertainty with institutional certainty.

The optimisation of the market environment among Chinese cities has shifted from whose policies are more preferential to whose institutions are more stable, whose factor costs are lower. In 2025, 9.5 million new enterprises were established nationwide, of which 1.134 million were related to the eight emerging industries and nine future industries, growing by 9.9% year on year. In the first half of 2026, frontier tracks such as humanoid robots and generative AI continued to lead in growth rates, the vitality of new consumption business formats burst forth, and the conversion of old and new growth drivers was fully manifested in the structure of market entities. Facing new fields and new business formats, the convenience of market access, the fairness of the competitive order, the precision of enterprise-related services and the completeness of rule-of-law guarantees have become the core yardsticks for measuring a city's investment value and long-term return expectations. The business environment is no longer a bonus item, but an access condition for investment decisions.

Column IX: Rapid growth of market entities in China's emerging fields in the first half of 2026

GenAI

Number of newly established enterprises in the first half of 2026 (Unit: 10,000)

5.5

Year-on-year increase

28%

Silver economy

Number of newly established enterprises in the first half of 2026 (Unit: 10,000)

3.1

Year-on-year increase

16%

Humanoid robots

Number of newly established enterprises in the first half of 2026 (Unit: 10,000)

11.6

Year-on-year increase

9.5%

Market Environment

Dimension insight

In the Market Environment dimension, Dongguan, Shenzhen, Hangzhou, Xiamen, Beijing and Shanghai rank at the forefront in overall performance, while Quanzhou, Zhongshan and Haikou have also formed distinctive competitive advantages. Among the 60 observed cities, 14 have a total of more than 2 million market entities, and 52 achieved net growth in the number of business entities, continuously consolidating the foundation of market vitality. Flexible law enforcement and service-oriented supervision have been rolled out comprehensively. The proportion of fines and confiscation revenue in general public budget declined year on year in 36 cities, with supervision becoming more inclusive and prudent. Office rents fell in 56 cities, further easing the pressure of venue costs on enterprises. The ratio of general public budget revenue to expenditure rose in 46 cities. The fiscal self-sufficiency rates of Yangtze River Delta cities such as Suzhou, Wuxi and Nanjing exceed 95%, with more ample local fiscal guarantees to support market development. Dongguan performs outstandingly in this dimension as a whole, with no obvious shortcomings in any of the five variables.

14 cities
have a total of more than 2 million market entities

52 cities
achieve net growth in the number of business entities

36 cities
see a year-on-year decline in the proportion of fines and confiscation revenue in general public budget revenue

Market Environment scoring table (Top 20)

Rank	City	Market entity vitality	Digital government services	Enterprise regulatory compliance	Operating cost burden	Fiscal self-sufficiency capacity	Total score
1	Dongguan	52	43	45	52	59	251
2	Shenzhen	57	59	59	3	55	233
3	Hangzhou	55	55	58	4	56	228
4	Xiamen	45	57	57	12	54	225
5	Beijing	56	60	55	1	46	218
6	Shanghai	49	58	60	1	49	217
7	Chengdu	59	51	44	17	38	209
8	Suzhou	26	56	54	7	60	203
9	Quanzhou	48	53	11	55	29	196
10	Ningbo	29	49	49	16	50	193
11	Changzhou	15	48	52	25	51	191
12	Guangzhou	60	45	36	5	44	190
13	Zhengzhou	54	3	48	41	43	189
14	Zhongshan	36	44	12	44	52	188
15	Wuhan	58	33	56	8	31	186
16	Changsha	52	23	41	19	47	182
17	Nanjing	27	38	53	6	57	181
18	Fuzhou	39	52	40	12	35	178
18	Hefei	43	50	31	30	24	178
20	Wuxi	15	31	51	20	58	175

Market Entity Vitality assesses the degree of market activity in a city through the year-end total and growth rate of business entities.

Guangzhou, Chengdu, Wuhan, Shenzhen and Beijing lead in scores. In terms of total volume, Shenzhen, Guangzhou and Chengdu each have more than 4 million business entities, with a prominent scale advantage. In terms of growth rate, Guangzhou, Wuhan, Chengdu and Hangzhou maintain high growth of more than 10%. Chengdu has launched one-code inspection flexible supervision covering more than 4 million business entities, while opening distinctive application scenarios such as the low-altitude economy to attract related enterprises to land. Shenzhen's combined policy of entrepreneurship guarantee loans and Pengcheng job-stabilisation loans stimulates both entrepreneurial vitality and effectively stabilises jobs and employment[14]. Nanchang drives the rapid heating-up of immersive culture and tourism and experience-based consumption by lowering the operating costs of new business formats. Wuhan actively implements an expansion action for converting individual businesses into enterprises, promoting the quality and efficiency improvement of market entities.

High growth of business entities superimposed with precise policy support often means that new business formats and new consumption are agglomerating rapidly. These are precisely the priority observation windows for capturing the benefits of industrial budding and consumption upgrading.

Digital Government Services measures the convenient handling conditions provided by the government through the digitalisation level of government services.

Beijing, Shenzhen, Shanghai, Xiamen and Suzhou continue to play a leading role, with digital service capabilities remaining at the national forefront. Chongqing, Fuzhou, Wenzhou, Nanning and Guiyang have also formed distinctive advantages, confirming that non-leading cities can likewise reach a high level in government digitalisation through precise policy measures and continuous innovation. Wenzhou's urban trusted data space integrates and connects infrastructure such as public data platforms, providing enterprises with full-process services for data development and utilisation, and effectively supporting trusted data circulation and synergistic value addition[15].

Digital governance is shifting from platform construction to capability output. Cities with a high level of government digitalisation are often also regions with active circulation of data elements and dense AI application scenarios. Government open data and intelligent platforms essentially provide a testing ground and accelerator for enterprise innovation and development.

Enterprise Regulatory Compliance reflects the completeness of market rules and the level of enterprise compliant operations.

Shanghai, Shenzhen, Hangzhou, Xiamen and Wuhan rank high in scores. Among the 60 observed cities, the proportion of fines and confiscation revenue is below 2% in 17 cities, with the effectiveness of balancing the scale and temperature of supervision becoming apparent. Zhuhai and Haikou improved significantly compared with the previous year. Wuxi advances the reform of enterprise-related administrative law enforcement from the three aspects of flexible law enforcement, technology empowerment and precise supervision. In 2025, enterprise-related administrative penalty cases declined by 36.5% year on year[16]. Haikou realises full-process supervision of cases through an online platform, upgrading law-enforcement efficiency with technology empowerment and precise governance, and has received wide recognition from market entities.

Cities with a stable rule-of-law environment and supervision that also has temperature offer stronger predictability for enterprise operations, and are especially suitable for the deep cultivation and layout of long-term capital and industries with higher compliance requirements.

Operating Cost Burden covers office rents and employee wage levels, measuring the comprehensive cost pressure faced by enterprise operations.

Weifang, Weihai, Tangshan, Yichang and Baoding perform in the lead, while Nanning and Yancheng also possess obvious relative advantages. Cost pressure in first-tier cities remains relatively prominent. Localities have already explored a number of pragmatic cost-reduction pathways. Nanning innovatively launched flexible registration models such as cluster registration, sharing among affiliated enterprises and partitioned use of premises, substantially reducing venue cost pressure at the start-up stage. Dongguan implemented a special policy for novel industrial land (M0) and coordinated the supply of contiguous, adaptable and low-cost industrial space for small and medium-sized enterprises[17].

Cities with a prominent cost advantage are not only a safety cushion for reducing short-term operating costs, but also a long-term value anchor for sharing in the growth benefits of the city.

Fiscal Self-Sufficiency Capacity measures the fiscal health of local governments and their capacity to continuously support market development.

Manufacturing powerhouses in southern Jiangsu and the Pearl River Delta have extremely prominent fiscal self-generating capacity. Among them, the fiscal revenue and expenditure of Suzhou, Dongguan and Wuxi approach balance, while Guangzhou and Huizhou have improved significantly compared with the previous year. Among the 60 observed cities, 22 have this ratio in the range of 70% to 90%, covering most new first-tier and coastal second-tier cities. From the revenue side, general public budget revenue grew significantly in places such as Zhaoqing (17.5%).

Differences in Fiscal Self-Sufficiency Capacity are a mapping of industrial structure quality. Only cities with high value-added industries and a stable tax base have the capacity to continuously optimise the market environment and feed back into enterprise development. They are safety zones that deserve priority attention when industrial investment and infrastructure projects land.

Over the past decade, cities released approval dividends by reducing items, compressing time limits and lowering thresholds. Today, the marginal benefits of approval reform have tended to converge. Observations of the above five aspects indicate that the main source of advantage in the next round of urban market environment is no longer administrative convenience, but institutional depth. Cities that can provide a stable and predictable institutional environment, continuously reduce comprehensive operating costs, efficiently match factor resources and powerfully escort the sustained development of enterprises will become the preferred locations for enterprises to settle and develop.

Market Environment

Case studies

The market environment has evolved from an additional question of policy preferences into a core variable determining a city's industrial attractiveness. Dongguan, Xiamen and Quanzhou are converting the precision of government services, digital governance capacity and private economy services into an investable industrial ecosystem and predictable institutional guarantees by deeply cultivating their own endowments, outlining three typical paradigms of market environment construction in Chinese cities.

Dongguan:
Rapidly building a service ecosystem for emerging business formats

The highlight of Dongguan's market environment lies in its rapid adaptation capacity for emerging business formats. This city that started with traditional manufacturing has completed a leap from an OEM base to a hard technology industrial cluster over the past decade. Half of the world's AI glasses, one-third of industrial collaborative palletising robots and nearly one-quarter of smartphones are produced in Dongguan.

What supports this transformation is a full-chain service system built by the government around industrial demand. On the land-use side, Xiegang Yinping Modern Industrial Park provides high-quality, low-cost space. On the government service side, the Qiguanjia one-stop platform has 120 million square metres of settled factory buildings. On the innovation environment side, with Songshan Lake as the core, it attracts innovative leading enterprises to settle and hosts two national large scale scientific facilities, getting through the full chain from basic research to pilot-scale validation and then to mass-production landing, allowing innovation achievements to be rapidly converted into tangible industrial competitiveness. On the capital side, the fund of fun of Dongguan's industrial chain development has a target total scale of RMB5 billion, with a first tranche of RMB1.5 billion. It focuses on core industries such as AI and electronic information, semiconductors and integrated circuits, new materials, and high-end manufacturing and robotics, and carries out full-chain investment layout through a combination of sub-fund investment and direct project investment. On the talent service side, it has built a market-oriented and diversified talent evaluation system of recognition, assessment and recommendation to rapidly meet talent demand in emerging business form fields, and has launched a Talent Excellence Card integrating housing, education, medical and other services.

As industrial iteration accelerates, the core competitiveness of the market environment depends on whether the government can, with the logic of "ecosystem as a service", ensure that every link has a clear service carrier and landing scenario, and turn the demand of every emerging industry into perceptible services.

Xiamen:
A reform experimental field for a digital service-oriented government

Xiamen's unique position in China's business environment landscape lies in its continuous deep cultivation of digital government service capabilities. According to the China Local Government Digital Service Capability Development Report (2025) released by the University of Electronic Science and Technology of China, Xiamen's comprehensive score is second only to Beijing, Shenzhen and Shanghai, and it performs especially well in service intelligence capability.

Xiamen has built a three-in-one enterprise-benefiting service system of institutional guarantees, digital drive and AI empowerment. Nearly 700 policies have been launched on the platform, with nearly RMB6 billion in funds disbursed, benefiting enterprises nearly 50,000 times. Among the enterprise-benefiting policies of 2025, enjoy-without-application and enjoy-upon-application policies accounted for more than 43% of enterprise-benefiting policies, numbering nearly 400 items. The average disbursement cycle of enjoy-without-application policies has been compressed to about 15 days, shortened by nearly 75% compared with the previous year, with the fastest disbursement on the same day.

In March 2025, Xiamen launched the enterprise Outside the Window affairs coordination service platform, focusing on blockages such as enterprises' cross-level coordination and cross-department docking, supporting voice input and intelligent customer-service-assisted form filling, and promoting the upgrade of appeal resolution from offline running around to online intelligent handling. At the same time, Xiamen's public data integration and development platform was rated as an excellent case of national data infrastructure construction and was also selected among the first batch of pilot cities in the urban trusted data space direction.

In Xiamen, digital government is not a KPI of the IT department, but a tangible experience for enterprises: policy funds come to the door proactively, approval matters are completed on mobile devices, and cross-department appeals have someone to coordinate them. When a city takes digitalisation to the point of being imperceptible to enterprises, it has already turned the business environment into a form of infrastructure.

Quanzhou:
Institutional transformation of the heritage of an overseas Chinese homeland and the foundations of private sector

In 2025, Quanzhou's business entities exceeded 1.71 million, with the private economy contributing about 70% of GDP and 80% of urban employment. In 2026, the Jinjiang Experience was written into the outline of the national five-year plan, marking that Quanzhou's private economy ecosystem has received institutional recognition at the national level. In government services, 41 Quanxinquanyi (Wholehearted Quanzhou) convenience measures and the no-certificate city pilot reform have earned it the rating of a national business environment innovation city for four consecutive years.

A more unique competitiveness comes from the overseas Chinese business service system. There are about 10 million overseas Chinese of Quanzhou origin, accounting for 1/6 of the national total. Quanzhou established an overseas Chinese service platform, realising one-click application and one-network handling for remittance settlement. The second Maritime Silk Road Overseas Chinese Business Investment and Trade Conference signed 108 projects with a total investment of RMB144.45 billion. The government's service resolve of arriving when called, not arriving when not called, doing what is said and providing thoughtful service continuously converts overseas resources into investment momentum.

Quanzhou does not attempt to copy any template, but has turned overseas Chinese connections into an institution. Ten million overseas Chinese are not a figure written in an investment attraction brochure, but the starting point of government service design. Whether it's making remittances more convenient or investments more seamless, every task corresponds to a specific service module.

Dongguan, Xiamen and Quanzhou represent three pathways respectively. Dongguan represents the systematic upgrading of the government service system amid industrial transformation. Xiamen continues to deepen the integration of digital technology into government services. Quanzhou is the result of the effective integration of unique natural resources and targeted government services. The core competitiveness of the market environment lies not in the magnitude of preferences, but in whether local endowments can be converted into institutional advantages perceptible to enterprises.

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Culture and Quality of Life

A new track growing from people's spiritual needs

When talent chooses a city, in addition to considering economic opportunities, they place great value on whether it can provide a quality cultural life, welcoming public spaces, and a spiritual sense of belonging and identity. The 2026 Global Soft Power Index released by Brand Finance of the United Kingdom shows that China's soft power ranking has jumped to second place globally, with its ranking in cultural soft power rising to seventh. From Nanjing as a UNESCO City of Literature to globally phenomenal designer toys, and from the living heritage of Suzhou gardens to the cultural and creative hub of Taoxichuan Spring and Autumn Art fair in Jingdezhen, Jiangxi province, Chinese cities are reshaping their humanistic charm through diverse pathways. The international community is forming a fresh perception of the humanistic appeal of Chinese cities: China is no longer merely a synonym for an economic miracle, but a rising destination for culture and quality of life.

The quality of urban cultural life is becoming a critical variable in attracting talent, retaining innovation, and driving a city's long-term competitiveness. People's demands for urban living are evolving from material satisfaction to spiritual resonance, from standardised products to personalised experiences, and from passive acceptance to active co-creation. This evolution is giving rise to new investment tracks. From immersive cultural spaces and the commercialisation of museum IP to smart sports facilities and the digitalisation of public health services, various fields of culture and quality of life are forging investable and operationally viable commercial loops. Those cities taking the lead in converting cultural resources into competitive cultural development advantages are reaping quantifiable investment returns from building urban soft power.

Column X: Main development indicators in the field of culture and quality of life during the 15th Five-Year Plan period

01	02	03
Annual number of museum visitors (100 million person-times)	**Area of newly built and renovated or expanded sports venues (10,000 hectares)**	**Area of upgraded urban park green space (10,000 hectares)**
2025 base value 15.6	**2025 base value** 〔12.7〕	**2025 base value** —
2030 target value 16	**2030 target value** 〔12.8〕	**2030 target value** 〔2〕

Note: Figures in brackets are five-year cumulative totals.

Culture and Quality of Life

Dimension insight

In the Culture and Quality of Life dimension, Nanjing, Suzhou, Beijing, Wuxi, and Hangzhou rank high in overall scores, while Yancheng, Xuzhou, Yangzhou, and Yichang deliver outstanding performances. Among the 60 observed cities, the green coverage rate of 42 cities exceeds the national average, the per capita area of sports venues in 39 cities surpasses 3 square metres, health expenditure continues to grow in 48 cities, and the proportion of expenditure on education, culture, and entertainment in urban residents' consumption exceeds 10% in 51 cities. Against this backdrop, the pathways for urban humanistic development are becoming increasingly clear: leading cities leverage their resource agglomeration to drive high-end innovation, while second- and third-tier cities pursue differentiated growth along specialised tracks based on their distinctive endowments, forming a multi-layered market landscape.

42 cities
exceed the national average in green coverage rate

39 cities
have a per capita sports venue area exceeding 3 square metres

51 cities
see the proportion of education, culture and entertainment expenditure in urban residents' consumption exceed 10%

Culture and Quality of Life scoring table (Top 20)

Rank	City	Urban green environment	Per capita sports area	Public health investment	Museum attendance	Cultural and entertainment consumption preference	Total score
1	Nanjing	48	53	49	59	59	268
2	Changsha	58	47	36	51	60	252
3	Suzhou	39	52	47	40	57	235
4	Beijing	60	33	60	60	21	234
5	Wuxi	40	57	44	29	55	225
6	Hangzhou	32	38	54	56	42	222
7	Changzhou	45	59	27	28	59	218
8	Guangzhou	35	13	57	54	52	211
9	Nantong	46	56	53	9	44	208
10	Wuhan	17	39	46	50	52	204
11	Hefei	54	30	49	21	49	203
12	Wenzhou	44	38	51	12	56	201
13	Yangzhou	19	55	27	41	54	196
14	Dongguan	59	43	2	43	47	194
15	Yancheng	29	58	52	23	28	190
16	Yichang	52	41	39	8	48	188
16	Chongqing	22	44	57	53	12	188
18	Xuzhou	23	54	34	45	30	186
19	Shenzhen	50	7	58	30	39	184
20	Zhuhai	57	60	18	2	41	178

Urban Green Environment is the physical carrying foundation of outdoor leisure and the ecological economy.

Beijing, Dongguan, Changsha, Zhuhai, and Weihai rank high in scores. In 2024, the green coverage rate of built-up areas in cities nationwide reached 43.3%. Beijing leads with a green coverage rate of 49.84%, where inserting greenery wherever possible has pushed the coverage rate of park green space within a 500-metre service radius to over 90%. Southern cities occupy seven of the top ten spots, with climatic conditions and stages of urban development serving as the primary drivers of this north-south divide.

Highly green cities are uniquely suited to hosting business formats such as camping equipment, urban micro-vacations, and ecological study tours. Beijing's 1,136 parks launch more than 1,100 ecological and cultural activities each year, attracting over 500 million visitors annually and driving over RMB10 billion in related revenue across dining, accommodation, and tourism.

Per Capita Sports Area is the core indicator for evaluating the local market size and investment potential of a city's sports industry.

Zhuhai, Changzhou, and Yancheng are the only three among the 60 cities with a per capita sports venue area exceeding 5 square metres. Yangtze River Delta cities occupy eight of the top ten spots, bolstered by the vibrant atmosphere surrounding events like the Su Super League. Weihai, as the sole northern city in the top ten, has built a four-level national fitness facility network by capitalising on its coastal and mountainous resources, charting a distinctive path that blends natural endowments with sports for public benefit.

As the state advances the construction of high-quality outdoor sports destinations and anchors the total scale of the sports industry at RMB7 trillion during the 15th Five-Year Plan period, sectors such as sports facility construction, outdoor equipment manufacturing, event operations, and sports-based healthcare are entering a clear investment window.

Public Health Investment reflects the policy momentum and market capacity of a city's health service track.

Beijing, Shanghai, Shenzhen, Guangzhou, and Chongqing rank high in scores. In terms of overall health expenditure, Shanghai, Beijing, and Chongqing occupy the top three positions, aligning with their economic scale and population size. Despite a slight contraction in its resident population, Chongqing leads all 60 cities in health expenditure growth, reflecting a sustained fiscal shift toward public welfare fields like healthcare. In terms of per capita health protection, Beijing and Shanghai lead the way; Yancheng, as a non-first-tier city, ranks near the top, repeatedly recognised as a national model city for healthy urban development.

High-investment cities offer strong market demand for sectors such as medical informatisation, high-end medical devices, innovative drugs, and smart health management. Meanwhile, rapidly growing cities create a window of policy benefits for grassroots healthcare upgrades, community eldercare, and hierarchical diagnosis and treatment.

Museum Attendance is a traffic pool for developing cultural and museum IP and monetising digital culture and tourism.

Beijing, Nanjing, Xi'an, Shanghai, and Hangzhou perform exceptionally, with Dalian, Wuxi, Changzhou, and Kunming improving their rankings over the previous year. By the end of 2025, registered museums nationwide reached 7,188, drawing 1.56 billion visitors throughout the year. Beijing ranks first in annual visits to top-tier museums. Nanjing ranks second, as the cultural appeal of the ancient capital of the Six Dynasties continues to unfold. Shanghai's density of museum resources ranks among the highest nationally; its Grand Exhibition of Ancient Egyptian Civilisation set global museum records for visitor numbers, total revenue, and media reach for a single paid special exhibition, generating spillover effects that drove over RMB35 billion in comprehensive urban consumption.

Top cultural and museum cities offer rich collaborative scenarios and a reliable visitor base for formats like immersive exhibitions, cultural study tours, creative operations, and digital twin technology services. Meanwhile, the drive toward museum digitalisation and IP commercialisation opens up extensive market space for digital twins, IP licensing, and creative product development.

Cultural and Entertainment Consumption Preference is the core indicator of market maturity for offline cultural and entertainment formats, reflecting residents' willingness to spend on spiritual experiences.

Changsha, Changzhou, Nanjing, Suzhou, and Wenzhou rank at the forefront. Changsha leads in the proportion of urban resident spending allocated to education, culture, and entertainment—the only city substantially exceeding the national average—highlighting its consumer vitality and cultural draw. The crowding-out effect of high housing costs on cultural spending in first-tier cities is pronounced; in 2025, second-tier cities accounted for over 60% of both large-scale concert hosting and box-office revenue nationwide.

Low-cost, high-consumption cities like Changsha serve as ideal launchpads for immersive entertainment, designer-toy retail, and night-time economy formats, offering shorter payback periods. High-income, high-consumption cities like Wenzhou, Suzhou, and Nanjing are better aligned with mid-to-high-end performances, art consumption, and premium cultural and entertainment experiences.

The evolution of culture and quality of life in Chinese cities has moved past homogenised development models. Rapid growth in cultural industries, sustained upgrading of cultural consumption, and strong momentum in cultural exports together form the investment fundamentals for this sector. For investors, success lies in aligning layouts with specific urban endowments: expanding outdoor consumption and the eco-economy in cities with high green coverage; entering the sports industry in cities with abundant facilities; targeting healthcare and smart medicine in high-health-investment hubs; developing IP and digital tourism in resource-rich cultural cities; and launching offline experience formats in markets with robust entertainment demand. This targeted approach allows investors to capture dual returns from upgrading cultural consumption and enhancing urban quality.

Culture and Quality of Life

Case studies

In 2025, China's cultural industries reached a historic milestone as revenue surpassed the RMB20 trillion mark. Among these, new cultural business formats—such as digital content, designer-toy IP, and immersive culture and tourism—grew by 15.1%, contributing 81.6% of the overall operating revenue growth for cultural enterprises above designated size and demonstrating exceptional vitality. Nanjing, Dalian, and Macao present three verifiable approaches to enhancing urban appeal through culture and quality of life: by commercially converting cultural assets, globally activating waterfront spaces and sports events, and upgrading from a mere tourism destination into a robust platform for people-to-people exchanges, respectively.

Nanjing:
Efficient operation of cultural resources

For most cities, the preservation of traditional culture remains a net fiscal expenditure, where restoring ancient structures, maintaining venues, and organising activities are viewed purely as the costs of drawing visitors in. Nanjing, however, has completed the closed loop from inviting visitors in to spurring consumer spending, transforming cultural protection from an expense into a driver of revenue.

The Deji Art Museum offers the ideal perspective for understanding this shift. Located within a commercial shopping mall, this private museum created an immersive digital light-and-shadow exhibition inspired by the Qing dynasty Song-court version of the Jinling Scroll. By June 2026, the Jinling Scroll Digital Art Exhibition had drawn nearly 3 million visitors, generating over 300 million online impressions. The Jinling Scroll is not an isolated cultural project; it is embedded within a cluster of over 20 cultural and museum venues along Changjiang Road's 1,800-metre millennium cultural lineage. Through the scaled deployment of VR, AR, and AI, it has turned a historic district into an immersive, consumable cultural destination. In 2025, Deji Plaza—the home of the museum—recorded RMB26.2 billion in annual sales and an annual footfall of 66 million.

Nanjing's mechanism for converting cultural assets into operating revenue is clear and traceable. Exhibition-driven traffic: immersive digital exhibits turn museum visits into social currency. Commercial conversion: situated inside Deji Plaza, the museum's visitor traffic flows directly into retail spending. Brand premium: "seeing the Jinling Scroll first, then exploring Nanjing" has evolved into a city-level cultural IP. From January to May 2026, the city hosted 289,000 inbound overnight tourists (a 15.9% year-on-year increase), generating USD467 million in foreign exchange earnings from tourism (up 24% year-on-year).

Dalian:
Building the dual engines of a waterfront backdrop and sports and cultural events

Waterfront resources serve as a natural backdrop, but Dalian has charted a distinct path: leveraging sports events and cultural activities to transform casual coastal visits into dedicated travel, turning one-off sightseeing into repeated experiential consumption.

When the inaugural home match of the Northeast Football Super League coincided with the Dragon Boat Festival holiday, visitor numbers across five scenic spots in Golden Pebble Beach surged by over 400% year-on-year, with more than 70% directly driven by event-related initiatives. Across the first half of the year, 13 major concerts drew 76,700 attendees, while the 35th Locust Appreciation Festival generated RMB4.81 billion in consumption. This is no isolated surge from a single match, but a systematic framework linking event-driven traffic, citywide consumption, and urban branding. On Ctrip's 2025 reputation rankings, Dalian ranked 14th on the Global Top 50 Coastal and Island Destinations list and 11th on the Asia Top 50 list. Furthermore, the global travel platform Tripadvisor named it one of the "2025 Top 10 Asian Coastal Cities for Inbound Tourism." During the 2026 May Day holiday, inbound arrivals to Dalian rose by 56.21%—with South Korean visitors increasing by 55.92% year-on-year and Russian visitors spiking by 179.18%. As source markets expand beyond South Korea and Russia into Southeast Asia, Dalian is evolving from a regional northern coastal resort into an internationally recognised Asian coastal destination.

Dalian has crafted its urban appeal around a waterfront backdrop, an event engine, and distinct cultural characteristics. Natural resources attract major events, events amplify the value of those resources, and the resulting consumer spending fuels further investment. This self-sustaining cycle holds profound significance: when a city convinces global visitors to make a dedicated trip, stay longer, and return repeatedly, its broader appeal to talent, capital, and industry is unlocked in parallel.

Macao:
From a cultural capital to a platform for people-to-people exchanges

The Third Five-Year Plan for the Economic and Social Development of the Macao Special Administrative Region (2026–2030) sets a target to raise the share of non-gaming industries to around 60% of GDP by 2030. Macao's distinct cultural assets provide vital support: 400 years of East-West synthesis, living World Heritage districts, and its dual status as a Culture City of East Asia and a Centre for China-Portugal Cultural Exchange make reactivating cultural resources a natural path toward economic restructuring. Data reveals that non-gaming spending by visitors to Macao rose by 17.4% year-on-year in the first half of 2026.

A dense matrix of major events has transformed cultural activities into a driver of industry vitality. In 2025, Art Macao gathered artists from over ten countries across nearly 30 exhibitions, drawing approximately 5 million visits. The 2026 International Parade of Lights featured over ten international performing groups spanning Asia, Europe, and Africa—including troupes from France, Indonesia, Mozambique, and Portugal—joining nearly 50 local groups and roughly 1,600 performers as they paraded through World Heritage sites like the Ruins of St. Paul's. Historic districts are ainsi activated as living cultural environments rather than static sightseeing stops. Data validates this commercial conversion capacity: in 2025, inbound visitors hit a record 40.06 million; total non-gaming visitor spending reached MOP80.12 billion; and per capita spending by MICE visitors stood at MOP4,572. High-value-added cultural consumption is replacing gaming as Macao's primary new source of cash flow.

Through a powerful combination of institutional, cultural, and network advantages, Macao is converting its 400-year legacy of East-West integration into high-barrier, scalable cultural sectors, including cultural curation, intangible cultural heritage IP management, and cross-border art trade.

Three cities, three distinct logics. The true opportunities in the culture and quality of life sector lie not in the sheer volume of tourists visiting famous landmarks, but in specialised fields like museum digitalisation, supporting services for the event economy, and cultural IP management—as well as in cities that successfully convert cultural traffic into sustainable commercial loops.

Appendix

Research methodology

As Chinese cities evolve rapidly, our observation framework is also continuously optimised. The core value of this report does not lie in a simple evaluation of cities, but in striving to uncover the potential opportunities of cities in a multi-dimensional and comprehensive manner.

Precisely selected quantitative indicators with diversified coverage of all aspects. Under the ten observation dimensions, each dimension comprises five variables. In light of changes in industrial development trends and policy orientation, we have updated some of the variables. For example, the Technological Innovation dimension incorporates the indicator of the number of “little giants” to measure a city’s capacity to cultivate hidden champions in specialised fields and to reflect the level of independent control over critical links in its industrial chain. The Consumer Vitality dimension incorporates the Cultivation of First-Store Economy indicator to assess a city’s attractiveness to emerging consumer brands and the vitality of its commercial ecosystem. The Digital-Intelligence Empowerment dimension incorporates the indicator of the number of generative AI services that have completed filing to reflect the quality of a city’s forward-looking layout in the AI industry.

A ranking scoring method is adopted to refine the perception of differential dynamics. The ranking scoring rules facilitate the identification of shortcoming or advantage variables and can more precisely capture the differential dynamics among indicators, aligning with the needs of experiential observation. No weights are assigned to any indicator or dimension. Each indicator is scored according to the ranking of the 60 cities, with the first place awarded 60 points and the last place 1 point, and tied values receiving the same score. Where two perspectives of data are collected under a given variable (such as GDP scale and growth rate), they are scored separately and then added to assign a ranking value. A city’s score in a single dimension is determined by the sum of the scores of the variables under that dimension, while the overall ranking is derived from the sum of the variable scores across all dimensions.

Data sources are neutralised and horizontally comparable within the same period. The data in this report strictly follows the principles of objectivity, impartiality, rigour and applicability. They are mainly drawn from the National Bureau of Statistics, statistical yearbooks and communiqués of various cities, publicly available information from government departments and official media reports, supplemented by some publicly published third-party content. Unless otherwise specified, the remaining data sources are obtained from PwC research and analysis. The data collection period of the report is mainly based on annual data for 2025, with some extending to June 2026. In cases where data disclosure for individual cities is insufficient, supplementary calculations are made in combination with provincial-level data or data of the same calibre to ensure comparability. The data sources of all variables are detailed in the Variables and indicators section of the report. It should be noted that, owing to adjustments to some variables and changes in specific indicators, the evaluation results of this edition are not comparable with conclusions from previous years and constitute independent observation findings.

Admittedly, the forms of real society and cities are rich and diverse. Aspects such as urban historical accumulation, humanistic character and development strategies are difficult to quantify simply through data models, and the assessment results are also constrained by data statistics and calculation methods. This report merely provides a data-based analytical perspective for observing the development of Chinese cities. We look forward to discussing and receiving corrections from colleagues from all sectors and readers, so as to more precisely capture the underlying logic of urban development and future opportunities.

Variables and indicators

This report carries out analysis from 10 observation dimensions, with 5 variables included in each dimension, and each variable corresponding to 1–2 specific indicators according to research needs. A total of 68 indicators are adopted, among which nearly 10 indicators come from third-party institutions including Renmin University of China and the University of Electronic Science and Technology of China, to whom special thanks are extended here.

No.	Dimensions	Variables	Indicators	Data year	Data source
1	Economic strength	Economic aggregate potential	Total GDP	2025	Statistical communiqué
2			GDP year-on-year growth rate	2025	Statistical communiqué
3		Per capita economic output	Per capita GDP	2025	Statistical communiqué
4		Deposit and loan density	(Year-end deposits + loans of financial institutions) / GDP	2025	Statistical communiqué
5		Number of brand companies	Fortune China 500	2025	2026 Fortune China 500
6		Endogenous fiscal capacity ratio	Tax revenue / general public budget revenue	2025	General public budget execution
7	Technological innovation	R&D investment intensity	Total social R&D expenditure as a proportion of GDP	2024	Statistical yearbook
8		Innovative talent support	Higher education student enrolment	2025	Statistical communiqué
9			Full-time equivalent of R&D personnel in society as a whole	2024	Statistical yearbook
10		Innovative enterprises	Numbers of national high-tech enterprises	2025	Statistical communiqué
11			“Little giant” enterprises	2025	Municipal Bureaus of Industry and Information Technology; official reports
12		Invention patent density	Effective invention patents per 10,000 people	2025	Statistical communiqué and official reports
13		Technology transaction scale	Transaction value of technology contracts	2025	Statistical communiqué and official reports

14	Consumer vitality	Total consumption potential	Total retail sales of consumer goods	2025	Statistical communiqué
15			Growth rate of total retail sales of consumer goods	2025	Statistical communiqué
16		Per capita consumption expenditure	Annual per capita consumption expenditure of urban residents	2025	Statistical communiqué
17		Cultivation of first-store economy	Number of newly opened first stores in the year	2025	Government work reports and official reports
18		Rent coverage ratio	Per capita disposable income of urban residents/ monthly housing rent per square metre	2025	Statistical communiqué; China Real Estate Price Network
19		Tourism revenue contribution	Total domestic and international tourism revenue	2025	Statistical communiqué and official reports
20	Digital-intelligence empowerment	Digital infrastructure	5G base stations per 10,000 people	2025	Statistical communiqué and official reports
21		Information network services	Total telecommunications business for the year	2025	Statistical communiqué
22		Number of smart factories	MIIT-certified 5G factories (2023 - 2025)	——	Ministry of Industry and Information Technology
23			Smart manufacturing demonstration factories (2021-2023) + excellent-level and leading-level smart factories (2024–2025)	——	Ministry of Industry and Information Technology
24		Data element market	List of data assets recognised on the balance sheet (Cumulative figures as of the end of 2025)	——	Directory of Chinese enterprises' data assets recognised on the balance sheet, Shanghai Advanced Institute of Finance
25		AI industry activity	Number of AI-related companies (founded between Jan 2020 and June 2026)	——	TianYanCha
26			Number of GenAI services that have completed filing (Cumulative figures as of the end of 2025)	——	Cyberspace Administration of China

27	Open development	Foreign trade dependence	(Import value + export value) / GDP	2025	Statistical communiqué
28		Trade balance	(Export value - import value) / (export value + import value), deviation from the value of “0”	2025	Statistical communiqué
29		Foreign investment attractiveness	Actual utilised foreign investment	2025	Statistical communiqué
30			Growth rate of actual utilised foreign investment	2025	Statistical communiqué
31		Tourism activity	Total number of domestic and international tourists	2025	Statistical communiqué and official reports
32			Growth rate of total domestic and international tourist numbers	2025	Statistical communiqué and official reports
33		International reputation	Ranking in the World Cities 2024	2024	Globalization & World Cities
34	Regional synergy	Talent attraction index	Ranking of 2025 China Top 100 Most Talent-Attractive Cities	2025	China City Talent Attractiveness Ranking 2026, Zhaopin Limited and Zeping Macro
35		Business carrying capacity	Operating revenue of accommodation enterprises above the designated size	2024	Statistical yearbook
36			Growth rate of operating revenue of accommodation enterprises above the designated size, 2023–2024	2024	Calculated
37		Social organisation linkage	Number of social organisations	June 2026	Ministry of Civil Affairs Social Organisation Administration
38		Passenger and freight transport scale	Freight turnover volume	2025	Statistical communiqué
39			Passenger transport turnover volume	2025	Statistical communiqué
40		Urban collaboration capacity	City positioning	——	Territorial Spatial Plans
41	Urban resilience	Disaster prevention and control investment	Disaster prevention and control and emergency management expenditure	2025	General public budget execution
41			Ratio of the above expenditure to the general public budget expenditure	2025	General public budget execution
43		Smart governance capacity	China Smart Governance Evaluation Indicator System	2025	China Smart Governance Index 2025, Renmin University of China
44		Production safety level	Number of deaths per 10 billion GDP (production safety deaths / total GDP)	2025	Statistical communiqué and official reports
45		Property risk protection	Property insurance income	2025	National Financial Regulatory Administration
46			Ratio of property insurance income to total GDP	2025	National Financial Regulatory Administration
47		Per capita medical support	Number of health technical personnel per 1,000 population	2025	Statistical communiqué

48	Green and low-carbon	Waste utilisation level	Operating revenue of the comprehensive utilisation of waste resources industry above designated size	2024	Statistical yearbook
49			Operating revenue of the comprehensive utilisation of waste resources industry above designated size / operating revenue of industrial enterprises above designated size	2024	Statistical yearbook
50		Government environmental protection investment	Energy conservation and environmental protection expenditure	2025	General public budget execution
51			Ratio of the above expenditure to general public budget expenditure	2025	General public budget execution
52		Number of green factories	Total number of green factories from 2017-2025, MIIT	——	Ministry of Industry and Information Technology
53		Carbon emission intensity	Carbon dioxide emissions / total GDP	2023	Scientific Data
54		Clean energy proportion	Proportion of non-fossil Energy consumption in total energy consumption	——	Relevant government reports and plans
55	Market environment	Market entity vitality	Number of market entities at year-end	2025	Statistical communiqué and official reports
56			Growth rate of market entities	2025	Statistical communiqué and official reports
57		Digital government services	Ranking of Local Government Digital Service Capability	2025	2025 Local Government Digital Service Capability Ranking, University of Electronic Science and Technology of China
58		Enterprise regulatory compliance	Ratio of fines and confiscation revenue to general public budget revenue	2025	General public budget execution
59		Operating cost burden	Office building rental cost	2025	China Real Estate Price Network
60			Average annual salary of employees in urban non-private entities	2024	Statistical yearbook
61		Fiscal self-sufficiency capacity	Ratio of general public budget revenue to general public budget expenditure	2025	General public budget execution
62	Culture and quality of life	Urban green environment	Green coverage rate of built-up areas	2024	2024 Urban Construction Statistics Yearbook
63		Per capita sports area	Per capita area of sports venues	2025	Comprehensive research
64		Public health investment	Health expenditure	2025	General public budget execution
65			Health expenditure / permanent resident population	2025	General public budget execution; Statistical communiqué
66		Museum attendance	Annual visits to tier 1 and tier 2 city museums	2025	National Museum Annual Report Information System
67		Cultural and entertainment consumption preference	Urban residents' expenditure on education, culture, and entertainment	2024	Statistical yearbook
68			Proportion of this expenditure as a share of total consumption expenditure	2024	Statistical yearbook

Notes

[1]Owing to differences in statistical coverage, Hong Kong SAR, Macao SAR and Taiwan region are not included in the indicator system and are analysed only as case cities in the Regional Synergy and Culture and Quality of Life dimensions.

[2]Three vats: dyeing vats, sauce vats and wine vats.

[3]"Little giant" enterprises or "little giants" are the top performers among specialised, high-end and innovation-driven SMEs that provide distinctive products or services. These SMEs are distinguished by their focus on niche markets, strong innovation capabilities, large market share, and strengths in core technologies, which enable them to have outstanding achievements.

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PwC has for many years continuously focused on the development opportunities and urbanisation process of Chinese cities. It has formed a scientific, rigorous and systematic methodology and accumulated rich practical experience in areas such as urban and regional development strategies, comprehensive assessment, improvement of the business environment, resilient city construction and urban sustainable development. We hope to provide in-depth analysis with a practical foundation and a forward-looking perspective during the process of urban development, and to help cities enhance the quality of development and raise the level of governance.

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