



Best-Performing Cities **CHINA 2018**

**THE NATION'S
MOST SUCCESSFUL
ECONOMIES**

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MILKEN INSTITUTE

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EXECUTIVE SUMMARY

What was the recent economic performance of Chinese cities? What are the key drivers for Chinese urban growth? Since 2015, the Milken Institute's Best-Performing Cities China series has been tracking their economic performance. Our ranking index for this version comprises nine indicators—one-year (2015-2016) and five-year (2011-2016) growth for jobs, wages, and gross regional product (GRP) per capita, three-year (2013-2016) foreign direct investment (FDI) growth, FDI/GRP ratio (2016), and the location quotient (LQ) for high value-added industry employment (2016). This index categorizes Chinese cities into large and small groups to yield more meaningful comparisons and insights.

HERE ARE THE HIGHLIGHTS OF THE 2018 RANKINGS:

SHENZHEN IN GUANGDONG PROVINCE CLAIMS THE NO. 1 SPOT AMONG LARGE CITIES

after having placed No. 4 for two years in a row. Transitioning from a low-cost manufacturing base (particularly for electronics) to a more innovation-based, high value-added hub, Shenzhen has recently earned the title of "China's Silicon Valley". The city's recent success can be largely attributed to its friendly business policies as well as to its welcoming entrepreneurial environment.

CHONGQING secures second place in the large urban group. Together with **CHENGDU** in Sichuan province (No. 7), these cities have recently become the growth engines for China's western region. Chongqing and Chengdu have relatively low business costs compared with other early developed cities such as Beijing, Shanghai, and Shenzhen. In addition, these two cities have developed diversified industries and encouraged entrepreneurial activities. All these efforts help bolster their economies. **TIANJIN** holds the third spot with its strong performance owing to its high-level FDI and diversified industries, and the high value-added sectors in particular. **ZHENGZHOU** in Henan province and **GUIYANG** in Guizhou province are placed No. 4 and No. 5 respectively. Both cities have recently attracted some high value-added, innovation-based industries, which have rocketed their economies upwards. For example, Zhengzhou has enticed Foxconn to set up an iPhone plant that manufactures roughly half of the world's iPhones and has made Zhengzhou known as the "iPhone City."

Although most cities in northeast China have been struggling in recent decades, **CHANGCHUN** in Jilin province has experienced relatively better economic performance and stands at No. 6. Traditionally known for its auto and film production, the city has recently reoriented its industrial composition towards the service industry, which helps diversify and balance the city's industrial structure. **HEFEI** in Anhui province captures the eighth spot. Like Guiyang, Hefei has also been developing high value-added industries. In 2012, it established an industrial complex called "Voice Park" where many companies such as iFLYTEK develop voice-control devices and technologies. **XI'AN** (No. 9) in Shaanxi province and **HANGZHOU** (No. 10) in Zhejiang province round out the top 10 list. As a pivotal node on the One Belt, One Road initiative, Xi'an's strong performance was largely fueled by the inflow of FDI. Hangzhou, long known for its scenic views and historical legacy, has transformed itself by cultivating internet-related industries.

DONGGUAN IN GUANGDONG PROVINCE HOLDS THE CROWN AMONG SMALL CITIES. Although the city has suffered economically in the past few years, its efforts in restructuring its economic base have paid off. The city has recently developed high value-added industries and in particular, it has worked to develop a robotics sector and introduced automation to manufacturing activities.

In addition to Dongguan, three other cities in Guangdong province—**FOSHAN** (No. 3), **ZHUHAI** (No. 5), and **ZHONGSHAN** (No. 8)—enter the top 10 list for the small city group. These cities have also made efforts to upgrade their industrial structures. The “Great Bay Area” framework, which intends to link up nine cities in Guangdong province, Hong Kong, and Macau, will further strengthen this regional cluster.

The strong performance of **SUINING** (No. 2) in Sichuan province can largely be attributed to its one- and five-year job growth numbers. The strong standing of **ANSHUN** (No. 10) in Guizhou province is driven by its one- and five-year GRP per capita growth. FDI, together with the One Belt, One Road initiative play a key role in propelling the growth of **WUHU** (No. 4) in Anhui province and **JIUQUAN** (No. 7) in Gansu province. Despite their strong performance this year, these cities need to develop more diversified and high value-added industries to enhance their long-term economic health. **JI’AN** in Jiangxi province holds sixth place. In fact, the city has been in our top 10 list previously—in 2015 (No. 9) and 2017 (No. 4)—which shows its relatively stable performance among its peers. **SUZHOU** (No. 9) in Jiangsu province has also performed well in our previous rankings. Its strong performance lies in its well-developed industries focusing on the high-tech sector.

Table 1. Best-Performing Cities China 2018

| Rank | First- and Second-Tier Cities | Third-Tier Cities |
|------|-----------------------------------|------------------------------------|
| 1 | Shenzhen, Guangdong (广东省, 深圳市) | Dongguan, Guangdong (广东省, 东莞市) |
| 2 | Chongqing (重庆市) | Suining, Sichuan (四川省, 遂宁市) |
| 3 | Tianjin (天津市) | Foshan, Guangdong (广东省, 佛山市) |
| 4 | Zhengzhou, Henan (河南省, 郑州市) | Wuhu, Anhui (安徽省, 芜湖市) |
| 5 | Guiyang, Guizhou (贵州省, 贵阳市) | Zhuhai, Guangdong (广东省, 珠海市) |
| 6 | Changchun, Jilin (吉林省, 长春市) | Ji’an, Jiangxi (江西省, 吉安市) |
| 7 | Chengdu, Sichuan (四川省, 成都市) | Jiuquan, Gansu (甘肃省, 酒泉市) |
| 8 | Hefei, Anhui (安徽省, 合肥市) | Zhongshan, Guangdong (广东省, 中山市) |
| 9 | Xi’an, Shaanxi (陕西省, 西安市) | Suzhou, Jiangsu (江苏省, 苏州市) |
| 10 | Hangzhou, Zhejiang (浙江省, 杭州市) | Anshun, Guizhou (贵州省, 安顺市) |

Figure 1a. Top 10 First- and Second-Tier Cities



Figure 1b. Top 10 Third-Tier Cities



INTRODUCTION

China's economy is transitioning from a labor-intensive one to a more innovation-based, high value-added one. To trace these economic changes, the Milken Institute, beginning in 2015, has published four editions of the Best-Performing Cities (BPC) China rankings. Our 2018 BPC China ranking follows the structure of previous reports, and uses the most recent official data to construct a composite index for tracking the economic performance of Chinese cities.

The main goals of these rankings are threefold:

- First, they provide policymakers, planners, practitioners, investors, and academics with a tool to monitor and evaluate the economic performance of Chinese cities;
- Second, they provide guidance for Chinese cities in making improvements;
- Third, they provide a channel for exploration of relatively untapped markets and business opportunities in the increasingly eclectic development landscape of China.

The index incorporates nine indicators for periods ending in 2016: one- and five-year job growth, one- and five-year wage growth, one- and five-year gross regional product (GRP) per-capita growth, three-year foreign direct investment (FDI) growth, proportion of FDI to GRP, and the location quotient (LQ) for high value-added industry employment. Given that first- and second-tier cities have typically received more support from the central government in the past and are at different developmental stages compared with third-tier cities, this index has two categories. The large city group includes the first- and second-tier cities, while the small city group comprises the third-tier cities. The large and small city groups are ranked separately so as to allow for more meaningful comparisons.

For the large city group, Shenzhen holds the crown. Located in the Pearl River Delta Economic Zone, Shenzhen has been cultivating its innovation-driven economy and has been granted the title of "China's Silicon Valley."¹ The recent development of the "Greater Bay Area" will further amplify the city's economic influence on regional development. Cities in the Diamond Economic Zone (i.e., Chongqing (No. 2), Chengdu (No. 7), and Xi'an (No. 9)) also have strong economic performance and demonstrate the momentum of the region's ongoing growth. Tianjin, located in the Jing-Jin-Ji mega-region, stands in third place. Zhengzhou (No. 4), Guiyang (No. 5), Hefei (No. 8), and Hangzhou (No. 10) all have developed high-tech, high value-added industries that enable them to have estimable economic performance. Despite being situated in poorly performing northeast China, Changchun is able to capture sixth place due to its industrial base.

As for the third-tier cities, Dongguan secures the top place. Although many factories have either shut down or moved out of the city in recent years, Dongguan has been busy reinventing itself by cultivating more high value-added industries such as robotics. In fact, some of its neighboring cities, including Foshan (No. 3), Zhuhai (No. 5), and Zhongshan (No. 8) in the Guangdong Province, are also doing well economically. The "Greater Bay Area" plan should further strengthen these cities' economic performance. Suining in Sichuan Province, which sits between Chengdu and Chongqing, holds second place in the region, which may be largely due to the expansion of the Diamond Economic Zone. Wuhu in Anhui Province stands in fourth place; its proximity to Hefei and Nanjing gives it location-specific advantages. Ji'an (Jiangxi Province) ranks No. 6 and has made our top 10 list twice in the past—No. 9 (2015) and No. 4 (2017). Suzhou (No. 9) in Jiangsu Province was also a new entry to our ranking, thanks to both its pivotal location and diversified economy. Jiuquan (No. 7) and Anshun (No. 10) enter the top 10 list for the very first time. Both the expansion of regional clusters and the One Belt, One Road initiative may have largely contributed to their recent growth.



OVERVIEW

CHINA'S ECONOMIC DEVELOPMENT

China is in dramatic transition. No longer experiencing double-digit economic growth, its economy instead has settled into a respectable but lower growth rate range between 6-7 percent annually. As the central planners prescribed, the Chinese economy has shifted from quantity growth to higher quality growth in recent years. Prior to the early 2010s, China had been long known as the world's low-cost manufacturing site for inexpensive products such as clothing and consumer electronics. In recent years, however, China has been cultivating its homegrown innovation and technology capacity, as it is no longer simply content with the moniker of the world's factory in an export-oriented economy. The key strategy for China to achieve this goal is the "Made in China 2025" initiative. The major goal of this initiative is to transform the Chinese economy to focus on more advanced, high value-added manufacturing sectors such as robotics, aerospace, and energy-efficient vehicles.² China is striving to reinvent itself from C2C (Copy to China) to CFC (Copy from China).

China's grand ambition has borne fruit. In the summer of 2016, China finished building the world's largest single-dish radio telescope, the Five-hundred-meter Aperture Spherical Telescope (FAST), in Guizhou province. With its technological prowess, China now boasts about its so-called "New Four Inventions of China" — high-speed rail, mobile payment systems, online shopping, and bike-sharing schemes. China is also developing a 5G network, the next generation of mobile internet connectivity, which may place it at the forefront of building technologies and setting industry standards. These examples further demonstrate China's ambitious efforts at restructuring its economy. On the policy front, the strategy is meant to elevate productivity growth and the contents of high value-added production in the economic system in light of a rapidly aging population and disappearing population dividends in the Chinese society.

In addition to industrial upgrades in the domestic setting, China has intensified its efforts toward further internationalization in service, currency, and financing in global markets. The One Belt, One Road initiative continues to propel China's economic development internationally. The initiative attempts to bind domestic and regional development by connecting with international emerging trade ports and markets directly. It drives the economic growth of the cities along its routes domestically and globally. As an example, Zhengzhou (No. 4 in the large city rankings) in Henan province, due to its pivotal location, has been a vital transportation node. Its economy has been booming in recent years. Foxconn established a plant here in 2011 mainly dedicated to iPhone production and is responsible for roughly half of the world's iPhones. The city is now known as "iPhone City." More and more multinational corporations set up operations here to take advantage of logistics benefits provided by the city.

REGIONAL DEVELOPMENT

In its 13th Five-Year Plan, China emphasized the importance of coordinated regional development by strengthening regional clusters, including the Pearl River Delta Economic Zone, the Yangtze River Delta Economic Belt, the Diamond Economic Zone, and the Jing-Jin-Ji mega-region as growth engines for economic development. The regional nodes in these various clusters are now being linked with the One Belt, One Road initiative.

The Jing-Jin-Ji mega-region consists of Beijing, Tianjin, and Hebei Province. The development of this mega-region not only intends to reduce the congestion in Beijing and Tianjin, but also help enhance less developed areas. In addition to the development of the Xiong'an New Area, other parts of this mega-region are also growing. For example, the Wuqing District in Tianjin was once an agricultural village and borders Beijing and Hebei Province. Its locational advantage and low land costs made the Wuqing District a logistics center that has attracted major players in e-commerce. For instance, Amazon and Vipshop, a Chinese e-commerce company, built their warehouses here. Moreover, Wuqing has convenient transportation links with highways and high-speed rail. The first NBA-themed lifestyle center, which was opened on April 25, 2018, is also located in Wuqing.³

Within the Pearl River Delta Economic Zone, a more recent development is the "Greater Bay Area" initiative. This initiative intends to link nine cities across Guangdong province, and the two Special Administrative Regions, Hong Kong and Macau, to form an urban cluster. The Chinese version of the bay area intends to mimic similar areas in New York, San Francisco, and Tokyo, as the Chinese government envisions a technological innovation hub that can drive China's economic growth. To nurture this plan, China has also improved this region's transportation infrastructure. The Hong Kong-Zhuhai-Macau Bridge is scheduled to open in the fall of 2018. The grand plan is to leverage the highly internationalized and mature economies of Hong Kong and Macau with regions and cities that have abundant spatial development opportunities in Guangdong province. Hong Kong-Shenzhen-Guangzhou serve as the three anchor cities that will lead in a 69-million strong, consumer-based economy in southern China. If the plan is fruitful, it will combine a global money center with an emerging technology base and numerous research facilities to form a super innovative cluster.

In addition to the development of regional clusters, one of the major goals the central government hopes to achieve is to narrow the economic development gaps among regions, and between urban and rural areas. To do so, the central government proposed plans such as the "specialty towns (*tese xiaozhen*)" initiative. The population of these towns is under 500,000, and the goal is to have 1,000 such towns by 2020.⁴ Although the effectiveness of this initiative remains debatable, the effort demonstrates China's ambition in furthering the economies of different regions and narrowing the development gaps between them.

METHODOLOGY

The 2018 Milken Institute Best-Performing Cities China index divides 264 Chinese cities into two groups, one for large cities and one for small- and medium-sized cities. The large cities group comprises 34 first- and second-tier cities, while the latter is made up of 230 third-tier cities. The two groups are ranked separately based on economic performance, with an emphasis on growth measurements. The index measures growth in jobs, wages, per-capita gross regional product (GRP), and foreign direct investment (FDI), while also measuring the proportion of FDI within GRP and the concentration of high value-added industry employment. Growth in jobs, wages, and per-capita GRP is evaluated over one-year (2015-2016) and five-year (2011-2016) periods. The one-year period highlights the most recent economic dynamics, while the five-year period adjusts for extreme variation in the recent business cycle. FDI growth is measured over a three-year (2013-2016) period and is also evaluated by share of GRP in 2016. The concentration of high value-added industry employment is quantified by using a location quotient (LQ) for employment in those industries in 2016. High value-added industries comprise the sectors of manufacturing, transportation, storage and postal services, information transmission, computer services and software, financial intermediation, real estate, and leasing and business services. These sectors typically act as a major catalyst for growth in local economies. Recent theoretical and empirical work suggests that both FDI and high value-added industries play critical roles in bolstering China's economy; hence, these indicators are more heavily weighted in this index. Table 2 lists the nine indicators used to construct the index and their respective weightings.

Table 2. Components of the Best-Performing Cities China Index

| Indicator | Weighting |
|--|-----------|
| 1-year job growth (2015-2016) | 0.100 |
| 5-year job growth (2011-2016) | 0.100 |
| 1-year wage growth (2015-2016) | 0.100 |
| 5-year wage growth (2011-2016) | 0.100 |
| 1-year GRP per-capita growth (2015-2016) | 0.100 |
| 5-year GRP per-capita growth (2011-2016) | 0.100 |
| 3-year FDI growth (2013-2016) | 0.125 |
| FDI/GRP (2016) | 0.125 |
| LQ for high value-added industry employment (2016) | 0.150 |

Undocumented modifications in counting methods, reclassifications based on policy changes, and other changes can cause discrepancies or abnormalities in the cities' recorded data. Consequently, some data adjustments were made to construct a more consistent index and to reflect current urban development status and economic trends more closely. To minimize volatility in ranking results, the Milken Institute employs a ranking method (based on weighted z-scores) that differs from the method used to calculate the Best-Performing Cities series for the United States. The alternate method used here provides a ranking that better captures the economic development of Chinese cities. For more details regarding data and methodology, please see the Appendix.



**TOP
10** | **Best-Performing
Cities 2018**

FIRST- AND SECOND-TIER CITIES



SHENZHEN, GUANGDONG

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 22nd | 3rd | 3-Year FDI Growth (2013-2016) | 17th |
| Wage Growth | 13th | 1st | FDI/GRP (2016) | 20th |
| GRP Per-Capita Growth | 26th | 17th | LQ for High Value-Added Industry (2016) | 1st |

As one of the leading technology and innovation centers in China, Shenzhen tops its first- and second-tier city peers in this year's rankings. The city has three out of nine indicators ranked in the top five among regions. The city's LQ for high value-added industry employment and five-year wage income growth are ranked first, while five-year job growth is ranked third.

With a registered household population of 3.85 million in 2016⁵ and many millions more resident workers, Shenzhen has been a symbol of the success of the Chinese reform and opening since 1978. Rising from its humble beginnings as a small agrarian and fishing village to today's metropolis, Shenzhen is frequently referred to as the "Silicon Valley of China" for its innovative, outward-looking economy.

As the city's economy continues to evolve, from apparel to electronic watches to today's communication devices, the Internet of Things, and bio-tech, Shenzhen's strong position in technology-based development has placed the city's economic performance among the best in our ranking over the last few years. The city has been consistently ranked in the top five. Its new economy, represented by information, high-tech equipment manufacturing, green tech, and digital, accounts for 37.7 percent of regional GDP.⁶

The industrial transition of the city and China overall propels and sustains Shenzhen's trail-blazing economy. As the nation transforms from a manufacturing to a service economy,

regions like Shenzhen are well placed. The city's established technology firms and institutions such as Tencent, Huawei, Foxconn, and Beijing Genomic Institute are very much part of the city's historical economic development as well as its long-term supporters. As an early starter focusing on electronic and telecom goods manufacturing, in the last decade the regional economy has rapidly transitioned to e-commerce and digital economy as talent and knowledge accumulated. The city's tech-based economic development is ahead of the curve in national efforts proposed by the central government two years ago.

The "Greater Bay Area" cluster development framework has raised the economic development perspective for Shenzhen. Along with Hong Kong-Macau and Guangzhou, Shenzhen will become an anchor city in the super urban cluster in southern China, comparable to the Jing-Jin-Ji and Yangtze River clusters in central northern China. The "Greater Bay Area" development plan is ambitious, but it does lay out a vision of Shenzhen as an innovative city to leverage Hong Kong's world class financial market. Although much groundwork needs to be done for greater integration and closer collaboration of these economies, the Hong Kong government's proposed budget for a HK\$50 billion science and technology fund for research and development (R&D) and commercialization will encourage Shenzhen-based companies and scientists to engage and collaborate on projects in Hong Kong.⁷

#2

CHONGQING

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 2nd | 1st | 3-Year FDI Growth (2013-2016) | 23rd |
| Wage Growth | 20th | 10th | FDI/GRP (2016) | 8th |
| GRP Per-Capita Growth | 4th | 3rd | LQ for High Value-Added Industry (2016) | 24th |

Chongqing ranks second place again in our 2018 Best-Performing Cities China index. As one of the twin engines propelling growth for the Greater Western Development (the other city is Chengdu, Sichuan), Chongqing's robust economic development is expected to produce spill-over effects for the surrounding regions in the western high plateau of China. The strong economic performance is reflected in the 2018 index by the five-year and one-year job growth indicators, which Chongqing ranks first and second respectively. Supported by solid gains in the job market, Chongqing's GRP per-capita growth also ranks well on both the one-year and five-year measures in 2018.

Chongqing is a mega city with a registered household population of 34 million in 2016.⁸ As the largest city in China, Chongqing's population edges out the populations of both Beijing and Shanghai of 28 million. The city's economy is diversified and has long been an industrial production base in the western part of China. Today, Chongqing's heavy industries, such as vehicles, transportation equipment, iron and metal works, and military equipment, account for 70 percent of industry output, but unlike typical heavy industrial bases in the northeast of China, Chongqing is also rapidly creating a presence in electronic and telecom equipment production.⁹ In 2016,

communication and electronic equipment accounted for almost 17 percent of the industrial output with impressive growth of 16.8 percent. The establishment of production facilities by Foxconn and Acer Inc. in Chongqing's New North Zone are among the new additions to the city's existing electronic production.

Chongqing's ascendancy and staying power among its peers in our ranking has much to do with its pivotal role in the Great Western Development, which was initiated almost a decade and a half ago. Apart from being one of the two mega cities in the Sichuan Valley, Chongqing is a key waterway transport hub along the Yangtze River and a formidable industrial base that is increasingly outward looking, particularly toward central Asian and European markets. Currently, the city's exports, via the "One Belt" architecture to central Asia and Europe, are still in the early stages of development. However, as the One Belt, One Road initiative takes root in central Asia and Europe, Chongqing can further leverage its workforce and industrial base to raise the share of exports in its economy. Currently, Chongqing's exports, compared to cities such as Shenzhen and Tianjin, only account for 15 percent of its GRP in 2016.¹⁰

#3

TIANJIN

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|-----|
| Job Growth | 26th | 28th | 3-Year FDI Growth (2013-2016) | 2nd |
| Wage Growth | 4th | 26th | FDI/GRP (2016) | 1st |
| GRP Per-Capita Growth | 31st | 32nd | LQ for High Value-Added Industry (2016) | 7th |

Tianjin has rebounded to third place in this year's rankings after a disappointing ranking of 15th in 2017. Four indicators account for the improvement: one-year wage growth, three-year FDI growth, FDI/GRP, and LQ for high value-added industry employment. As the largest, most important commercial port in northern China, Tianjin's economy depends heavily on international trade. In addition to the seaport, Tianjin Binhai International Airport is an important air cargo center in China. As such, total trade value accounts roughly for 38 percent of the GRP in 2016.¹¹

As a port city, Tianjin also is one of the earliest industrialized cities in China. The geography, its proximity to the nation's capital, and its long tradition of manufacturing puts the city in an advantageous position. Today, foreign investors and multinational corporations value the city's logistical advantages and versatile manufacturing base and have partnered with Tianjin in their operations in China. Foreign firms have created joint ventures in sectors ranging from aircraft and transportation equipment manufacturing to communication equipment. Airbus' joint venture is the company's first and only assembly operating outside of Europe. The city's multi-platform structure enables Tianjin to serve as the energy, chemical production, high-tech manufacturing, and commercial center of the Bohai Bay Economic Zone. Some of the noted industries in Tianjin are

metal processing, passenger cars, electronic goods, raw chemical materials and products, transportation equipment, and petroleum processing.¹²

Commercial trade and a diversified industrial structure are the two pillars of the Tianjin economy. They have helped propel strong economic development and growth for the city in the last 20 years. As the city's industrial base has become more diversified and migrates to the higher value-added end of the production spectrum, Tianjin has been given a new mandate by the central government to integrate and collaborate with neighboring Hebei province on economic development and urbanization. Hence, the current and future growth of Tianjin rests on the role the city is expected to play in the future—an anchor to the further development of the largest urban cluster, the Jing-Jin-Ji urban cluster. The city has been given an economic agenda and provided with preferential incentives and policies by the central government to promote coordination, collaboration, and complimentary development that will integrate the economies of Hebei, Beijing, and Tianjin. Although a detailed plan is not available, it is likely that Tianjin will have the opportunity to facilitate trade from inland areas and to further upgrade its infrastructure and industry.

#4

ZHENGZHOU, HENAN

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 14th | 6th | 3-Year FDI Growth (2013-2016) | 18th |
| Wage Growth | 3rd | 2nd | FDI/GRP (2016) | 15th |
| GRP Per-Capita Growth | 7th | 20th | LQ for High Value-Added Industry (2016) | 8th |

Zhengzhou climbs three places to rank fourth on the 2018 Best-Performing Cities China index. The city continues to perform well as its five-year job growth ranks sixth, complementing a second place for five-year wage growth. One-year wage growth also ranks third among the first- and second-tier cities. One-year GRP per-capita growth ranks seventh, and LQ for high value-added employment stayed at eighth place. The region has improved its growth recently relative to other first and second tier cities, and its rise in economic standing, from a region that was perceived to be low growth in central China is an indicator of the government's policy and mandate taking effect.

Zhengzhou is located in central China and is the capital city of Henan province with a registered household population 8.27 million in 2016.¹³ The city is known for its role as the linchpin of China's rail transportation system—all major railways crossing China intersect at Zhengzhou. As an important logistics hub in China and manufacturing center in Henan province, Zhengzhou is relatively unknown simply because China's economic

development and growth policy favored coastal regions for the better part of the past 30 years. As the Chinese government began to prioritize its policy in favor of domestic market development, Zhengzhou's development pace changed noticeably. On top of being a railway hub, Zhengzhou's airport has become internationalized as it gained direct connections with international destinations in the last several years.

Zhengzhou is also a key manufacturing center in central China. The city's industry composition is concentrated in manufacturing and goods production. The secondary industry represents a relatively large share of the economy—over 52.8 percent in 2016 and 55.5 percent in 2015, while the tertiary industry represents 44.4 percent and 47.1 percent in 2015 and 2016, respectively.¹⁴ Zhengzhou's high-tech parks and industrial zones are home to global players such as Foxconn and Caterpillar and domestic food processing firms like Sanquan. All these firms share a common trait—they depend on timely and rapid global and nationwide shipments.¹⁵

#5

GUIYANG, GUIZHOU

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 11th | 7th | 3-Year FDI Growth (2013-2016) | 3rd |
| Wage Growth | 8th | 5th | FDI/GRP (2016) | 19th |
| GRP Per-Capita Growth | 13th | 1st | LQ for High Value-Added Industry (2016) | 32nd |

Guiyang drops two positions from third in the 2017 ranking to fifth in this year’s ranking. In the two-year period from 2016 to 2018, the city has dropped five spots. The one-year job growth ranks 11th and GRP per-capita growth ranked 13th. The recent ranking is in sharp contrast to the robust growth in the last few years. Despite the city’s falling rank, Guiyang’s inflow of foreign investment is still competitive relative to other first- and second-tier cities. Its three-year FDI growth is ranked third. Given Guiyang’s limited industrial resources and commercial platform, the FDI inflow rank is perhaps indicative of ample opportunities on the ground and also signals that policy support from government plays a key role in regional development. Indeed, there are firms, both international and domestic, that either have or are considering setting up big data centers in the province. These firms include Alibaba, Qualcomm, IBM, Huawei, Tencent, Baidu, Lenovo, and Foxconn.¹⁶

The capital city of Guizhou province, Guiyang had a registered household population in 2016 of 4 million.¹⁷ The province is one of the less developed areas in China due to its landlocked position as well as the region’s topography. The mountainous terrain and high altitude have hindered the development of a large-scale manufacturing base. However, the region is a transportation hub for rail travel from the east and southeast to the high plateau of China. Economic development

has become a top priority for Guizhou given the intention to develop the Greater Western region in China as well as the government’s determination to eradicate poverty. Guiyang, as the capital city of the region, is expected to lead in transforming its industry and modernizing the city’s infrastructure and economic base.

Infrastructure building has been at the top of the economic agenda for Guiyang, and much of the growth in the city comes from building up the municipality’s infrastructure, particularly its transportation, in the hope that the region can link up with the outside world in a more cost-effective fashion. Guiyang, as a transportation node in the One Belt, One Road Initiative, has become a transportation and communication hub for the southwestern region of China and Southeast Asia. The development of Guiyang is a long-term process, and its development model might differ from other regions in China. From the outset, the city modeled its development as an “Eco City,” deploying renewable energy and solar power for the region’s energy consumption. As for industrial development, Guiyang is moving to become a big data storage and processing center and artificial intelligence (AI) hub.¹⁸ The city is turning its disadvantages—such as a smaller population base, the challenges of obtaining human capital, and vast sparse landscape—into advantages.

#6

CHANGCHUN, JILIN

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 20th | 9th | 3-Year FDI Growth (2013-2016) | 7th |
| Wage Growth | 18th | 9th | FDI/GRP (2016) | 2nd |
| GRP Per-Capita Growth | 8th | 18th | LQ for High Value-Added Industry (2016) | 12th |

Changchun reappears on our top 10 list of the best cities ranking for the first time since 2015, when the city was ranked eighth. This year, Changchun is elevated by two positions to be placed sixth. The city ranks ninth in five-year job and wage growth, eighth in one-year GRP per-capita growth, seventh for three-year FDI growth, and second for FDI/GRP in our 2018 ranking. The city appears to have turned around even though the national economy has cooled in the last few years.

Changchun is the capital city of Jilin province located in northeast China. The city's registered household population of 7.5 million in 2016 saw a modest decline of 0.05 percent from the year before.¹⁹ The city's two pillar industries, film and automobile production, went through many ups-and-downs as China transitioned from a centrally planned economy to a more market-based one. Globalization has presented challenges not only for Changchun but the entire northeast economy, and these regional economies have failed to keep up with the growth momentum of the nation. As such, central and local governments and scholars have come to a consensus that a revival of the regional economy is urgent and critical to China's future development.²⁰

Central and regional governments have devised policies and provided budget support to revive economic growth for the northeast region as a whole in the last decade and a half. However, the results have been uneven. Changchun, however, has come out ahead of the pack. The city recorded GRP growth at 7.7 percent in 2016, up from 6.5 percent in 2015. The growth rate edged over the national average of 6.7 percent by a full percentage point.²¹ The city economy is supported by several key companies based in Changchun. CRRC Changchun Railway Vehicles Co. Ltd. is

one of the largest rail equipment makers in the world. The company employs 14,000 workers and has been a key contributor to the health of the city economy as demand for building high-speed rail remains high.

Fundamentally, Changchun's growth revival comes from reforming and restructuring its existing industries. However, no less important are efforts to promote and nurture new industries to diversify regional economies' heavy dependence on commodities and traditional core industries such as steel. It seems that the transformation in Changchun is taking hold. According to the local government, Changchun's industries, both traditional and emerging, have been fueling growth as of late. Industrial restructuring, better supply chain management and the promotion of services, and binding core industries with emerging ones are a few of the strategies implemented locally to promote industry competitiveness and economic growth. On another front, the government is streamlining its operations to accommodate business needs on project approval and coordination.²²

The economic reform and industry revitalization in Changchun are very much government-driven, as the core industries in the region are all state-owned, which is well represented by the FAW (First Auto Work) Group. The ongoing transformation of the regional economy, from a heavy industry focus to a service-oriented one will need to have the active participation of the private sector. Plateauing population growth, with a slight decline in the last few years, does suggest that the region needs to reinvent itself quickly.

#7

CHENGDU, SICHUAN

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 3rd | 2nd | 3-Year FDI Growth (2013-2016) | 27th |
| Wage Growth | 17th | 3rd | FDI/GRP (2016) | 16th |
| GRP Per-Capita Growth | 29th | 10th | LQ for High Value-Added Industry (2016) | 16th |

Chengdu, as the second largest city in the province and the provincial capital of Sichuan province, has been performing superbly in growing its economy in recent years. The city has been ranked No. 1 twice since our ranking began in 2015. Along with its sister city Chongqing in Sichuan, both cities have performed well in last decade. Chengdu's robust performance places four indicators among the top 10: one-year and five-year job growth, five-year wage growth, and five-year GRP per-capita growth.

However, the city does show weakness in the ranking this year. The overall standing of indicators has retreated from the 2017 ranking. Most notably, one-year wage growth and three-year FDI/GRP declined in their standing from a year before. Chengdu's economic growth slowed to 7.7 percent in 2016 from 7.9 percent in 2015,²³ which might have impacted one-year GRP per-capita growth.

The economic success of Chengdu and Chongqing can be credited to favorable national policies such as the Great Western Development plan, and recently the One Belt, One Road initiative. However, local government, existing industrial structure and strength, leadership, and geography also play key roles in the process. Many provinces in the western part of China are covered under the Great Western Development plan, but none have come close to the achievement garnered by Chengdu.

Chengdu's sustained economic success rests on its strong manufacturing base that was built decades ahead of recent economic

development. Manufacturing capability for military equipment and aerospace production in Chengdu can be dated back to the 1960s during the Cold War and the Sino-Soviet Union conflict. In addition, perhaps more importantly, many engineers and skilled labor and their families migrated from coastal cities like Shanghai to Chengdu. These inherent advantages provided Chengdu with fundamentals and knowhow for further development. Chengdu is leveraging its capability for higher value-added production and enterprise with its location. Recently, global pharmaceutical giant Sanofi announced plans to set up a global research and development operations hub in Chengdu's Life Sciences Park.²⁴

As the city's economy continues to prosper and expand, building infrastructure that connects it with more locations around the globe and industry clustering that enhances the productivity with width and depth can certainly help sustain development. In addition to the traditional venues of lobbying companies to locate in the city through tax incentives and preferential policies, Chengdu has raised the game for attracting talent, families, and companies to the city through promoting the city's well-known cultural elements. Sichuan Opera, tea culture, and bookstores are key cultural aspects that government and private citizens are promoting to sell the city to the outside world. To further enhance the city's "intellect culture," Chengdu's city government set up a policy to assist entrepreneurs opening brick-and-mortar bookstores throughout the city.²⁵

#8

HEFEI,
ANHUI

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 6th | 4th | 3-Year FDI Growth (2013-2016) | 6th |
| Wage Growth | 11th | 7th | FDI/GRP (2016) | 17th |
| GRP Per-Capita Growth | 5th | 6th | LQ for High Value-Added Industry (2016) | 25th |

Hefei takes the eighth spot, appearing for the second time in our top 10 list. In 2015, the city was ranked sixth. The overall performance is robust. Compared with those in 2017, six of the nine variables we evaluated are ranked in the top 10. The weakest measure for Hefei comes from LQ for high value-added employment, which ranks twenty-fifth, suggesting that the regional economy still leans toward traditional sectors rather than services and high-tech industries. Hefei's strengths appear consistently in the form of a strong job market and steady regional economic expansion. Job growth performance was solid in both the 2015 and 2018 rankings. Hefei's one-year and five-year job growth on this occasion ranks in sixth and fourth place, respectively.

As the capital city of Anhui province and an ancient city in China, Hefei is best known for its educational institutions and as a regional transportation hub where land and waterway traffic intersect. Hefei has gradually built up its modern manufacturing capability in the last twenty years from a thin industrial base. Today, the secondary industry, represented by manufacturing and goods production, accounts for more than 50 percent of GRP.²⁶ Hefei became an alternative production location due to the relocation of many small- and mid-size manufacturing firms escaping high costs in the coastal region. As the manufacturing base strengthened, local industry clustering took place. Today, the city's top five manufacturers are automobile and

parts, equipment manufacturing, household appliances, food processing, and electronic displays.²⁷

In 2017, as the manufacturing sector became more dominant in the economy, the Hefei government invested 237 billion yuan in the secondary industry, up 11.8 percent from the year before.²⁸ The city's gamble on developing its manufacturing sector has obviously been a winning one. As of 2017, there were 2,561 vigorous manufacturing firms residing in the city. The majority are small- to mid-size businesses, with only 12 firms reaching 5 billion yuan in annual sales. Hefei's strategy to groom and promote manufacturing is very much counter to most national development trends, as many cities, particularly capital cities, tend to aim at the expansion of the service sector and some, such as Shanghai and Beijing, have even discouraged manufacturing activity.

Hefei's economy grew at an average annual rate of 16 percent from 2007 to 2016²⁹—what the locals describe as the “golden years.” The economic miracle, as some might call it, can be attributed to the city harnessing a period of high entrepreneurship, rising costs in the coastal areas, and facilitating export markets. Manufacturing could have a great future for Hefei, especially if the city can intensify the linkage between locally renowned research-based institutions, such as the China University of Science and Technology.

#9

XI'AN,
SHAANXI

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 18th | 11th | 3-Year FDI Growth (2013-2016) | 8th |
| Wage Growth | 14th | 11th | FDI/GRP (2016) | 3rd |
| GRP Per-Capita Growth | 25th | 12th | LQ for High Value-Added Industry (2016) | 11th |

Xi'an appears on the top 10 list for the second time and takes the ninth spot in the ranking. FDI as a share of GRP ranks highly at third place, followed by three-year FDI growth, which ranks eighth. Xi'an's favorable FDI rankings are indicative of the city's potential for growth. The one-year GRP per-capita growth is placed at 25th, the lowest among the nine variables.

Xi'an is an ancient capital of China and the capital city of Shaanxi province, with a registered population in 2016 of 8.25 million.³⁰ Although Xi'an often gives the impression that it is only a destination for Chinese cultural and heritage tourism, its economic foundation is actually rooted in aviation and aerospace, military equipment production, high-tech R&D, information technology (IT), and lastly tourism. Because of the existing industry clusters and talent, Xi'an has become a hotbed of FDI. Global firms from various industries such as silicon chip making, electrical vehicle production, and pharmaceuticals have set up operations in Xi'an. Samsung Corporation, through two subsidiaries, built a manufacturing plant for flash memory chip production and another plant to build electric vehicles.³¹

In March 2018, three leading animal health companies, Boehringer Ingelheim, KMOH, and ZNWT announced their intention to establish a joint venture in Xi'an to target foot-and-mouth disease in China with an investment of 840 million yuan. The joint venture project will establish a new company, Meili Omni-Honesty, for vaccine production. The new entity is located at the Airport New City in Xi'an.³²

Beyond its technological strength and talent, Xi'an's intangible and inherent assets lie in the city's legacy and location. The One Belt, One Road initiative directly benefits Xi'an the most perhaps. The city was once the gateway and starting point of the ancient Silk Road. Today, under the initiative, Xi'an will serve as the starting point of the modern "Silk Road." It has been tasked by the central government to "develop itself to be the base for reforming and opening up inland regions." Under these new policy directives, Xi'an will need to expedite the construction for logistics, warehousing, and other infrastructure. All will promote the city's legacy as well as investment flow.³³

#10

HANGZHOU, ZHEJIANG

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 17th | 26th | 3-Year FDI Growth (2013-2016) | 12th |
| Wage Growth | 6th | 12th | FDI/GRP (2016) | 9th |
| GRP Per-Capita Growth | 3rd | 14th | LQ for High Value-Added Industry (2016) | 17th |

Hangzhou takes the tenth spot and appears for the first time on our top 10 list. The city moves up six places from 16th in last year's ranking. Among the nine variables, Hangzhou ranks sixth for one-year wage growth and third for one-year GRP per-capita growth. The city also placed ninth for the FDI share of regional output.

Hangzhou is the capital city of Zhejiang province with a registered population in 2016 of 7.36 million.³⁴ Although Hangzhou is often known for its serene and picturesque lakeside views, it is home to some of the most vibrant companies in China—Alibaba, Netease, Geely, and Samsung, to name a few. Until recently, tourism, culture, and recreation were the city's pillar industries.

All that changed when the Internet of Things became a reality. Hangzhou today is fast-becoming known as the epicenter of China's e-commerce, blockchain, and cloud computing. In 2016, the information economy in Hangzhou—inclusive of e-commerce, big data and cloud computing, software, mobile telecom, integrated circuit (IC), and AI, among others—produced 268 billion yuan of output and accounted for 24 percent of Hangzhou's GRP, while the city's tourism, culture, and recreation only generated 80.1 billion yuan by comparison.³⁵

The information economy grew 22.8 percent, while tourism grew only 13.3 percent. Hangzhou is at the forefront of urban development in China and has been described as the smartest city in China. Alibaba is partnering with the city to monitor and guide traffic in real time with computing power backed by AliCloud. City Brain, as the monitoring system is called, enables the city's infrastructure to adapt to residents' behavior. Other IT companies in Hangzhou are working with schools and hospitals to improve outcomes of the services they provide.³⁶

Hangzhou's economic performance is solid, maintaining a near double digit growth from 2012 through 2016, but growth slowed to only 8 percent in 2017. Ever since e-commerce and IT industries took hold in Hangzhou, the city has transformed. Hangzhou's municipal government should be credited for its work with local industries and the support given to their ventures. The city's economy and industry structure evolved quickly because of rapid expansion of the IT and e-commerce industries. Hangzhou's service sector has grown quickly: its service sector accounted for 58.2 percent in 2015, 61.2 percent in 2016, and 62 percent in 2017.³⁷ What is astonishing about the rapid ratio change is that both the primary and secondary industries grew modestly.

COMPLETE RESULTS: FIRST- AND SECOND-TIER CITIES

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|-----------|-----------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| 3 | 4 | 1 | Shenzhen | Guangdong | 2 | 22 | 3 | 13 | 1 | 26 | 17 | 17 | 20 | 1 |
| 0 | 2 | 2 | Chongqing | | 1 | 2 | 1 | 20 | 10 | 4 | 3 | 23 | 8 | 24 |
| 12 | 15 | 3 | Tianjin | | 1 | 26 | 28 | 4 | 26 | 31 | 32 | 2 | 1 | 7 |
| 3 | 7 | 4 | Zhengzhou | Henan | 2 | 14 | 6 | 3 | 2 | 7 | 20 | 18 | 15 | 8 |
| -2 | 3 | 5 | Guiyang | Guizhou | 2 | 11 | 7 | 8 | 5 | 13 | 1 | 3 | 19 | 32 |
| 8 | 14 | 6 | Changchun | Jilin | 2 | 20 | 9 | 18 | 9 | 8 | 18 | 7 | 2 | 12 |
| -6 | 1 | 7 | Chengdu | Sichuan | 2 | 3 | 2 | 17 | 3 | 29 | 10 | 27 | 16 | 16 |
| 5 | 13 | 8 | Hefei | Anhui | 2 | 6 | 4 | 11 | 7 | 5 | 6 | 6 | 17 | 25 |
| 2 | 11 | 9 | Xi'an | Shaanxi | 2 | 18 | 11 | 14 | 11 | 25 | 12 | 8 | 3 | 11 |
| 6 | 16 | 10 | Hangzhou | Zhejiang | 2 | 17 | 26 | 6 | 12 | 3 | 14 | 12 | 9 | 17 |
| 8 | 19 | 11 | Xiamen | Fujian | 2 | 10 | 14 | 2 | 23 | 12 | 29 | 19 | 10 | 10 |
| 5 | 17 | 12 | Beijing | | 1 | 8 | 22 | 12 | 19 | 2 | 23 | 5 | 14 | 9 |
| -3 | 10 | 13 | Qingdao | Shandong | 2 | 27 | 24 | 21 | 16 | 24 | 22 | 14 | 6 | 4 |
| -5 | 9 | 14 | Nanchang | Jiangxi | 2 | 15 | 8 | 5 | 6 | 15 | 15 | 25 | 5 | 28 |
| -9 | 6 | 15 | Shanghai | | 1 | 33 | 13 | 30 | 13 | 1 | 25 | 21 | 7 | 3 |
| 5 | 21 | 16 | Wuhan | Hubei | 2 | 5 | 25 | 9 | 30 | 22 | 7 | 4 | 4 | 20 |
| -12 | 5 | 17 | Nanjing | Jiangsu | 2 | 28 | 5 | 19 | 4 | 11 | 4 | 26 | 21 | 13 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|--------------|----------------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| -6 | 12 | 18 | Lanzhou | Gansu | 2 | 7 | 10 | 32 | 18 | 20 | 8 | 1 | 32 | 33 |
| 8 | 27 | 19 | Nanning | Guangxi | 2 | 12 | 15 | 1 | 8 | 19 | 2 | 31 | 31 | 34 |
| -2 | 18 | 20 | Fuzhou | Fujian | 2 | 19 | 17 | 15 | 14 | 6 | 11 | 15 | 22 | 26 |
| 9 | 30 | 21 | Jinan | Shandong | 2 | 4 | 30 | 7 | 20 | 27 | 24 | 13 | 25 | 14 |
| 2 | 24 | 22 | Ningbo | Zhejiang | 2 | 31 | 34 | 22 | 33 | 10 | 26 | 11 | 12 | 5 |
| -3 | 20 | 23 | Changsha | Hunan | 2 | 30 | 32 | 25 | 25 | 16 | 13 | 10 | 13 | 18 |
| 2 | 26 | 24 | Guangzhou | Guangdong | 2 | 13 | 29 | 27 | 32 | 28 | 21 | 20 | 23 | 6 |
| 3 | 28 | 25 | Shijiazhuang | Hebei | 2 | 21 | 20 | 23 | 17 | 9 | 28 | 16 | 26 | 15 |
| -1 | 25 | 26 | Harbin | Heilongjiang | 2 | 25 | 31 | 28 | 28 | 17 | 19 | 9 | 11 | 21 |
| -19 | 8 | 27 | Kunming | Yunnan | 2 | 16 | 18 | 10 | 15 | 14 | 5 | 29 | 27 | 30 |
| -6 | 22 | 28 | Haikou | Hainan | 2 | 1 | 21 | 16 | 22 | 21 | 9 | 34 | 33 | 22 |
| 2 | 31 | 29 | Taiyuan | Shanxi | 2 | 23 | 16 | 29 | 24 | 18 | 27 | 28 | 28 | 19 |
| 3 | 33 | 30 | Hohhot | Inner Mongolia | 2 | 24 | 12 | 26 | 27 | 30 | 30 | 22 | 24 | 31 |
| -8 | 23 | 31 | Urumqi | Xinjiang | 2 | 9 | 19 | 24 | 21 | 32 | 31 | 24 | 30 | 29 |
| 0 | 32 | 32 | Dalian | Liaoning | 2 | 29 | 33 | 33 | 34 | 33 | 33 | 32 | 18 | 2 |
| -4 | 29 | 33 | Yinchuan | Ningxia | 2 | 34 | 23 | 31 | 29 | 23 | 16 | 30 | 34 | 27 |
| 0 | 34 | 34 | Shenyang | Liaoning | 2 | 32 | 27 | 34 | 31 | 34 | 34 | 33 | 29 | 23 |

TOP 10 | Best-Performing Cities 2018

THIRD-TIER CITIES





DONGGUAN, GUANGDONG

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|-------|
| Job Growth | 102nd | 1st | 3-Year FDI Growth (2013-2016) | 136th |
| Wage Growth | 129th | 1st | FDI/GRP (2016) | 22nd |
| GRP Per-Capita Growth | 50th | 143rd | LQ for High Value-Added Industry (2016) | 1st |

Dongguan is located in southeast China, north of Shenzhen. In 2016, the city had a household registered population of two million residents.³⁸ Dongguan has three indicators ranked No. 1 this year: five-year job growth, five-year wage growth, and the LQ for high value-added industry employment.

The city has traditionally been an industrial city, particularly known for its Original Equipment Manufacturer (OEM) activities such as shoe and electronic goods production. However, as labor costs continue to rise, more factories are moving out of Dongguan to Southeast Asia, as is the case with Microsoft, which shut down its Nokia plant in Dongguan and relocated to Vietnam in 2015.³⁹

Despite the termination of operations at many factories, existing and new manufacturers have embraced automation by gradually replacing human workers with robots. Following the national strategy to upgrade manufacturing through automation, the Dongguan municipal government has also

gone further in this initiative by introducing the so-called “Robot Replace Human (*jiqi huanren*)” program in 2014. This program provides qualified firms with 10-15 percent subsidies to upgrade their equipment.⁴⁰ Since September 2014, 505 factories across the city have invested 4.2 billion yuan in robotics.⁴¹ According to *The Economist*, the city has set aside 200 million yuan annually to help its factories replace human workers.⁴² The Songshan Lake XBot Park was established in 2014. In 2018, Songshan Lake High-Tech Industrial Development Zone proposed a policy that promotes further development of robots and intelligent equipment industries. All these efforts have demonstrated Dongguan’s determination towards upgrading its industrial base. Dongguan also catches a windfall from new firms relocating to the city as rapidly escalating real estate costs in nearby Shenzhen force some companies to leave. Huawei, for example, has relocated some operations from its Shenzhen location to Dongguan in hope to minimize its operational costs.

#2

SUINING, SICHUAN

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|-------|
| Job Growth | 1st | 11th | 3-Year FDI Growth (2013-2016) | 133rd |
| Wage Growth | 112th | 106th | FDI/GRP (2016) | 168th |
| GRP Per-Capita Growth | 26th | 32nd | LQ for High Value-Added Industry (2016) | 61st |

Suining is located east of Chengdu and northwest of Chongqing. In 2016, the city had a household registered population of 3.8 million.⁴³ The city is particularly strong in two indicators: one-year job growth (No. 1) and five-year job growth (No. 11).

Suining is celebrated for its cultural heritage and natural beauty. In particular, it is known for Guanyin (Goddess of Mercy) Culture and has a myriad of ancient temples. It has won several awards for its green and scenic environment, and to further boost its green

reputation, in 2017 the city established a Green Development Academy that provides a platform for interactions and training for green development.⁴⁴

Suining has two major industrial clusters. The National Suining Economic Technological Development Zone (founded in 1992) is the key industrial cluster in the city, while the Innovation Industrial Park (established in 2001) focuses on the food, machineries, auto parts, electronics, textile, and medical sectors.⁴⁵

#3

FOSHAN, GUANGDONG

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|-------|
| Job Growth | 68th | 5th | 3-Year FDI Growth (2013-2016) | 169th |
| Wage Growth | 88th | 2nd | FDI/GRP (2016) | 113th |
| GRP Per-Capita Growth | 135th | 186th | LQ for High Value-Added Industry (2016) | 4th |

Foshan is located in southeast China, west of Guangzhou, with a household registered population of four million in 2016.⁴⁶ Like last year, Foshan clinches third place in our ranking. It has three indicators in the top five list: five-year job growth (No. 5), five-year wage growth (No. 2), and the LQ for high value-added industry employment (No. 4).

For many westerners, Foshan is known for its kung-fu movies depicting the hometown stories of Huang Feihong and Yip Man, who is the martial arts teacher of Bruce Lee, and is famous for its martial arts schools. This legacy also attracts many tourists to the city.

In addition to tourism, Foshan has also long been known as a manufacturing city. Today, the city has become a main player in consumer electronics and robotics. The Midea Group, a Fortune 500 company, is

headquartered here. This company is a renowned industry player domestically in consumer electronics such as microwaves. In 2015, it formed a joint venture with Yaskawa, a Japanese robotics outfit.⁴⁷ In 2016, Midea acquired Kuka, a German robotics firm.⁴⁸

In addition to upgrading its manufacturing sector, Foshan has also been crafting its industrial design sector. The Guangdong Industrial Design City is located here and was established in 2009. With this cluster, Foshan intends to help enterprises build their own brands and produce products with better quality and higher value to bolster its economic growth. To help businesses obtain funding, China established the Guangdong Financial High-Tech Service Zone in 2007 in Foshan. This platform has helped many firms start and sustain their businesses.

#4

WUHU, ANHUI

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 31st | 62nd | 3-Year FDI Growth (2013-2016) | 36th |
| Wage Growth | 121st | 103rd | FDI/GRP (2016) | 5th |
| GRP Per-Capita Growth | 62nd | 17th | LQ for High Value-Added Industry (2016) | 23rd |

Wuhu ranks fourth in this year’s list. The city has three indicators in the top 25: five-year GRP per capita growth (No. 17), the FDI/GRP ratio (No. 5), and the LQ for high value-added industry employment (No. 23). In fact, the city’s GDP and GDP per capita ranked second among all prefecture-level cities in Anhui in 2016, which demonstrates the economic importance of Wuhu in the provincial economy.

The Yangtze River passes through this city, which is located about 95 miles from Hefei and 60 miles from Nanjing. These factors make Wuhu a pivotal location for interconnected, regional transportation networks. In 2016, the

city registered a household population of 3.9 million.⁴⁹

Established in 1993, the Wuhu Economic and Technological Development Zone has three pillar industries—vehicle and auto parts manufacturing, electronic appliances, and new materials.⁵⁰ Wuhu’s auto industry is growing. Chery, a Chinese auto manufacturer, is headquartered here. The city is also the home to a Chinese cement company, Anhui Conch Cement. More recently, Wuhu also tried to tap into other areas. For example, since 2011 it has hosted the China (Wuhu) Science Products Expo Fair that shows the city’s ambition to step into a more high-tech, value-added space.

#5

ZHUHAI, GUANGDONG

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 138th | 146th | 3-Year FDI Growth (2013-2016) | 76th |
| Wage Growth | 116th | 123rd | FDI/GRP (2016) | 4th |
| GRP Per-Capita Growth | 113th | 112th | LQ for High Value-Added Industry (2016) | 8th |

Zhuhai is located north of Macau and west of Hong Kong. In 2016, Zhuhai registered a household population of 1.15 million.⁵¹ It has two indicators in our top 10 list: FDI/GRP ratio (No. 4) and LQ for high value-added industry employment (No. 8).

The city has two major industrial parks. The Zhuhai National Hi-Tech Industrial Development Zone was established in 1992, where software, integrated circuit design, internet, mobile network, smart power grid equipment, new energy, biomedical, intelligent manufacturing, and robotics are the major industries.⁵² Established in 2000,

THSP Zhuhai Zone offers co-working spaces, incubators, and accelerators to encourage entrepreneurial activities.

Gree Electric Appliances Inc., a major Chinese appliance manufacturer, is headquartered in Zhuhai. It has recently benefited from a booming consumer electronics market driven largely by China's urbanization, investing a great deal of resources in R&D and acquiring patents. In addition to Gree, Zhuhai is also the home to one of the world's major developers of unmanned surface vessels (USV), Oceanalph.

#6

JI'AN,
JIANGXI

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 166th | 19th | 3-Year FDI Growth (2013-2016) | 60th |
| Wage Growth | 75th | 8th | FDI/GRP (2016) | 19th |
| GRP Per-Capita Growth | 37th | 12th | LQ for High Value-Added Industry (2016) | 39th |

Ji'an stands at sixth place in our ranking this year. It has a number of indicators ranked among the top 20, including five-year job growth (No. 19), five-year wage growth (No. 8), five-year GRP per capita growth (No. 12), and FDI/GRP ratio (No. 19). The city has twice before attained a spot in the top 10—in 2015 (No. 9) and in 2017 (No. 4).

Ji'an had a household registered population in 2016 of 5.4 million.⁵³ It is situated at a strategic location that links the southeastern with the middle part of China. In addition to

its strategic highway and railway network infrastructure, the Jinggangshan Airport now has flights connecting to China's major cities such as Beijing, Shanghai, Shenzhen, Chengdu, Xiamen, Xi'an, and Guangzhou.

The city hosts several industrial parks. Six kilometers from downtown Ji'an, the National Jinggangshan Economic and Technological Development Zone has three pillar industries—electronic information, biomedical, and advanced manufacturing.⁵⁴

#7

JIUQUAN, GANSU

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|-------|
| Job Growth | 26th | 40th | 3-Year FDI Growth (2013-2016) | 1st |
| Wage Growth | 163rd | 94th | FDI/GRP (2016) | 146th |
| GRP Per-Capita Growth | 166th | 200th | LQ for High Value-Added Industry (2016) | 158th |

Jiuquan claims the seventh spot in our 2018 ranking for small cities, with its three-year FDI growth indicator topping the entire third-tier city group.

In 2016, Jiuquan had a household registered population of 1.1 million.⁵⁵ Jiuquan is positioned right on China's northwest border, with Mongolia to its north. It held a strategic position on the ancient Silk Road, but now has the only land port in Gansu Province.

The major industries in Jiuquan are petroleum and electric power. Moreover, the city has been known as an aerospace base that is the home to the Jiuquan Satellite Launch Center. Recent activity at the center was the launch of the Shenzhou 11, a manned spaceflight, in October 2016. The city has also recently been cultivating its renewable energy sector by focusing on wind power.

#8

ZHONGSHAN, GUANGDONG

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|-------|
| Job Growth | 161st | 7th | 3-Year FDI Growth (2013-2016) | 152nd |
| Wage Growth | 153rd | 7th | FDI/GRP (2016) | 125th |
| GRP Per-Capita Growth | 164th | 149th | LQ for High Value-Added Industry (2016) | 3rd |

Zhongshan is a city in southeast China, located north of Zhuhai and south of Foshan and Guangzhou. In 2016, Zhongshan had a household registered population of 1.61 million.⁵⁶ Zhongshan stands in eighth place in our overall ranking. It has strong performance in three aspects: five-year job growth (No. 7), five-year wage growth (No. 7), and LQ for high value-added industry employment (No. 3).

Zhongshan is known for its redwood furniture cluster in the Dachong village. To foster this industrial sector, the city established a “Redwood Cultural Exposition Town.” Zhongshan also has a strong lighting industry cluster. In addition to these industries, the city has recently been developing new industries. The video gaming industry is one such example. Founded in 2013, the Tsuihang New Area is gradually becoming one of the industrial hubs in the city. It has been designated by the central government as an

advanced equipment manufacturing base for products such as wind power equipment. The city also built a district for the gaming and recreation industry in 2014. To support this industry, the city has been holding the China (Zhongshan) International Games and Amusement Fair since 2008. In addition, Zhongshan is the laboratory for cashier-less technology. The world’s first 24-hour, self-service convenience Bingo Box store opened here on August 1, 2016.

The construction of the Shenzhen-Zhongshan Corridor began on December 21, 2017. Once construction is completed, the corridor will play a key role in the transportation networks of the “Greater Bay Area,” consisting of Guangdong province, Hong Kong, and Macau.⁵⁷ This corridor will shorten the commute time not only between Shenzhen and Zhongshan, but also for other cities in this area.

#9

SUZHOU,
JIANGSU

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|-------|
| Job Growth | 192nd | 9th | 3-Year FDI Growth (2013-2016) | 156th |
| Wage Growth | 181st | 9th | FDI/GRP (2016) | 42nd |
| GRP Per-Capita Growth | 148th | 146th | LQ for High Value-Added Industry (2016) | 2nd |

Suzhou is located west of Shanghai. Due to its pivotal location and pleasant weather, the city has remained economically prosperous since ancient times. In 2016, Suzhou had a household registered population of 6.78 million.⁵⁸ Suzhou has ranked in the top 10 since the launch of this ranking in 2015. This year, it has several indicators ranked highly—five-year job growth (No. 9), five-year wage growth (No. 9), and the LQ for high value-added industry employment (No. 2).

Suzhou has been upgrading its industries in recent years, focusing on new energy, biotech, new medicine, and advanced equipment manufacturing. Established in 2011, Innovent Biologics, a leading biopharmaceutical company in China, is headquartered in the

Suzhou Industrial Park.⁵⁹ In addition, Suzhou also strives to become a rising star in the field of AI. In 2013, Microsoft established a research center here—Microsoft’s Suzhou Research Institute—and plans to focus on AI research.⁶⁰ On May 10, 2018, Suzhou held the 2018 Global AI Product Application Expo, which further demonstrates Suzhou’s dedication to progress in the AI field.

Kunshan, a county-level city under Suzhou, has co-evolved with Suzhou. Kunshan used to focus on OEM activities. Firms in Kunshan have been upgrading and putting more resources into R&D and has now formed a complete supply chain of LCD panels.

#10

ANSHUN, GUIZHOU

| | 1-YEAR (2015–2016) | 5-YEAR (2011–2016) | | |
|-----------------------|-----------------------|-----------------------|---|------|
| Job Growth | 25th | 76th | 3-Year FDI Growth (2013-2016) | 16th |
| Wage Growth | 27th | 52nd | FDI/GRP (2016) | 91st |
| GRP Per-Capita Growth | 7th | 1st | LQ for High Value-Added Industry (2016) | 96th |

Anshun rounds up our top 10 list for third-tier cities. The city is particularly strong in two indicators: one-year (No. 7) and five-year (No. 1) GDP per capita growth. Located southwest of Guiyang, the provincial capital of Guizhou in 2016 had a household registered population of three million.⁶¹

The city is known for its beverage industry including beer and Baijiu (Shaojiu). In addition, the city has developed its pharmaceutical industry. In 2013, Anshun, together with

Qingdao, co-built an industrial zone focusing on new materials, equipment manufacturing, electronics and information, cultural tourism, and health care sectors. In 2015, this zone had 13,910 employees.⁶²

Anshun has several higher education institutions including Anshun University, the Vocational and Technical College of Anshun, the Guizhou Aerospace Vocational and Technological College, and Guizhou Mechanical and Industrial Vocational College.



COMPLETE RESULTS: THIRD-TIER CITIES

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|------------|----------------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| 22 | 23 | 1 | Dongguan | Guangdong | 3 | 102 | 1 | 129 | 1 | 50 | 143 | 136 | 22 | 1 |
| 97 | 99 | 2 | Suining | Sichuan | 3 | 1 | 11 | 112 | 106 | 26 | 32 | 133 | 168 | 61 |
| 0 | 3 | 3 | Foshan | Guangdong | 3 | 68 | 5 | 88 | 2 | 135 | 186 | 169 | 113 | 4 |
| 13 | 17 | 4 | Wuhu | Anhui | 3 | 31 | 62 | 121 | 103 | 62 | 17 | 36 | 5 | 23 |
| 13 | 18 | 5 | Zhuhai | Guangdong | 3 | 138 | 146 | 116 | 123 | 113 | 112 | 76 | 4 | 8 |
| -2 | 4 | 6 | Ji'an | Jiangxi | 3 | 166 | 19 | 75 | 8 | 37 | 12 | 60 | 19 | 39 |
| 189 | 196 | 7 | Jiuquan | Gansu | 3 | 26 | 40 | 163 | 94 | 166 | 200 | 1 | 146 | 158 |
| 54 | 62 | 8 | Zhongshan | Guangdong | 3 | 161 | 7 | 153 | 7 | 164 | 149 | 152 | 125 | 3 |
| 1 | 10 | 9 | Suzhou | Jiangsu | 3 | 192 | 9 | 181 | 9 | 148 | 146 | 156 | 42 | 2 |
| NA | NA | 10 | Anshun | Guizhou | 3 | 25 | 76 | 27 | 52 | 7 | 1 | 16 | 91 | 96 |
| -5 | 6 | 11 | Taizhou | Jiangsu | 3 | 34 | 6 | 150 | 3 | 12 | 23 | 132 | 59 | 129 |
| 19 | 31 | 12 | Kaifeng | Henan | 3 | 3 | 64 | 4 | 47 | 51 | 25 | 191 | 150 | 53 |
| 37 | 50 | 13 | Jiaozuo | Henan | 3 | 8 | 47 | 17 | 43 | 81 | 133 | 96 | 41 | 16 |
| 43 | 57 | 14 | Huizhou | Guangdong | 3 | 15 | 133 | 32 | 108 | 106 | 81 | 163 | 58 | 5 |
| 27 | 42 | 15 | Hebi | Henan | 3 | 108 | 94 | 45 | 145 | 133 | 108 | 54 | 3 | 40 |
| -9 | 7 | 16 | Luohe | Henan | 3 | 52 | 65 | 195 | 59 | 88 | 157 | 92 | 8 | 14 |
| -5 | 12 | 17 | Chuzhou | Anhui | 3 | 28 | 81 | 145 | 46 | 104 | 41 | 31 | 11 | 62 |
| 49 | 67 | 18 | Xuchang | Henan | 3 | 7 | 35 | 22 | 48 | 76 | 122 | 77 | 63 | 20 |
| NA | NA | 19 | Hengshui | Hebei | 3 | 171 | 162 | 1 | 134 | 2 | 113 | 115 | 115 | 148 |
| 36 | 56 | 20 | Mudanjiang | Heilongjiang | 3 | 182 | 161 | 178 | 166 | 180 | 124 | 3 | 40 | 142 |
| -5 | 16 | 21 | Jiaxing | Zhejiang | 3 | 103 | 170 | 106 | 181 | 55 | 150 | 107 | 14 | 6 |
| 17 | 5 | 22 | Zunyi | Guizhou | 3 | 78 | 83 | 108 | 38 | 21 | 5 | 6 | 123 | 165 |
| 26 | 49 | 23 | Chifeng | Inner Mongolia | 3 | 126 | 149 | 147 | 180 | 194 | 138 | 2 | 165 | 197 |
| -2 | 22 | 24 | Huanggang | Hubei | 3 | 11 | 13 | 10 | 20 | 84 | 52 | 18 | 160 | 92 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|-----------|----------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| 13 | 38 | 25 | Shangqiu | Henan | 3 | 4 | 14 | 16 | 13 | 36 | 97 | 87 | 110 | 104 |
| -24 | 2 | 26 | Bengbu | Anhui | 3 | 56 | 69 | 224 | 71 | 48 | 19 | 49 | 2 | 98 |
| 105 | 132 | 27 | Pu'er | Yunnan | 3 | 98 | 152 | 7 | 36 | 38 | 3 | 12 | 111 | 196 |
| -3 | 25 | 28 | Ganzhou | Jiangxi | 3 | 93 | 86 | 98 | 29 | 11 | 51 | 74 | 17 | 82 |
| -16 | 13 | 29 | Suzhou | Anhui | 3 | 63 | 2 | 97 | 119 | 91 | 50 | 47 | 25 | 175 |
| 28 | 58 | 30 | Maanshan | Anhui | 3 | 180 | 128 | 170 | 172 | 92 | 188 | 112 | 1 | 79 |
| 2 | 33 | 31 | Putian | Fujian | 3 | 16 | 31 | 42 | 50 | 46 | 26 | 81 | 94 | 32 |
| 141 | 173 | 32 | Meishan | Sichuan | 3 | 66 | 82 | 2 | 118 | 90 | 39 | 171 | 148 | 132 |
| 41 | 74 | 33 | Xinyu | Jiangxi | 3 | 67 | 54 | 113 | 15 | 67 | 178 | 93 | 43 | 17 |
| 3 | 37 | 34 | Zhangzhou | Fujian | 3 | 58 | 102 | 55 | 98 | 6 | 21 | 101 | 49 | 31 |
| 0 | 35 | 35 | Weihai | Shandong | 3 | 48 | 168 | 87 | 154 | 140 | 105 | 84 | 47 | 7 |
| -22 | 14 | 36 | Jiujiang | Jiangxi | 3 | 207 | 139 | 172 | 64 | 33 | 37 | 53 | 6 | 71 |
| NA | NA | 37 | Bozhou | Anhui | 3 | 77 | 50 | 143 | 77 | 29 | 63 | 42 | 15 | 103 |
| 44 | 82 | 38 | Xiangtan | Hunan | 3 | 6 | 29 | 135 | 188 | 57 | 53 | 41 | 24 | 101 |
| -24 | 15 | 39 | Ningde | Fujian | 3 | 54 | 16 | 110 | 23 | 83 | 16 | 30 | 130 | 56 |
| -31 | 9 | 40 | Yichang | Hubei | 3 | 72 | 48 | 80 | 21 | 56 | 18 | 56 | 145 | 30 |
| 27 | 68 | 41 | Zhoukou | Henan | 3 | 29 | 27 | 30 | 24 | 90 | 40 | 118 | 90 | 70 |
| -18 | 24 | 42 | Yichun | Jiangxi | 3 | 90 | 70 | 101 | 57 | 40 | 44 | 80 | 39 | 37 |
| 47 | 90 | 43 | Yingtian | Jiangxi | 3 | 197 | 44 | 180 | 14 | 98 | 74 | 72 | 46 | 26 |
| -18 | 26 | 44 | Xiangyang | Hubei | 3 | 50 | 12 | 48 | 112 | 66 | 20 | 35 | 93 | 69 |
| -5 | 40 | 45 | Ezhou | Hubei | 3 | 39 | 126 | 28 | 130 | 70 | 61 | 25 | 56 | 45 |
| 18 | 64 | 46 | Luoyang | Henan | 3 | 75 | 92 | 63 | 121 | 58 | 164 | 109 | 13 | 63 |
| -39 | 8 | 47 | Yangzhou | Jiangsu | 3 | 199 | 8 | 194 | 4 | 17 | 24 | 164 | 72 | 124 |
| -16 | 32 | 48 | Beihai | Guangxi | 3 | 113 | 173 | 33 | 136 | 9 | 8 | 13 | 98 | 87 |
| 5 | 54 | 49 | Shiyan | Hubei | 3 | 21 | 61 | 59 | 86 | 42 | 31 | 20 | 105 | 52 |
| -14 | 36 | 50 | Xuancheng | Anhui | 3 | 55 | 230 | 122 | 92 | 87 | 90 | 46 | 9 | 60 |
| 0 | 51 | 51 | Pingxiang | Jiangxi | 3 | 47 | 36 | 123 | 34 | 74 | 121 | 83 | 57 | 58 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|-----------|----------------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| NA | NA | 52 | Langfang | Hebei | 3 | 23 | 127 | 39 | 90 | 89 | 62 | 116 | 66 | 46 |
| -24 | 29 | 53 | Fuzhou | Jiangxi | 3 | 172 | 26 | 95 | 11 | 61 | 67 | 17 | 53 | 146 |
| 139 | 193 | 54 | Ulanqab | Inner Mongolia | 3 | 131 | 141 | 49 | 111 | 202 | 161 | 10 | 7 | 201 |
| NA | NA | 55 | Bijie | Guizhou | 3 | 22 | 63 | 36 | 30 | 20 | 4 | 14 | 133 | 229 |
| 3 | 59 | 56 | Shantou | Guangdong | 3 | 12 | 22 | 66 | 22 | 13 | 76 | 165 | 178 | 57 |
| 18 | 75 | 57 | Rizhao | Shandong | 3 | 85 | 43 | 83 | 53 | 130 | 139 | 126 | 60 | 29 |
| -13 | 45 | 58 | Changzhou | Jiangsu | 3 | 153 | 66 | 210 | 96 | 49 | 77 | 154 | 34 | 15 |
| -40 | 19 | 59 | Suqian | Jiangsu | 3 | 202 | 10 | 211 | 6 | 22 | 13 | 145 | 106 | 77 |
| 96 | 156 | 60 | Neijiang | Sichuan | 3 | 201 | 73 | 3 | 16 | 108 | 110 | 177 | 183 | 127 |
| -60 | 1 | 61 | Nantong | Jiangsu | 3 | 158 | 3 | 228 | 5 | 24 | 30 | 130 | 51 | 160 |
| -16 | 46 | 62 | Liaoyuan | Jilin | 3 | 97 | 58 | 139 | 51 | 153 | 85 | 88 | 36 | 72 |
| 9 | 72 | 63 | Shanwei | Guangdong | 3 | 115 | 34 | 79 | 26 | 103 | 128 | 196 | 172 | 11 |
| -11 | 53 | 64 | Zhenjiang | Jiangsu | 3 | 191 | 104 | 175 | 116 | 53 | 42 | 182 | 52 | 13 |
| 15 | 80 | 65 | Zhoushan | Zhejiang | 3 | 74 | 4 | 120 | 161 | 4 | 168 | 134 | 114 | 89 |
| 20 | 86 | 66 | Huzhou | Zhejiang | 3 | 82 | 107 | 72 | 127 | 72 | 125 | 140 | 31 | 41 |
| -2 | 65 | 67 | Chenzhou | Hunan | 3 | 89 | 130 | 65 | 143 | 47 | 73 | 48 | 16 | 167 |
| -20 | 48 | 68 | Chizhou | Anhui | 3 | 84 | 72 | 187 | 75 | 123 | 86 | 69 | 20 | 109 |
| NA | NA | 69 | Tongren | Guizhou | 3 | 33 | 51 | 20 | 17 | 14 | 2 | 186 | 202 | 223 |
| 49 | 119 | 70 | Xinyang | Henan | 3 | 88 | 46 | 8 | 61 | 171 | 95 | 98 | 75 | 138 |
| -43 | 28 | 71 | Zhumadian | Henan | 3 | 167 | 25 | 29 | 25 | 178 | 45 | 100 | 102 | 91 |
| 50 | 122 | 72 | Xining | Qinghai | 3 | 87 | 171 | 54 | 151 | 54 | 89 | 9 | 161 | 84 |
| -30 | 43 | 73 | Jieyang | Guangdong | 3 | 118 | 15 | 142 | 10 | 167 | 75 | 207 | 211 | 25 |
| 4 | 78 | 74 | Sanya | Hainan | 3 | 20 | 18 | 86 | 12 | 102 | 158 | 147 | 32 | 180 |
| -4 | 71 | 75 | Jiangmen | Guangdong | 3 | 42 | 154 | 51 | 79 | 124 | 177 | 172 | 103 | 12 |
| 26 | 102 | 76 | Chaozhou | Guangdong | 3 | 46 | 33 | 82 | 32 | 68 | 99 | 193 | 186 | 24 |
| -56 | 21 | 77 | Huai'an | Jiangsu | 3 | 195 | 20 | 220 | 27 | 16 | 10 | 144 | 45 | 80 |
| -34 | 44 | 78 | Jingmen | Hubei | 3 | 45 | 164 | 100 | 138 | 52 | 65 | 57 | 79 | 49 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|-------------|-----------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| -10 | 69 | 79 | Xiaogan | Hubei | 3 | 62 | 90 | 67 | 81 | 121 | 49 | 124 | 85 | 75 |
| 9 | 89 | 80 | Heyuan | Guangdong | 3 | 27 | 132 | 43 | 99 | 15 | 114 | 181 | 144 | 27 |
| 22 | 103 | 81 | Xinxiang | Henan | 3 | 173 | 53 | 158 | 55 | 23 | 140 | 67 | 28 | 102 |
| 36 | 118 | 82 | Qinhuangdao | Hebei | 3 | 117 | 150 | 81 | 153 | 136 | 194 | 102 | 18 | 54 |
| 11 | 94 | 83 | Puyang | Henan | 3 | 59 | 87 | 144 | 147 | 73 | 68 | 29 | 33 | 118 |
| 4 | 88 | 84 | Suizhou | Hubei | 3 | 9 | 103 | 35 | 101 | 107 | 48 | 52 | 124 | 113 |
| -15 | 70 | 85 | Wuxi | Jiangsu | 3 | 186 | 79 | 214 | 110 | 114 | 174 | 131 | 50 | 9 |
| -66 | 20 | 86 | Zhaoqing | Guangdong | 3 | 112 | 55 | 117 | 41 | 174 | 103 | 194 | 112 | 22 |
| 11 | 98 | 87 | Weifang | Shandong | 3 | 134 | 95 | 77 | 84 | 151 | 102 | 86 | 100 | 42 |
| -58 | 30 | 88 | Shangrao | Jiangxi | 3 | 203 | 60 | 206 | 31 | 35 | 60 | 73 | 23 | 139 |
| -42 | 47 | 89 | Zhuzhou | Hunan | 3 | 145 | 136 | 186 | 159 | 158 | 98 | 40 | 37 | 50 |
| -14 | 76 | 90 | Binzhou | Shandong | 3 | 178 | 106 | 159 | 82 | 189 | 171 | 78 | 117 | 10 |
| -31 | 60 | 91 | Guilin | Guangxi | 3 | 179 | 96 | 154 | 67 | 179 | 14 | 11 | 157 | 123 |
| 0 | 92 | 92 | Yantai | Shandong | 3 | 142 | 191 | 161 | 164 | 137 | 155 | 91 | 65 | 19 |
| NA | NA | 93 | Lincang | Yunnan | 3 | 57 | 89 | 11 | 37 | 60 | 7 | 220 | 226 | 174 |
| 31 | 125 | 94 | Xuzhou | Jiangsu | 3 | 189 | 24 | 61 | 62 | 77 | 55 | 135 | 74 | 128 |
| 17 | 112 | 95 | Lu'an | Anhui | 3 | 86 | 32 | 177 | 158 | 93 | 69 | 95 | 55 | 112 |
| 56 | 152 | 96 | Yiyang | Hunan | 3 | 60 | 198 | 13 | 141 | 32 | 34 | 64 | 119 | 140 |
| 9 | 106 | 97 | Jingzhou | Hubei | 3 | 110 | 100 | 74 | 68 | 75 | 28 | 82 | 155 | 93 |
| -43 | 55 | 98 | Baoshan | Yunnan | 3 | 10 | 93 | 24 | 45 | 19 | 9 | 211 | 203 | 181 |
| 65 | 164 | 99 | Chengde | Hebei | 3 | 114 | 125 | 157 | 152 | 162 | 182 | 5 | 131 | 135 |
| 49 | 149 | 100 | Liuzhou | Guangxi | 3 | 194 | 67 | 6 | 56 | 142 | 111 | 215 | 213 | 95 |
| -8 | 93 | 101 | Wuzhou | Guangxi | 3 | 30 | 88 | 18 | 54 | 97 | 96 | 208 | 221 | 68 |
| 9 | 111 | 102 | Changde | Hunan | 3 | 70 | 134 | 76 | 109 | 64 | 70 | 22 | 64 | 173 |
| 1 | 104 | 103 | Quanzhou | Fujian | 3 | 106 | 222 | 167 | 210 | 128 | 118 | 117 | 81 | 18 |
| NA | NA | 104 | Qinzhou | Guangxi | 3 | 17 | 49 | 23 | 33 | 3 | 117 | 203 | 142 | 195 |
| 15 | 120 | 105 | Hengyang | Hunan | 3 | 111 | 196 | 71 | 174 | 30 | 58 | 45 | 38 | 157 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|-------------|----------------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| -1 | 105 | 106 | Fuyang | Anhui | 3 | 19 | 140 | 68 | 120 | 44 | 84 | 43 | 128 | 145 |
| -46 | 61 | 107 | Quzhou | Zhejiang | 3 | 95 | 157 | 52 | 140 | 95 | 71 | 141 | 174 | 44 |
| 61 | 169 | 108 | Qingyuan | Guangdong | 3 | 24 | 121 | 50 | 89 | 99 | 169 | 173 | 158 | 35 |
| -12 | 97 | 109 | Yongzhou | Hunan | 3 | 69 | 153 | 21 | 230 | 34 | 79 | 37 | 21 | 177 |
| 11 | 121 | 110 | Jingdezhen | Jiangxi | 3 | 128 | 179 | 146 | 146 | 112 | 141 | 79 | 92 | 36 |
| -72 | 39 | 111 | Lianyungang | Jiangsu | 3 | 100 | 68 | 196 | 76 | 43 | 33 | 162 | 88 | 85 |
| 1 | 113 | 112 | Loudi | Hunan | 3 | 43 | 169 | 34 | 173 | 117 | 56 | 61 | 68 | 164 |
| -3 | 110 | 113 | Dezhou | Shandong | 3 | 136 | 45 | 85 | 18 | 161 | 131 | 170 | 180 | 65 |
| -41 | 73 | 114 | Tonghua | Jilin | 3 | 159 | 77 | 183 | 91 | 218 | 192 | 68 | 27 | 28 |
| -63 | 52 | 115 | Yancheng | Jiangsu | 3 | 154 | 21 | 197 | 40 | 79 | 29 | 179 | 122 | 100 |
| -9 | 107 | 116 | Yunfu | Guangdong | 3 | 146 | 91 | 114 | 60 | 85 | 87 | 190 | 170 | 43 |
| -40 | 77 | 117 | Xianyang | Shaanxi | 3 | 49 | 57 | 103 | 73 | 18 | 15 | 201 | 217 | 110 |
| 10 | 128 | 118 | Huangshan | Anhui | 3 | 41 | 112 | 90 | 117 | 109 | 36 | 161 | 70 | 153 |
| -36 | 83 | 119 | Luzhou | Sichuan | 3 | 65 | 42 | 104 | 28 | 71 | 54 | 33 | 167 | 193 |
| -3 | 117 | 120 | Erdos | Inner Mongolia | 3 | 200 | 30 | 26 | 97 | 191 | 170 | 108 | 30 | 151 |
| 33 | 154 | 121 | Anqing | Anhui | 3 | 44 | 84 | 44 | 85 | 134 | 132 | 188 | 137 | 88 |
| -41 | 81 | 122 | Nanyang | Henan | 3 | 125 | 137 | 93 | 88 | 96 | 144 | 89 | 97 | 116 |
| 3 | 126 | 123 | Liaocheng | Shandong | 3 | 107 | 99 | 56 | 63 | 150 | 137 | 187 | 197 | 47 |
| -8 | 116 | 124 | Yuxi | Yunnan | 3 | 14 | 39 | 14 | 70 | 177 | 129 | 226 | 229 | 105 |
| -46 | 79 | 125 | Heze | Shandong | 3 | 80 | 75 | 31 | 35 | 169 | 72 | 121 | 149 | 188 |
| 13 | 139 | 126 | Suihua | Heilongjiang | 3 | 40 | 186 | 46 | 128 | 186 | 92 | 55 | 96 | 154 |
| -12 | 115 | 127 | Baise | Guangxi | 3 | 53 | 114 | 58 | 78 | 5 | 38 | 32 | 227 | 200 |
| -33 | 95 | 128 | Guang'an | Sichuan | 3 | 141 | 71 | 9 | 58 | 144 | 57 | 106 | 176 | 217 |
| -38 | 91 | 129 | Mianyang | Sichuan | 3 | 36 | 41 | 152 | 80 | 139 | 120 | 150 | 147 | 106 |
| 6 | 136 | 130 | Xingtai | Hebei | 3 | 94 | 97 | 124 | 131 | 8 | 167 | 113 | 71 | 143 |
| -31 | 100 | 131 | Linyi | Shandong | 3 | 140 | 37 | 174 | 39 | 157 | 151 | 151 | 166 | 67 |
| -69 | 63 | 132 | Nanping | Fujian | 3 | 105 | 187 | 192 | 133 | 111 | 43 | 34 | 141 | 94 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|---------------|--------------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| -46 | 87 | 133 | Lishui | Zhejiang | 3 | 92 | 177 | 130 | 142 | 69 | 115 | 23 | 109 | 136 |
| 12 | 146 | 134 | Baoding | Hebei | 3 | 76 | 98 | 37 | 66 | 199 | 162 | 122 | 101 | 144 |
| -2 | 133 | 135 | Baoji | Shaanxi | 3 | 83 | 78 | 109 | 122 | 119 | 47 | 214 | 224 | 66 |
| 51 | 187 | 136 | Xinzhou | Shanxi | 3 | 165 | 190 | 156 | 190 | 182 | 190 | 4 | 177 | 220 |
| -126 | 11 | 137 | Nanchong | Sichuan | 3 | 177 | 17 | 199 | 19 | 86 | 83 | 146 | 187 | 133 |
| -3 | 135 | 138 | Deyang | Sichuan | 3 | 120 | 113 | 190 | 156 | 63 | 82 | 168 | 162 | 48 |
| 1 | 140 | 139 | Yangjiang | Guangdong | 3 | 35 | 85 | 99 | 42 | 209 | 64 | 185 | 169 | 120 |
| -11 | 129 | 140 | Longyan | Fujian | 3 | 37 | 215 | 96 | 195 | 100 | 116 | 90 | 127 | 122 |
| 6 | 147 | 141 | Qiqihar | Heilongjiang | 3 | 211 | 220 | 40 | 170 | 173 | 179 | 104 | 44 | 81 |
| NA | NA | 142 | Liupanshui | Guizhou | 3 | 184 | 167 | 115 | 182 | 65 | 6 | 123 | 83 | 224 |
| -2 | 141 | 143 | Shaoyang | Hunan | 3 | 156 | 159 | 102 | 139 | 39 | 35 | 28 | 126 | 187 |
| -17 | 127 | 144 | Anyang | Henan | 3 | 163 | 131 | 137 | 135 | 125 | 163 | 85 | 80 | 125 |
| 43 | 188 | 145 | Qujing | Yunnan | 3 | 109 | 59 | 19 | 104 | 101 | 148 | 99 | 182 | 179 |
| 22 | 168 | 146 | Yueyang | Hunan | 3 | 169 | 199 | 69 | 185 | 145 | 78 | 44 | 134 | 131 |
| 10 | 157 | 147 | Xianning | Hubei | 3 | 129 | 144 | 53 | 114 | 141 | 27 | 197 | 164 | 130 |
| -3 | 145 | 148 | Dazhou | Sichuan | 3 | 5 | 38 | 57 | 100 | 147 | 154 | 128 | 185 | 211 |
| 18 | 167 | 149 | Ya'an | Sichuan | 3 | 61 | 120 | 15 | 74 | 78 | 101 | 176 | 214 | 191 |
| -2 | 148 | 150 | Hanzhong | Shaanxi | 3 | 119 | 122 | 149 | 132 | 82 | 11 | 159 | 208 | 149 |
| 8 | 159 | 151 | Jilin | Jilin | 3 | 164 | 172 | 179 | 186 | 200 | 208 | 62 | 29 | 86 |
| 1 | 153 | 152 | Zibo | Shandong | 3 | 176 | 124 | 171 | 124 | 155 | 176 | 110 | 129 | 76 |
| -69 | 84 | 153 | Maoming | Guangdong | 3 | 51 | 74 | 94 | 44 | 132 | 134 | 158 | 191 | 170 |
| 46 | 200 | 154 | Jinhua | Zhejiang | 3 | 149 | 23 | 119 | 150 | 126 | 126 | 70 | 151 | 186 |
| -41 | 114 | 155 | Fangchenggang | Guangxi | 3 | 222 | 181 | 111 | 203 | 122 | 93 | 7 | 135 | 208 |
| -19 | 137 | 156 | Meizhou | Guangdong | 3 | 127 | 116 | 91 | 65 | 80 | 136 | 184 | 171 | 134 |
| -19 | 138 | 157 | Zhanjiang | Guangdong | 3 | 38 | 105 | 84 | 69 | 105 | 123 | 175 | 196 | 163 |
| 32 | 190 | 158 | Laiwu | Shandong | 3 | 204 | 188 | 162 | 206 | 187 | 210 | 94 | 95 | 21 |
| -74 | 85 | 159 | Guigang | Guangxi | 3 | 132 | 115 | 185 | 49 | 27 | 130 | 58 | 189 | 168 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|-------------|-----------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| -26 | 134 | 160 | Sanming | Fujian | 3 | 155 | 174 | 126 | 163 | 120 | 106 | 75 | 152 | 141 |
| 9 | 170 | 161 | Handan | Hebei | 3 | 130 | 80 | 127 | 125 | 170 | 203 | 119 | 62 | 150 |
| -39 | 123 | 162 | Yibin | Sichuan | 3 | 162 | 194 | 92 | 167 | 115 | 109 | 142 | 195 | 99 |
| 16 | 179 | 163 | Taizhou | Zhejiang | 3 | 206 | 147 | 136 | 178 | 59 | 156 | 148 | 154 | 73 |
| 46 | 210 | 164 | Tongling | Anhui | 3 | 116 | 56 | 131 | 95 | 185 | 227 | 167 | 76 | 38 |
| -4 | 161 | 165 | Zhangjiakou | Hebei | 3 | 144 | 183 | 168 | 187 | 127 | 181 | 26 | 61 | 162 |
| 32 | 198 | 166 | Laibin | Guangxi | 3 | 210 | 165 | 5 | 83 | 181 | 202 | 129 | 181 | 184 |
| -1 | 166 | 167 | Shaoxing | Zhejiang | 3 | 124 | 145 | 38 | 129 | 138 | 187 | 137 | 116 | 161 |
| -67 | 101 | 168 | Yulin | Guangxi | 3 | 147 | 129 | 107 | 105 | 146 | 127 | 138 | 209 | 137 |
| -6 | 163 | 169 | Baotou | Baotou | 3 | 175 | 176 | 166 | 205 | 203 | 196 | 153 | 73 | 34 |
| 8 | 178 | 170 | Hezhou | Hezhou | 3 | 32 | 135 | 41 | 72 | 25 | 153 | 205 | 193 | 198 |
| 18 | 189 | 171 | Lijiang | Lijiang | 3 | 190 | 151 | 25 | 107 | 1 | 22 | 222 | 223 | 219 |
| 5 | 177 | 172 | Shaoguan | Shaoguan | 3 | 122 | 166 | 64 | 149 | 175 | 142 | 199 | 179 | 97 |
| -8 | 165 | 173 | Sanmenxia | Sanmenxia | 3 | 216 | 208 | 215 | 211 | 165 | 183 | 103 | 12 | 169 |
| 1 | 175 | 174 | Wenzhou | Wenzhou | 3 | 148 | 205 | 105 | 193 | 28 | 180 | 174 | 175 | 74 |
| 22 | 197 | 175 | Yulin | Yulin | 3 | 71 | 28 | 128 | 87 | 159 | 197 | 24 | 212 | 190 |
| 7 | 183 | 176 | Huangshi | Huangshi | 3 | 183 | 195 | 118 | 176 | 156 | 159 | 195 | 140 | 78 |
| -19 | 158 | 177 | Baicheng | Baicheng | 3 | 91 | 160 | 60 | 115 | 213 | 175 | 65 | 78 | 202 |
| 17 | 195 | 178 | Tangshan | Hebei | 3 | 137 | 175 | 151 | 198 | 196 | 209 | 125 | 87 | 83 |
| -36 | 143 | 179 | Cangzhou | Hebei | 3 | 123 | 158 | 164 | 157 | 160 | 173 | 71 | 120 | 159 |
| -6 | 174 | 180 | Jining | Shandong | 3 | 170 | 110 | 125 | 160 | 149 | 135 | 166 | 138 | 155 |
| -39 | 142 | 181 | Guangyuan | Sichuan | 3 | 81 | 118 | 70 | 102 | 118 | 91 | 192 | 194 | 203 |
| -73 | 109 | 182 | Tai'an | Shandong | 3 | 198 | 163 | 203 | 177 | 184 | 152 | 51 | 121 | 108 |
| -28 | 155 | 183 | Jinzhong | Shanxi | 3 | 143 | 178 | 182 | 208 | 193 | 198 | 15 | 54 | 182 |
| -118 | 66 | 184 | Panzhihua | Sichuan | 3 | 215 | 52 | 188 | 197 | 41 | 88 | 198 | 188 | 90 |
| -13 | 172 | 185 | Zigong | Sichuan | 3 | 174 | 123 | 155 | 175 | 129 | 100 | 180 | 218 | 126 |
| -56 | 130 | 186 | Baishan | Jilin | 3 | 185 | 218 | 189 | 202 | 152 | 165 | 59 | 35 | 192 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|--------------|----------------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| -56 | 131 | 187 | Chongzuo | Guangxi | 3 | 133 | 209 | 73 | 137 | 10 | 107 | 189 | 199 | 194 |
| -17 | 171 | 188 | Songyuan | Jilin | 3 | 64 | 109 | 160 | 155 | 212 | 185 | 66 | 86 | 189 |
| 15 | 204 | 189 | Yuncheng | Shanxi | 3 | 157 | 156 | 169 | 126 | 197 | 201 | 27 | 206 | 107 |
| -9 | 181 | 190 | Huaihua | Hunan | 3 | 99 | 202 | 62 | 183 | 45 | 66 | 183 | 190 | 204 |
| -67 | 124 | 191 | Leshan | Sichuan | 3 | 221 | 204 | 78 | 168 | 116 | 104 | 178 | 184 | 119 |
| 7 | 199 | 192 | Hulunbuir | Inner Mongolia | 3 | 2 | 108 | 132 | 179 | 206 | 147 | 204 | 192 | 209 |
| 1 | 194 | 193 | Pingdingshan | Henan | 3 | 139 | 142 | 191 | 207 | 110 | 195 | 139 | 84 | 147 |
| 13 | 207 | 194 | Changzhi | Shanxi | 3 | 96 | 155 | 200 | 201 | 163 | 215 | 38 | 48 | 172 |
| 13 | 208 | 195 | Huaibei | Anhui | 3 | 209 | 189 | 226 | 228 | 192 | 160 | 63 | 10 | 206 |
| 7 | 203 | 196 | Dongying | Shandong | 3 | 135 | 207 | 141 | 165 | 215 | 191 | 120 | 163 | 117 |
| -13 | 184 | 197 | Weinan | Shaanxi | 3 | 73 | 111 | 89 | 162 | 210 | 145 | 200 | 215 | 166 |
| -18 | 180 | 198 | Tongliao | Inner Mongolia | 3 | 104 | 117 | 133 | 113 | 195 | 166 | 202 | 216 | 185 |
| 12 | 211 | 199 | Bayannur | Inner Mongolia | 3 | 151 | 184 | 140 | 204 | 204 | 189 | 19 | 118 | 214 |
| -56 | 144 | 200 | Siping | Jilin | 3 | 168 | 212 | 148 | 169 | 216 | 184 | 127 | 82 | 176 |
| -19 | 182 | 201 | Zaozhuang | Shandong | 3 | 193 | 119 | 184 | 144 | 188 | 172 | 157 | 173 | 156 |
| -17 | 185 | 202 | Hechi | Guangxi | 3 | 79 | 182 | 47 | 93 | 168 | 193 | 221 | 225 | 205 |
| NA | NA | 203 | Wuhai | Inner Mongolia | 3 | 152 | 211 | 134 | 220 | 205 | 207 | 227 | 222 | 59 |
| -54 | 150 | 204 | Zhangjiajie | Hunan | 3 | 101 | 201 | 229 | 219 | 31 | 59 | 39 | 99 | 210 |
| -3 | 202 | 205 | Linfen | Shanxi | 3 | 150 | 180 | 173 | 171 | 198 | 213 | 111 | 132 | 183 |
| 3 | 209 | 206 | Yangquan | Shanxi | 3 | 208 | 193 | 198 | 227 | 190 | 205 | 114 | 26 | 212 |
| -16 | 191 | 207 | Jincheng | Shanxi | 3 | 187 | 101 | 201 | 200 | 214 | 206 | 155 | 107 | 178 |
| -46 | 162 | 208 | Zhaotong | Yunnan | 3 | 18 | 138 | 223 | 199 | 131 | 80 | 218 | 228 | 230 |
| -113 | 96 | 209 | Jiamusi | Heilongjiang | 3 | 213 | 228 | 176 | 192 | 172 | 119 | 213 | 198 | 199 |
| -5 | 205 | 210 | Datong | Shanxi | 3 | 121 | 203 | 216 | 222 | 217 | 199 | 105 | 104 | 207 |
| -10 | 201 | 211 | Yingkou | Liaoning | 3 | 13 | 197 | 165 | 196 | 225 | 216 | 225 | 200 | 33 |
| 0 | 212 | 212 | Hegang | Heilongjiang | 3 | 196 | 226 | 138 | 226 | 211 | 221 | 97 | 69 | 227 |
| 9 | 222 | 213 | Huainan | Anhui | 3 | 214 | 224 | 202 | 224 | 154 | 218 | 143 | 89 | 213 |

| Change in Rank over 1 Year | 2017 Rank (Tier 1 & 2 Cities) | 2018 Rank (Tier 1 & 2 Cities) | City | Province | City Tier | 1-Year Job Growth (2015-2016) | 5-Year Job Growth (2011-2016) | 1-Year Wage Growth (2015-2016) | 5-Year Wage Growth (2011-2016) | 1-Year GRP Per-Capita Growth (2015-2016) | 5-Year GRP Per-Capita Growth (2011-2016) | 3-Year FDI Growth (2013-2016) | FDI/GRP (2016) | LQ for High Value-Added Industry Employment (2016) |
|----------------------------|-------------------------------|-------------------------------|----------|--------------|-----------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--|--|-------------------------------|----------------|--|
| 1 | 215 | 214 | Yichun | Heilongjiang | 3 | 160 | 217 | 193 | 148 | 201 | 204 | 216 | 205 | 228 |
| -174 | 41 | 215 | Ziyang | Sichuan | 3 | 229 | 143 | 230 | 191 | 183 | 46 | 21 | 159 | 152 |
| -56 | 160 | 216 | Jixi | Heilongjiang | 3 | 218 | 206 | 227 | 225 | 207 | 211 | 50 | 67 | 222 |
| 8 | 225 | 217 | Qitaihe | Heilongjiang | 3 | 227 | 227 | 205 | 229 | 143 | 225 | 8 | 139 | 221 |
| 1 | 219 | 218 | Shuozhou | Shanxi | 3 | 181 | 200 | 217 | 209 | 208 | 212 | 160 | 143 | 225 |
| -13 | 206 | 219 | Huludao | Liaoning | 3 | 224 | 192 | 222 | 194 | 219 | 214 | 229 | 220 | 114 |
| -28 | 192 | 220 | Jinzhou | Liaoning | 3 | 212 | 148 | 204 | 189 | 223 | 217 | 224 | 201 | 115 |
| -45 | 176 | 221 | Heihe | Heilongjiang | 3 | 230 | 229 | 12 | 184 | 176 | 94 | 149 | 77 | 218 |
| 2 | 224 | 222 | Chaoyang | Liaoning | 3 | 217 | 214 | 219 | 217 | 220 | 219 | 217 | 204 | 171 |
| -5 | 218 | 223 | Panjin | Liaoning | 3 | 188 | 210 | 207 | 214 | 221 | 220 | 209 | 108 | 226 |
| -38 | 186 | 224 | Liaoyang | Liaoning | 3 | 220 | 216 | 209 | 216 | 229 | 229 | 206 | 136 | 64 |
| -11 | 214 | 225 | Dandong | Liaoning | 3 | 223 | 223 | 208 | 221 | 226 | 223 | 228 | 219 | 121 |
| -5 | 221 | 226 | Tieling | Liaoning | 3 | 205 | 185 | 213 | 213 | 222 | 226 | 212 | 153 | 216 |
| -10 | 217 | 227 | Fushun | Liaoning | 3 | 219 | 219 | 218 | 215 | 227 | 224 | 230 | 230 | 111 |
| -12 | 216 | 228 | Benxi | Liaoning | 3 | 226 | 221 | 212 | 223 | 228 | 228 | 210 | 156 | 55 |
| -16 | 213 | 229 | Anshan | Liaoning | 3 | 225 | 213 | 221 | 212 | 230 | 230 | 223 | 207 | 51 |
| -7 | 223 | 230 | Fuxin | Liaoning | 3 | 228 | 225 | 225 | 218 | 224 | 222 | 219 | 210 | 215 |

APPENDIX

CLASSIFICATION AND DESIGNATION OF CITIES

Chinese cities can vary dramatically by population size, geography, strategic significance to the national economy, and central government policy influence. Accordingly, this ranking classifies Chinese cities into three categories—first-, second-, and third-tier cities—that follow the conventional designation and hierarchy of cities in China.

This index focuses on cities classified as prefecture-level cities or above. There is a broad consensus, but not universal agreement, as to which cities sit atop this hierarchy in the first tier. This ranking defines the first-tier cities as the municipalities directly governed by the Chinese central government (Beijing, Chongqing, Shanghai, and Tianjin). The second-tier cities consist of the capital cities of provinces and five cities (Dalian, Ningbo, Qingdao, Shenzhen, and Xiamen) with special plans approved by the Chinese central government. The rest of the cities in our sample naturally fall into the third-tier city category. It is widely known that first- and second-tier cities have typically received more resources from the Chinese central government, are shaped more heavily by central government policies, and consequently, tend to possess more economic power than the third-tier cities. Therefore, to increase comparability among all cities, we rank the first- and second-tier cities as one group and the third-tier cities as a separate group.

In 2016, China had a total of 657 cities, of which 278 are prefecture-level and above.⁶³ Due to changes in the number of cities over time (cities are continuing to be incorporated) and missing or unavailable data for some cities, we include only 264 cities in this report. We classify these 264 cities into three distinct tiers according to their respective economic development status, which breaks down as four first-tier cities, 30 second-tier cities, and 230 third-tier cities.

DATA AND VARIABLES

Our main sources of data come from the 2012, 2014, 2016, and 2017 editions of the China City Statistical Yearbook. Each yearbook publishes data from the previous year—e.g., the 2017 edition provides data for 2016. Due to data anomalies for certain cities, we sought out other data sources and adjusted for consistency in those cases (see discussion below).

The Best-Performing Cities China composite index consists of nine indicators, which include seven growth measures and two stock measures. Specifically, the index measures the growth in jobs, wages, and per capita gross regional product (GRP) over one- (2015-2016) and five-year (2011-2016) periods. These six growth measures are commonly used to measure the performance of various economies. The one-year growth measures intend to reflect the recent dynamics for Chinese cities, whereas the five-year growth measures aim at tracing a longer economic development trajectory and adjusting for variations in business cycles. The seventh growth measure in the index is for three-year FDI growth (2013-2016). Existing research suggests that foreign direct investment (FDI) plays an essential role in recent economic development in China, evidenced by the fact that in 2016 China was the world's largest recipient of FDI.

In addition to the three-year FDI growth measures, our index incorporates a measure that depicts the amount of foreign capital actually used with an FDI/GRP ratio. The FDI/GRP ratio measures the use of foreign capital for local economic development. Together, the two measures reflect each city's economic openness and past economic performance, while indicating its future growth potential.

The ninth and final component of the index is the location quotient (LQ) for high value-added industry jobs in 2016. This report defines the following categories as high value-added industries: manufacturing; transport, storage and post; information transmission, computer services and software; financial intermediation; real estate; and leasing and business services. The LQ is a ratio that compares the concentration of a resource or activity (employment in this case) in a defined area to that of a larger area. In this index, a LQ greater than one indicates that a city's high value-added industries have a greater share of the local area employment than other Chinese prefecture level-and-above cities as a whole. Conversely, an LQ of less than one indicates a smaller share of employment. This ratio intuitively measures the ability of cities to generate greater economic benefits (such as profits and wages) for future development.

As discussed above, some nonstandard data reporting required alternative data sources and adjustments to ensure consistency. Specifically, certain data for jobs, wages, GRP, GRP per capita, and FDI for some cities appeared to be revised in later years according to other data sources. The data may be unreliable due to a change in estimation methods or other unidentifiable reasons. Among the affected cities are Chongqing, Shuozhou in Shanxi Province, Lanzhou in Gansu Province, Tianjin, Qinhuangdao in Hebei Province, and Shenzhen in Guangdong Province. As a result, the data for these cities were not comparable across some time periods and yielded ranking results that may not reflect the true performance status of these cities. To address these issues and better reflect the economic dynamics of these cities, we referred to other official statistical yearbooks and government websites to adjust inappropriate data points for them.

METHODOLOGY IN DETAIL

Our ranking measures economic performance of cities in China by focusing on nine indicators. These indicators are then combined into an index by which the 264 cities are ranked for the year 2016.

We adopted a weighted z-score approach. Constructing our ranking index by the weighted z-score method involves five steps. First, we calculate the arithmetic mean and the standard deviation for each indicator. Second, we take the value for each indicator and subtract from it the arithmetic mean for that indicator and divide this differential by the standard deviation, yielding a z-score. Third, we assign weights to each of the nine indicators (indicated in Table 3). In our index, we allocate a greater weight to the FDI and LQ variables, given that many theoretical and empirical studies suggest that these indicators have played a critical role in driving China's economic development and growth. For each city, multiplying the z-scores for each indicator by the assigned weight for that indicator yields the weighted z-scores. Fourth, we summed up the weighted z-scores associated with each of the nine variables for each city, resulting in a sum of weighted z-scores for each city. Finally, based on the total weighted z-scores, we ranked 34 first- and second-tier cities in one group and 230 third-tier cities in another group.

Table 3. Components of the Best-Performing Cities China Index

| Indicator | Weighting |
|--|------------------|
| 1-year job growth (2015-2016) | 0.100 |
| 5-year job (2011-2016) | 0.100 |
| 1-year wage growth (2015-2016) | 0.100 |
| 5-year wage growth (2011-2016) | 0.100 |
| 1-year GRP per-capita growth (2015-2016) | 0.100 |
| 5-year GRP per-capita growth (2011-2016) | 0.100 |
| 3-year FDI growth (2013-2016) | 0.125 |
| FDI/GRP (2016) | 0.125 |
| LQ for high value-added industry employment (2016) | 0.150 |

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ENDNOTES

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