

“China Hawaii Chamber of Commerce” and “China Council for the Promotion of International Trade (CCPIT) Hebei Sub-Council” agreed to enhance the liaison and cooperation in the area of import & export, investment, business information and other commerce related activities for the benefit of the members of both Organization and Our Two Great Countries.
 Formal Cooperative Agreement Signed on October 20, 2003 in Honolulu, Hawaii, USA.

HEBEI PROVINCE (河北省)

Economic Indicators	2001		2002	
	Value	Growth (%, y-o-y)	Value	Growth (%, y-o-y)
Gross Domestic Product (RMB bn)	557.8	8.7	607.6	9.6
Per Capita GDP	8362	8.2		
Added Value Output				
- primary industry (RMB bn)	91.4	5.3	95.0	4.6
- secondary industry (RMB bn)	276.7	8.3	303.4	10.6
- tertiary industry(RMB bn)	189.6	11.0	209.3	10.5
Gross Industrial Output (RMB bn)	376.7	9.9		
Fixed-assets Investment (RMB bn)	194.2	5.1	101.9*	13.0
Retail Sales (RMB bn)	177.8	10.2		
Inflation (Consumer Price Index, %)		0.5		0.3
Exports (US\$ bn)	3.47	5.9	4.16	19.8
- by FIEs (US\$ mn)	1.14	12.8	1.44	25.8
Imports (US\$ bn)	2.35	6.2	2.67	14.2
- by FIEs (US\$ mn)	0.66	16.2	0.82	23.3
Foreign Direct Investment				
- number of projects	503	0.04	312**	n.a.
- contractual amount (US\$ bn)	1.0	38.9	0.77**	n.a.
- utilized amount (US\$ bn)	0.76	-25.5	0.49**	n.a.

Notes: * Jan-Nov statistics **Jan-Sep statistics Sources: Hebei Statistical Yearbook 2002; official announcements

General Background

Hebei has a total area of 187,700 sq.km. Total population stood at 67.0 million in the 2000 population census. Hebei is included in the Jing-Jin-Ji (Beijing-Tianjin-Hebei) Economic Region (京津冀經濟圈) and the Bohai Bay Economic region (環渤海經濟圈). Hebei is a major agricultural base in China. In 2001, its agricultural and animal husbandry output were the fourth and second highest respectively in the country. The province's output of fruit and milk also ranked very high in China.

Hebei is also a major producer of iron and steel. In 2001, Hebei's output of iron and steel ranked the first and third in China. Besides, the province has rich reserves of marble, potassium sand shale, natural oilstone, titanium, dolomite and vermiculite.

Industries

Composition of GDP (%)

	1980	2001

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Primary	31.1	16.4
Secondary	48.3	49.6
Industry	42.9	43.7
Tertiary	20.6	34.0

Source: Hebei Statistical Yearbook 2002

In 2001, Hebei's industrial output totalled Rmb376.7 billion (+9.9%). Heavy industry amounted to RMB 246.2 billion, i.e. 65% of the province's total industrial output.

Major industries in Hebei include chemical, machinery, electronics, metallurgy and building materials. Output of products such as sanitary porcelain, plane glass, cotton yarn, cement, iron and steel are significant in the country. The North China Pharmaceutical Plant, locates in Shijiazhuang, is the major antibiotic producer in China with its output of penicillin ranking the highest in the world.

In coming years, Hebei will actively attract foreign funds and introduce advanced technology in all production sectors. The province aims to upgrade the overall productivity and product quality of its industrial enterprises and raise market competitiveness. Meanwhile, Hebei also targets to boost the tertiary sector such as finance, banking, information services and tourism.

Output Share of Leading Industry Groups 2001

	% share of total industrial output
Smelting and pressing of metal	18.7
Petroleum and chemical	10.9
Food and beverage	9.6
Textile and garment	8.1
Nonmetal mineral products	6.3

Source: Hebei economic yearbook 2002

Hebei is a popular tourist spot in Northern China with many historical sites such as the Chengde Summer Resort (承德避暑山莊), the Shanhaiguan Pass of the Great Wall (山海關), the Beidaihe (北戴河) Summer Resort, the Eastern Tombs and Western Tombs of the Qing Dynasty. Beidaihe is the Camp David of China and the place has hosted many important politburo meetings. In 2001, about 434,000 (+8.5%) overseas tourists and 53.2 million domestic tourists (+9.4%) visited the province and generated a total revenue of US\$150 million (+12.9%) and RMB 23.4 billion (+16.3%) respectively.

Foreign Trade

Exports totalled US\$4.2 billion (+19.8%) in 2002. Major exports included crude oil, cotton, yarn and fabrics, iron and steel, antibiotic and food. Major markets were the EU, Japan, Korea, the US and Taiwan. Total exports to these five markets amounted to US\$ 2.6 billion, accounting for 65.7% of the province's total. Imports rose by 14.2% to US\$2.7 billion in 2002. Major imports included fertilizer, chemical raw material, machinery and electronic products. Major import sources were the EU, Japan, Korea and the US. Total imports of these four economies accounted for 60.1% of the province's total imports.

Foreign Investment

FDI in Hebei

	1979-2001	2000	2001
Number of projects	10,131	501	503
Contracted amount (US\$ bn)	14.66	0.72	1.0

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Utilised amount (US\$ bn)	7.9	1.02	0.76
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Source: Hebei economic yearbook, 2002

Hong Kong is the largest source of foreign investment in Hebei. In 2001 Hong Kong signed 125 contracts with a capital of US\$427 million. Utilized FDI amounted to US\$253 million. Other major investment sources were Taiwan, UK and US.

Shijiazhuang, Tangshan, Baoding, Qinhuangdao are popular for foreign investment. In coming years, foreign investments are encouraged in the areas of machinery, building materials, chemicals, textiles, pharmaceuticals, electronics, infrastructure and real estate development.

Consumer Market

Retail sales of consumer goods rose by 10.2% to Rmb177.8 billion, the ninth largest among all provinces of China in 2001. The Jing-Jin-Ji Economic Region, with a consumer group of more than 100 million people, is one of the largest consumer markets in China. Major retail centres are located in Shijiazhuang, Tangshan, Handan and Baoding. Total retail sales of these four cities amounted to RMB 106.4 billion, or 59.8% of the province's total.

Composition of Per Capita Expenditure of Urban Household (%)

	1996	2001
Food	52.2	35.4
Clothing	9.5	11.8
Medicine & medical services	4.3	9.4
Transportation & communications	4.1	8.7
Housing & utilities	15.0	10.3

Source: Hebei statistical yearbook, 1997, 2002

Major department stores and shopping centres in Hebei include Shijiazhuang Beiguo Commercial City (石家莊北國商城), Shijiazhuang Renmin Department Store (石家莊人民商場), Shijiazhuang Dongfeng City Plaza (石家莊東方城市廣場), Shijiazhuang Ximei Department Store (石家莊西美百貨商場), Tangshan Department Store (唐山百貨大樓), Qinhuangdao Hualian Commercial City (秦皇島華聯商城) and Baoding Department Store (保定百貨大樓).

Economic Indicators of Major Cities (2001)

Cities	GDP	GDP growth	Per Capita GDP	Industrial Output	Retail Sales
	(Rmb bn)	(%)	(RMB)	(RMB bn)	(RMB bn)
Shijiazhuang 石家莊	108.5	9.1	12,157	86.1	36.9
Tangshan 唐山	100.6	10.1	14,379	68.1	25.1
Baoding 保定	74.7	9.6	7,058	34.5	25.4
Handan 邯鄲	59.2	9.0	7,032	35.7	18.9
Cangzhou 滄州	48.7	8.6	7,436	25.0	13.6
Qinhuangdao 秦皇島	30.7	8.1	11,500	17.2	9.5

Source: Hebei statistical yearbook 2002