

# General Information about Dalian

## City Profile

### Overview

Located on the southern tip of the Liaodong peninsular, Dalian is flanked by the Yellow Sea to the east and the Bohai Sea to the west, meanwhile facing the Shandong peninsula across the sea to the south and the vast hinterland of Northeast China to the north. As an important port city in Northeast China with significant presence in industry, trade, finance and tourism sector, Dalian serves as a junction point for Northeast China to interact with Japan, South Korea, Far East Region of Russia, as well as Southeast Asia. It embraces a land area of 12,500 km<sup>2</sup>, sea area of 29,476 km<sup>2</sup>, a coastline of 2,211 km and a population of 6.9 million.

### Economy

In recent years, Dalian has been very active in industrial structure adjustment and witnessed a constant improvement in both economic growth quality and benefit. Since the second quarter of 2015, the city has recorded a stable upbeat GDP for 11th straight quarter, with its volume and growth rate taking the leading position among cities in Liaoning Province. In 2017, Dalian secured a GDP of RMB 736.3 billion, a YoY growth of 7.1%, outpacing the national average level. Its import/export volume amounted to RMB 413.2 billion, increasing by 21.7%. Dalian is home to over 180,000 SMEs covering a variety of sectors.

### Industry

Dalian boasts solid industry foundation. The city is home to traditional privilege industries such as petro-chemicals, electronic information, equipment manufacturing and shipbuilding, and serves as a national characteristic industry base accommodating sectors including hi-end bearing, CNC machine tools and nuclear power equipment. Dalian manufactured China's first ever aircraft carrier, half of the vending machines currently under service in China and 400,000 whole-car for Dongfeng Nissan which is planning to escalate its Dalian facility into the forth global production base for its upscale brand Infinity. At the meantime, new type of industries, such as hi-tech, modern tertiary service, and strategic emerging industries, are taking shape rapidly. In 2017, its hi-tech and strategic emerging industry saw a value increment of 50.8% and 17.5%, respectively. The city also boasts a software and service outsourcing industry cluster with output over RMB100 billion, first ever in China. The financial center index of Dalian ranked the 75<sup>th</sup> in the world and 6<sup>th</sup> in mainland China.

### Opening-up

Dalian is among the first batch of coastal open cities, embracing three state-level economic development zones and the only bonded port area in northeast China. The city has been put at the forefront in China's new round of opening up as a host of pioneering functional areas come into being one after another, including China (Liaoning) Pilot Free Trade Zone Dalian Area, State-level Jinpu New Area, National Independent Innovation Demonstration Area, State Comprehensive Pilot Zone for Building New Open Economy System and Cross-Border E-Commerce Comprehensive Pilot Area. Right now the city is actively applying for the Free Trade Port status, vigorously promoting the development of key industrial parks along the Liaoning Coastal Economic Belt, and energetically accelerating the construction of new foreign cooperation platform.

## **Transportation**

Dalian boasts 188 domestic and international air traffic routes, connecting 109 cities in 16 countries and regions, forming an air transportation network covering whole China, radiating Japan, South Korea and Russia, and connecting Europe, America and Asia. Dalian Port has shipping links with over 300 ports in more than 160 countries and regions. It is the only port in northeast China that has been included in the Belt and Road Initiative. Dalian Port is committed to developing international marine-railway multimodal transport channels including Liaoning-Manzhouli-Europe route and Liaoning-Xinjiang -Europe route, etc., aiming at boosting international trade with Europe, Southeast Asia, Japan and South Korea.

## **HR and Technology**

The city is home to 30 general higher educational institutions, over 100 municipal-level and above research institutes, accommodating 785,000 professionals and technicians. The city is accelerating its efforts in establishing Northeast Asia Technology Innovation and Entrepreneurship Center. The city has more than 700 high-tech enterprises and advanced technology enterprises, 50 state-level innovation platforms and 393 provincial-level innovation platforms. The city is favored by IBM to locate its largest innovation studio in China - IBM Studios Dalian.

## **Ecological Environment**

With an annual average temperature of 10.5°C and over 96% of year-round superior urban air quality rate, the city has a forestation rate of 41.5% and a woody plant coverage rate of 50%. Dalian has won honors of UN “Global 500 Roll of Honor for Environmental Achievement”, China “Living Environment Award”, “Environmental Protection Model City”, “International Awards for Livable Communities”, “National Civilized City”, “National Forest City”, “China Tourism and Leisure Demonstration City” and “China Cruise Tourism Development Pilot Zone”.

As the portal and gateway for Northeast China to open to the outside world, Dalian shoulders the important mission of a new round Revitalization of the Northeast China Strategy, Belt and Road Initiative, the Construction of “The Pioneering Area in Industrial Structure Optimization And the Pilot Area in Economic And Social Development” . Therefore, the city will strive to become the bellwether in the overall revitalization of the Northeast China.

# **Foreign Economic and Trade Cooperation**

## **Overall Situation**

Dalian has established economic and trade relations with more than 80 countries and regions around the world, and embraces the highest concentration of foreign trade activities and foreign investment in Northeast China. It is home to more than 25,000 companies engaged in foreign trade business and over 18,000 foreign invested enterprises (approved in accumulation), with the paid-in foreign investment of USD 109 billion. Up till now, 114 Fortune Global 500 companies have invested 267 projects in Dalian. The U.S. based Intel invested USD 5.5 billion to upgrade Dalian Fab 68 Factory, so as to produce the most advanced memory chips. The German auto-giant Volkswagen successively invested and established its engine and gearbox manufacturing facilities in

Dalian. Japanese conglomerate Panasonic set up its first automotive battery plant for new energy car. With the convening of a series of major international conferences, Dalian becomes more eye-catching around the world. Summer Davos Meeting (Annual Meeting of the New Champions) has served as a platform that showcases the charm of the city; China International Software and Information Service Fair is renowned as the “China Top Notch Software Fair” in the

industry; China International Garment and Textile Fair provides an important stage that presents Dalian as the “Fashion Capital in Northeast Asia”.

## **FDI Overview**

### **Investment**

In accumulation, 845 European-company-funded enterprises have been established in Dalian from 1985 to 2017 with an actual investment of USD 5.324 billion. Key enterprises include Faw-Volkswagen Engine(Dalian) Co., Ltd, Volkswagen Automatic Transmission (Dalian) Co., Ltd, Deutz(Dalian) Engine Co., Ltd, ThyssenKrupp Presta AG, Dalian Metro Warehouse Manangement Co., Ltd, Grob Machine Tools (Dalian) Co., Ltd, Dalian West Pacific Petrochemical Company Ltd. Dalian, Air Liquide (Dalian) Co., Ltd, and Decathlon (Dalian) Co., Ltd.

### **Bilateral Trade**

The accumulated bilateral import and export trade volume totaled USD 108.3 billion from 1985 to 2017, including import from Europe of USD 52.5 billion, export to Europe of USD 55.8 billion, incurring a trade surplus of USD 3.3 billion .

### **Sister Cities and Friendly Cooperative Relation Cities**

To date, Dalian’s Sister cities in Europe include Bremen State and Rostock in Germany, Le havre in France, Glasgow in UK, Vladivostok in Russia, Enschede in Netherlands; Friendly Cooperative Relation cities include Ohrid in Macedonia, Genoa and Milan in Italy, Rijeka in Croatia, Tomsk in Russia, Bergen in Norway, Wolfsburg in Germany and Azar Autonomous Republic in Georgia.

## **The Economic and Trade Cooperation between Dalian and Italy**

### **Investment**

From 1985 to 2017, there have been 75 Italian invested enterprises in Dalian, with actually invested FDI of USD 170 million, such as Eldor Automotive Powertrain (Dalian) Co., Ltd., FOMAS Precision Forging (Dalian) Co., Ltd., and Same Deutz-Fahr Trading (Dalian) Co., Ltd.

### **Bilateral Trade**

From 1985 to 2017, the bilateral trade totaled to USD 6.2 billion, among which, the import from Italy accounts for USD 2.3 billion and the export to Italy accounts for USD 3.9 billion, with trade surplus of USD 1.6 billion.

## **Economic and Trade Exchanges**

Dalian and Italy have maintained friendly exchanges and cooperation for many years. Besides several business visits led by Dalian municipal leaders to Italy, in 2011, the Government of Marche Region organized over 40 delegates representing 25 companies to Dalian carrying on economic and trade connections. In 2014, Mr. Gian Mario Spacca, the Chairman of Marche Region visited Dalian for the second time, during which, Chairman Spacca attended the opening ceremony of Marche Italian Cultural Restaurant, Food Promotion of Marche Region and “Marche Fashion Promotion”. Dalian University of Foreign Languages offers Italian language and literature major, with 7 Chinese teachers, 2 Italian teachers and 110 enrolled students.

Dalian Municipal Bureau of Commerce