China’s Jing-Jin-Ji regional economic strategy: 2016 progress update

The prospects and challenges with co-ordinating economic development across Beijing-Tianjin-Hebei
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Introduction

Initial report card

Having entered its second year as an official economic development programme, the “Beijing–Tianjin–Hebei Co-ordinated Development” (京津冀协同发展) now boasts project and policy initiatives that demonstrate genuine progress and deepened integration. As 2016 draws to a close, champions of “Jing-Jin-Ji” (“Jing” for Beijing, “Jin” for Tianjin, and “Ji” for the classical Chinese name of the territory contained in Hebei province), can point to a limited but tangible track record that backs up claims about the enormous potential for northern China’s leading regional economy. At the same time, challenges for Jing-Jin-Ji to continue delivering results are mounting as well. This not only stems from issues internal to the separate and conjoined economic structures of Beijing, Tianjin and Hebei, but are an inevitable byproduct of China’s maturing, complex and exceptionally large economic mass.

Building upon analysis we provided in 2015 through the report, Understanding Jing-Jin-Ji, The Economist Corporate Network (ECN) has produced this current report, China’s Jing-Jin-Ji regional economic strategy: 2016 progress update. This document stands on its own for new insights and information while at the same time serving to provide a useful reference for how Jing-Jin-Ji is performing after its initial phase of implementation.

Acknowledgements

ECN in Beijing organised the research and writing of this white paper. The Access China team of The Economist Intelligence Unit (The EIU) provided valuable municipal and provincial reports and data. Xin Yuan, Research Analyst from Access China, contributed most of the updated content portions of this report. Rob Koepp, Director at The Economist Corporate Network, also contributed and served as Managing Editor. Robert Ward, The EIU’s global Editorial Director, served as Supervising Editor. ECN is grateful for the generous sponsorship of JLL to underwrite the costs of this white paper and for respecting our rigorous standards for fully independent research, analysis and editing.
Leading regionally

Contemporary China has seen the emergence of two dominant economic regions located around the delta areas of the southern flowing Pearl and central flowing Yangtze rivers. Both regions possess distinct cultural identities, local dialects, and strong entrepreneurial traditions.

The inhabitants of Jing-Jin-Ji, on the other hand, although sharing a common geography (“colocational” in the parlance of regional economics), are not tightly bound by a pronounced local culture or regional identity. Beijing retains a sense of enormous self-importance and bureaucratic prestige as the capital. It has traditionally overshadowed Tianjin despite the latter’s status as a nationally administered municipality and major port. Hebei province, a base for nationally and even globally prominent companies, comes across as a poor, polluting, unsophisticated cousin compared to the two giant metropolises its lands surround. What some like to refer to as the burgeoning Jing-Jin-Ji “megalopolis” lacks the sort of binding cultural traits and shared commercial mindset that infuse the economic milieu of China’s highly successful Pearl River and Yangtze Delta regions.

The Jing-Jin-Ji dream

Though lacking in socio-economic cohesion, Beijing and its surrounding territories are not wanting in political attention. The idea to integrate the three areas to better balance resources and foster more sustainable growth had been discussed for years. The Jing-Jin-Ji concept earned a crucial endorsement when President Xi Jinping extolled its merits in late February 2015. State Council-issued guidelines on the combined region’s development perfunctorily followed. Talk now circulates about how Jing-Jin-Ji could rival the Pearl River and Yangtze River delta regions in scale and potential. Chinese academics speak ebulliently about how the co-ordinated development could create new models for urban planning. As one comparative assessment notes, linking Beijing, Tianjin, and Hebei province will create a massive urban landscape with the equivalent land mass of Uruguay and the population density of Japan.

Most of these optimistic assessments assume that economic integration can and will
occur despite underlying social divisions. To address the mounting industrialisation-based ills of the Beijing-Tianjin-Hebei region, the Jing-Jin-Ji launched Action Plan for Prevention and Control of Air Pollution, which is a five-year plan (2012-17) involving cutting coal use, closing polluters, promoting cleaner production and controlling the number of private cars, with the aim to reduce average annual concentration of PM2.5 emissions (fine particulate matter) by at least 15% compared with the 2012 level and to reduce the proportion of coal used in total energy consumption to less than 50%, through expansion of the natural gas infrastructure.

Supporting initiatives such as enhanced road, rail, and airport infrastructure will undeniably provide important physical connectivity. Even so, no matter how many expressways or high-speed rail lines are built, travelling around Hebei’s many remote, thoroughly rural locales today brings to question just how much genuine urbanisation across the combined region is really possible. Regardless, the idea of a megalopolis is malleable enough that it could—if accepting widely varying urban territory in its midst—accurately describe the future of Jing-Jin-Ji. At the same time, anyone anticipating the emergence of a true “supercity”, as some news media seem eager to promote, might face a very long (if not indefinite) wait.

Official Chinese sources enthusiastically describe all variety of positive transformations in store with the implementation of Jing-Jin-Ji initiatives but noticeably skip over specifics about how these outcomes will be accomplished. A numerated outline describing 10 component elements appeared on August 24th 2015 when the State Council’s website posted the “Confirmed Positioning for Jing-Jin-Ji Co-ordinated Development Functions” (京津冀协同发展功能定位明确). This entails:

- **One Core:** Beijing. The “first responsibility” of co-ordinated development will be to alleviate Beijing’s congestion through removal of economic activities not crucial to its operations as the nation’s capital.

- **Two Cities:** Beijing-Tianjin. The authorities deem these cities as the “twin engines” of region-wide development.

- **Three Axes:** three main corridors for industrial development and urbanisation that form Jing-Jin-Ji’s geographic backbone. The Beijing-Tianjin axis runs east-to-west, the Beijing-Boaoing-Shijiazhuang axis runs through Hebei’s south-west, and the Beijing-Tangshan-Qinhuangdao axis runs through Hebei’s north-east.

- **Four Zones:** these comprise a central zone around Beijing to provide co-ordinating functions, an eastern zone around Tianjin’s Binhai port area for development support, a southern zone for greenfield development, and a north-west zone for ecological conservation.

The aspirations are bold and the potential promising, but is there enough behind the Jing-Jin-Ji dream for it to become reality? Accurately assessing the prospects for Beijing-Tianjin-Hebei integration requires examining each component region’s prevailing economic conditions and evolving trends.
Jing

Beijing is China’s political, educational, and media capital. It further enjoys leading positions in the influential sectors of IT, finance, healthcare, tourism, and transportation. With an estimated population of 22.8m in 2015—roughly on par with Taiwan’s 23.5m—Beijing generates a gross regional product of Rmb2.3trn (US$339bn). If it were its own country, Beijing’s GDP would rank it amongst the top 30 economies in the world. Beijing’s economic output is expected to grow at a compound annual rate of 6.1% to reach Rmb3.18trn (US$469bn) by 2020. The municipality’s urban population has a verified (2014 data) per capita disposal income of Rmb43,910 (US$6,478), bested only by Shanghai’s Rmb47,710 (US$7,039) per person.

Since our previous report issued in September 2015, we have observed Beijing authorities broadening their embrace of development project structures. Push and pull factors in the local economy also are moving Beijing towards more advanced industrialisation and balanced growth led by consumption and services.

- **PPP.** The Beijing municipal government is promoting public-private partnership (PPP) projects. By August 2016, it had issued approvals for 89 PPP projects involving total investment value of more than Rmb240bn (US$35.4bn). Half of these projects were in the area of municipal services, including water supply, waste disposal and transportation. Beijing officials furthermore are seeking to develop PPP projects related to its hosting of the 2022 Winter Olympics, a marquee undertaking for Beijing and the Jing-Jin-Ji region overall.

- **Technopreneurship.** Tencent, now the most valuable company in Asia, opened a 50,000-sq-metre Tencent Collective Create Space in Beijing in November 2015. The area provides entrepreneurial support for companies involved in the Internet, robotics, artificial intelligence and other high-technology sectors. The municipal government also released its Beijing Big Data and Cloud Computing Development Action Plan 2016-20, with an annual revenue target of Rmb100bn (US$14.8bn) for data-related industries; a Big Data Convergence Centre is to be set up by 2020. The government is encouraging collaboration between cloud computing and public services such as transportation, healthcare and education.
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- Cultural industries. The government has announced policy measures to encourage land use for the development of cultural and creative industries in the period to 2020. The organising committee of the Beijing International Film Festival, which is held every April, has forged a partnership with the Motion Picture Association of America (MPAA) to support young film-makers in China.

Consumption and services
According to The EIU’s newly published white paper, *The Chinese consumer in 2030*, Beijing—and to a lesser degree, Tianjin—will be among the top five major Chinese municipalities experiencing growth among resident high-income consumers. Over the next 15 years, the number of Beijing residents with a disposable income per head of above Rmb200,000 (US$29,500) will triple. This anticipated rise in income levels mean that consumption habits will also change.

The growth in the high-income population means that new, emerging forms of high-end consumption, such as wealth management and insurance services, will become increasingly widespread. For those entering the upper middle-income demographic, they can be expected to upgrade their spending towards branded and premium products. Meanwhile, individuals moving into the lower middle-income bracket will have greater room for discretionary spending on goods and services.

In area of advanced services, in addition to new initiatives with information technology services mentioned above, other strategically valuable service sectors in Beijing that are making noticeable progress include financial services and healthcare.
There are even notable examples of healthcare and financial services working in tandem for Beijing’s industrial upgrading. Beijing Anzhen Hospital and China Orient Asset Management Corporation recently signed a PPP agreement to build Beijing Anzhen International Hospital, a high-end general hospital which will focus on the treatment of cardiovascular disease. Beijing Hengkun Shoushan Fuhai Investment and Beijing Municipal Social Welfare Affairs Management Centre opened an elderly care centre in late 2015. People with disabilities and those over the age of 80 are given priority at the 648-bed centre.

Reflecting developments within the context of Jing-Jin-Ji, Beijing and Tianjin have also expanded co-operation in the services sector, with several major projects in finance, high technology and exhibitions under way in Tianjin that are sponsored by Beijing-based companies. For example, Beijing-based technology company LeEco signed an agreement with Tianjin’s Ji county local government in September 2015 to build an “ecological city”, which will include facilities for the production and distribution of online videos, as well as intelligent terminal manufacturing and e-commerce.

### Beijing forecasts

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<td>103.6</td>
<td>110.0</td>
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Source: The Economist Intelligence Unit.
Jin 津

Bordering Beijing on its eastern edges, the port city of Tianjin is home to an estimated 14.5m people, roughly equivalent to 65% of the capital’s population, while Tianjin’s Rmb1.65trn (US$243bn) in GRP amounts to slightly over 75% of Beijing’s output. By these measures Tianjin economically outperforms Beijing, ranking first in the nation in terms of its per capita gross product. Tianjin’s success is partially due to the outward-looking, trade-oriented city’s adeptness at attracting FDI. Its US$20bn in utilised FDI for 2016 is double that of Beijing’s (US$9.6bn).

Tianjin managed to attract investment from world-leading firms such as Motorola as far back as 1992. Today its best-known foreign investor is the Airbus Group, which in 2008 opened its first assembly line outside Europe in Tianjin’s Binhai New Area, now part of the experimental Tianjin Free Trade Zone (TJFTZ). In December 2014 the 200th 320 series aircraft rolled out of the Binhai factory. Within the conjoined Jing-Jin territory, in Beijing Airbus also operates an Asia-Pacific customer support center, pilot training facilities, and an engineering lab.

Comparative GDP growth
(annual %)

Source: The Economist Intelligence Unit.
New growth

Tianjin has a lighter economic mass, less political influence, fewer cultural assets, smaller population, and generally lower profile than the internationally renowned cities of Beijing and Shanghai. Yet the northern port town can take consolation in outshining China’s two leading municipalities with a local economy expanding at a pace reminiscent of China’s glory days of high-charged growth. Tianjin is expected to maintain GRP growth above 8% until 2018 and generally outpace Beijing and Shanghai economically by at least two percentage points out to 2019. A majority of the city’s industrial base comprises relatively high-end manufacturers including aerospace, equipment manufacturing, pharmaceuticals, new energy, new materials, and defense companies. As external trade, which plays a significant role in Tianjin’s economy, continues to struggle, Tianjin is ramping up efforts to develop its services sector. Results have not always been smooth, but they illustrate how the Tianjin economy is also rebalancing towards higher level economic activities.

Financial Services

- The Bank of Tianjin, a local government majority-owned lender, has experienced difficulties in the wake of its US$948m initial public offering on the Hong Kong Stock Exchange in March 2016. Local media reported in August that the bank’s chairman and president had resigned, amid reported clashes with the board. The bank revealed in April that it had been the victim of a Rmb786m (US$119m) fraud involving bill financing at its Shanghai branch. The bank is also exposed to bad loans associated with its lending to Bohai Steel, an indebted local state-owned steel producer.

- The Tianjin government is encouraging financial leasing companies to set up offices in the Dongjiang port area, within the China (Tianjin) Pilot Free Trade Zone, and is also offering benefits, such as exemption from a requirement for minimum registered capital. In March 2016, the Tianjin Financing Lease Agency Publicity Platform formally launched trial operations; enterprises can use the network to ask about current financial leasing policies and regulations and also to look for suitable partners or counterparties. The platform will particularly support small and medium-sized enterprises in facilitating technology upgrading. In February 2016, the Tianjin government allocated a Rmb3bn (US$440m) subsidy, available until 2017, in order to help local manufacturers upgrade equipment through financial leasing.

High-technology

- Construction of a Rmb3bn (US$440m) new-energy vehicle research and development and production centre began in the Tianjin Binhai High-Tech Development Area in June 2016; operations are due to begin in 2017. The project is led by National Electric Vehicle Sweden (owned by Hong Kong-based National Modern Energy Holdings), which acquired the assets of a bankrupt Swedish carmaker, Saab Automobile, in 2012. The investors have secured an Rmb10bn (US$1.48bn) credit line from Bank of China and financial support from China Development Bank, highlighting strong government support.
In April 2016, Jingdong Group, one of China’s largest online retailers, signed an agreement with the Tianjin Port Bonded Area authority to develop a logistics and storage centre for the company’s crossborder e-commerce business. In addition, Jingdong Fresh Produce and Zhengming Logistics jointly opened a cold-storage facility in the Tianjin Lanxi Cold Chain Centre.

**Transportation services**

Logistics is also a promising sector for the city. The goal of the municipal government is to make Tianjin the logistics centre of north China, offering one-day delivery services between the Bohai Rim cities and Beijing. The government aims for the value-added of modern logistics to account for 9% of Tianjin’s GDP by 2017. The state-owned Tianjin Port Group expanded in December 2015, acquiring facilities in Gaoshaling Port and Hebei’s Huanghua Port.

Relating to Jing-Jin-Ji integration, Tianjin and Hebei have traditionally competed for port logistics business. Through Jing-Jin-Ji, however, the central government is encouraging them to co-operate and improve operating efficiencies. Tianjin’s new Dongjiang port area is designed to complement the development of a high-level national development zone, the Tianjin Binhai New Area (BNA), and to be a focal point for trade and logistics. The port area is especially attractive to firms based in Beijing, given its logistic capacity and policy support. In July 2016, Sinotrans Tianjin invested Rmb148m (US$21.8m) in a logistics centre project in Dongjiang Bonded Port Area; completion is scheduled for April 2017. The logistics centre will serve cross-border e-commerce distribution.

For the entire Jing-Jin-Ji region, integrated transportation infrastructure and services are receiving a boost from the Beijing-Tianjin-Hebei Inter-City Railway Investment Company. The company was formed by the three local governments and the China Railway Corporation. In October 2015, it signed an agreement with the Tianjin Economic-Technological Development Area (TEDA) to invest Rmb30bn (US$4.3bn) to roll out the Binhai-Beijing inter-city line, which will cut travel time between the two locations to less than an hour upon completion in 2020.

**Tianjin forecasts**

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<td>Nominal GRP (Rmb bn)</td>
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<td>1,813.3</td>
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<td>2,147.9</td>
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<td>Real GRP growth (%)</td>
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<td>8.8</td>
<td>8.3</td>
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<td>Private consumption (Rmb bn)</td>
<td>452.5</td>
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<td>545.4</td>
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<td>14.8</td>
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<td>GRP per head (Rmb)</td>
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<td>Real wages (% change, year on year)</td>
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<td>77.2</td>
<td>82.7</td>
<td>59.5</td>
<td>96.8</td>
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Source: The Economist Intelligence Unit.
The province of Hebei surrounds the dual Jing-Jin metro areas with 187,700-sq-km in territory and a mixed urban-rural population totaling nearly 75m. Hebei’s largest cities are Baoding and the provincial capital of Shijiazhuang, each with roughly 10m residents. The province’s GDP of Rmb2.94trn (US$434bn) in 2014 is about a third higher than Beijing’s but Hebei’s population is also more than three times larger. This suggests something of the potential for per capita GRP growth if Hebei finds ways to maximise economic spillover from the Jing-Jin-Ji core.

Going beyond steel

Hebei is best known industrially as China’s largest steel producer, with its output accounting for around one-quarter of the national total in 2015. However, its share of national production has fallen as it has shaved capacity: in 2013, the provincial government announced plans to cut 86m tonnes of steel capacity by 2020, or around 30% of the total at the time. To improve environmental conditions and reduce overcapacity, the provincial government announced in January 2016 even bigger cutback targets, of 100m-150m tonnes that would trim capacity to below 200m tonnes by the end of 2020. The government also plans to aim to upgrade remaining steel production facilities with cleaner, more fuel-efficient equipment.

At 6.6% for 2016, Hebei’s GRP growth trends slightly below the estimated national annual growth rate and noticeably falls behind the growth of an especially fast-growing city like Tianjin—these are traits observed in 2015 as well. Much of the province’s lagging performance owes to overemphasis in resource-consuming, capital-intensive heavy industrial sectors that have failed to modernise operations and are burdened by excess production. Industrial upgrading almost inevitably involves pain but there are signs to indicate the province is making strides in the right direction.

- **New steel reduction targets.** Wang Xiaodong, vice-governor of Hebei, reported in June 2016 that the province aimed to cut 49.9m tonnes of ironmaking capacity, 49.1m tonnes of steelmaking capacity and 51m tonnes of coal production capacity under the province’s 13th five-year plan (2016-20). This will involve capacity cuts of 17.3m tonnes, 14.2m tonnes and 13.1m tonnes for iron, steel and coal respectively in 2016.

- **Jing-Jin-Ji driver.** Accelerated industrial transfer is under way under the auspices of Jing-Jin-Ji. More than 100 projects are to be transferred to Caofeidian, an experimental green industry-focused sea port in Hebei, from Beijing and Tianjin this year as part of the co-ordinated effort. In July 2016, the Beijing and Hebei governments announced co-operation in building the Yizhuang-Yongqing
High-Tech Zone. The new zone will cost Rmb10bn (US$1.5bn) and take 10 years to complete. It will eventually host more than 100 domestic and international companies; 41 companies from Beijing’s Daxing District have already moved to the zone.

- **A helping hand from Beijing.** In January 2015, the Hebei and Beijing governments agreed to have a biomedicine industrial park built in Hebei’s prefecture-level city of Cangzhou. The 6.1-sq-km base, with estimated investment of Rmb6.1bn (US$923m), will offer pharmaceutical companies in Beijing a lower-cost alternative to facilities available in the capital. A new biopharmaceutical and food science and technology industrial park is also under construction in Laoting (a coastal Hebei county near Tangshan), with total investment of Rmb2.5bn (US$370m). In September 2015, the governments of Hebei and Beijing agreed to co-operate up to 2030 to make Caofeidian a pilot demonstration zone for modern industrial development.

- **New-energy vehicles.** The provincial government has mapped out a plan to produce more environmentally friendly vehicles. Under the Hebei New-Energy Automotive Industry “135” Development Plan (2016-20), the province will aim to increase its annual output capacity of new-energy vehicles to 500,000 (including 350,000 passenger vehicles, 100,000 special vehicles and 50,000 commercial vehicles). The plan also calls for the construction of 1,000 electric-charging stations, covering highway service areas, airports and public-service locations.

- **Pharma getting big.** The pharmaceutical industry is becoming a new economic growth-driver for Hebei as well. In 2015, output of patented medicine totaled just under 68,500 tonnes, up by 9.9% year on year. The provincial government issued a Medical and Health Industry Five-Year Development Plan (2016-20) in April 2016, laying out guidelines for nurturing pharmaceutical manufacturing, the traditional Chinese medicine industry, health tourism and medical care services. The goal is for the medical and healthcare industry to achieve annual output value of Rmb800bn (US$118bn) by 2020—double the amount in 2015.

### Hebei forecasts

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<td>Exports (US$ bn)</td>
<td>47.7</td>
<td>44.3</td>
<td>44.4</td>
<td>46.7</td>
<td>49.6</td>
<td>52.9</td>
</tr>
<tr>
<td>Imports (US$ bn)</td>
<td>32.5</td>
<td>26.6</td>
<td>23.7</td>
<td>22.9</td>
<td>24.3</td>
<td>26.7</td>
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Source: The Economist Intelligence Unit.
Hebei’s high-tech hopes

A major goal of Jing-Jin-Ji is wean Hebei away from heavy industries and towards high-tech industrial activity. The province is developing its software and information technology sectors, with significant help from the national government. In 2015, value added from electronic information increased by 13.8%, registering double-digit growth for the third consecutive year. In August 2015 a number of Big Data companies from Zhongguancun, Beijing’s densest clustering of high-tech companies, signed agreements to build data centres in Hebei’s Chengde, with total announced investments of Rmb22bn (US$3.3bn).

Another city in Hebei, Langfang, started to build a Big Data centre in 2009, with investment totaling Rmb85bn (US$12.5bn) by the end of 2015. The 1.9m-sq-metre Langfang centre boasts 80,000 servers, attracting such big-name corporate Chinese users such as China Life, China Unicom and Huawei. According to the Langfang government, the annual revenue of the city’s Big Data sector is expected to reach Rmb50bn (US$7.4bn) by the end of 2019.

The port city of Qinhuangdao has been developing strategic emerging industries, including Big Data, since 2008 and aims to create a “China Data Valley”. With several cities in Hebei actively competing for Big Data projects, this suggests that while such projects enjoy support within the Jing-Jin-Ji framework, provincial authorities have not co-ordinated their development plans for the industry all that well either.

Apart from efforts to build up Hebei as a base for Big Data services, progress is being made in other promising IT sectors. In February 2016, the provincial government reiterated its determination to attract more high-technology companies. Two months later, US software giant Oracle signed an agreement to build an Oracle OAEC Talent Base in the Qinghuangdao Economic and Technological Development Zone. In August 2016, Xinhua Chuangke, a start-up incubator established jointly by the state-owned online media company, Xinhuanet, and Hebei’s Shijiazhuang city government, started accepting proposals. It aims to serve as an online-to-offline (O2O) platform for small-and-medium e-commerce businesses.

In March 2016, a leading Beijing-based Chinese e-commerce firm, Jingdong, started a strategic co-operation initiative with the local government of Luanping County (near Chengde) to help reduce poverty in rural areas. The initiative aims to open up new online platforms for local agricultural products, setting up a web presence for agricultural products and providing technological, operational, financial and logistical support for self-operated rural retailers.
Conclusion

Ongoing commitment

The Beijing-Tianjin-Hebei Co-ordinated Development (Jing-Jin-Ji) was launched in what was an especially trying year for China’s economic policymakers. A changed environment—characterised by economic deceleration, the aftermath of bungled stock and currency market interventions, and the deeper significance of Tianjin’s deadly August warehouse disaster—has heightened expectations for new initiatives like Jing-Jin-Ji to succeed.

In many respects, developments with Jing-Jin-Ji in 2016 did not disappoint. Beijing launched additional PPP-funded projects and witnessed expansion with high-tech sectors and in cultural industries. Growth with the capital city’s consumer sectors and service industries particularly impresses. The region’s second major city, Tianjin, while continuing to struggle with external trade, is still succeeding with efforts to ramp up in services, notably for the areas of finance, technology, and transportation. As the more mature anchor economies of Jing-Jin-Ji, Beijing and Tianjin’s rebalancing towards advanced industries, services and consumption is encouraging.

As in 2015, Hebei’s GRP growth in 2016 is keeping slightly below the estimated national annual GDP growth rate and falls noticeably below economic growth in a fast-growing major city like Tianjin. The provincial government remains committed to reducing output in steel and other resource-consuming industries that are inefficient and suffer from overcapacity. The Beijing municipal government has delivered on promises to direct more advanced industries to Hebei as demonstrated by jointly developed biopharmaceutical industrial parks in the province. Yet Hebei is in danger of fostering new levels of overcapacity in some otherwise promising sectors, such as Big Data. The provincial government will need to better co-ordinate its policies in this regard it aims to develop areas of the economy that are not only high-tech but also highly sustainable.

As we observed in our previous report, officials, investors, entrepreneurs, executives, and ordinary workers are in their own ways molding a new model of Chinese economic development through their varying roles in Jing-Jin-Ji. These participants are doing so without the localised social cohesion that binds together the better-known business clusters of the Pearl and the Yangtze delta regions. Despite this and other headwinds, ECN’s update on Jing-Jin-Ji for 2016 shows that its constituent economic actors have largely been forging ahead successfully. Accordingly, our assessment on the programme thus far is generally positive. Yet readers should keep in mind that this progress has been in the context of a robust national economy and in a supportive environment where companies and authorities have enjoyed wide lateral to manoeuvre. As China moves towards what we forecast will be a sharp economic downturn by 2018, various factors underpinning Jing-Jin-Ji’s buoyancy will be changing in turn. Those looking to continue to benefit from the positive forces that Jing-Jin-Ji has been unleashing should also continue to update their knowledge of its associated economic conditions and risks.
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