



15 - 17 April 2020

Shenzhen World Exhibition & Convention Center, Shenzhen, China

WHY

South China?
Guangdong?
Shenzhen?

South China & Shenzhen Market Analysis

Continuous Improvement of Residents' Income Level

Over the past three years, the per capita disposable income of urban residents in South China has maintained an increase of about 8%, and the consumption by residents in South China has been growing.

Idea of Enlarging the Opening-up Policy by the Chinese Government

On November 5, 2018, the 1st China International Import Expo was opened in Shanghai. Chinese President Xi Jinping attended the opening ceremony and delivered a keynote speech under the title of "Building an Innovative and Inclusive Open World Economy". Xi Jinping mentioned that China would step up its efforts in stimulating import potential, relaxing market access and creating an international first-class business environment.

Tariff Reductions Cover Food and Beverages

Since January 1, 2019, China has imposed a tentative import tax rate on 706 commodities, covering fresh food, clothing, chemical products, medical devices and other categories.

Large Demand for Imported Drinks, Leisure Foods, Fruits and Meat in South China

Apart from drinks, the long-term demand for leisure snacks in South China is relatively strong, mainly affected by the level of consumption, such as Guangzhou, Shenzhen and other places, which have a high level of consumption, and the proportion of snacks purchased is also high.

Cross-border e-commerce develops rapidly, and the comprehensive pilot area of cross-border e-commerce covers all provinces in South China.

According to the Statistics Bureau of Guangdong Province, in the first half of 2018, the import and export of Guangdong's foreign trade increased by 3% year-on-year, and the cross-border e-commerce increased by 82% year-on-year, ranking first in China.

In addition, China has set up 35 cross-border e-commerce comprehensive pilot zones, of which 9 cities in South China have been selected, covering all provinces in South China. The establishment of a comprehensive pilot zone for cross-border e-commerce will help promote the development of cross-border e-commerce by giving priority to trial and innovation in links such as cross-border e-commerce transaction, payment, logistics, customs clearance, tax rebate and settlement of foreign exchange. Taking Guangzhou as an example, as a comprehensive pilot area of cross-border e-commerce, the import and export scale of cross-border e-commerce in Guangzhou will exceed RMB20 billion in 2018, and it will continue to rank in the forefront of the country.

Contribution by Guangdong-Hong Kong-Macao Greater Bay Area to the Speed-up of Cross-border Logistics and the Growth of Imports

On February 18, 2019, the establishment of Guangdong-Hong Kong-Macao Greater Bay Area has promoted the economic development and opening up of South China, facilitated food import and enhanced food processing and logistics transportation.

Number of Five-star Hotels in Guangdong, Fujian and Hainan Ranks High with Great Demand for Imported Meat, Seafood and Red wine

By the end of 2017, a total of 860 five-star hotels were included in the National Tourism Administration's five-star hotel library, of which Guangdong ranked first in the country with 108 five-star hotels.

High Temperature in Most Cities in South China with Great Demand for Beverages

The year-round high temperature makes the demand for tea and other beverages in South China significantly higher than that in North China, which also brings business opportunities to beverage SMEs.

The research territory is South China including Guangdong, Guangxi, Fujian, Guizhou, Yunnan and Hainan. And Shenzhen is the most modern city in Guangdong



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Shenzhen Analysis

- 1 The **income level and consumption capacity** of residents are in the forefront of the country.
- 2 At the same time, Shenzhen features the most amount of Chinese ports, uniquely covering sea, land and air ports in China. **It covers all categories of imported food** and is an important "login window" for imported goods. There are total **17 ports** in Shenzhen, including **9 water ports, 7 land ports** and **1 airport**, which is much higher than other cities in China.
- 3 In 2017, according to the statistics of all permanent residents, the per capita consumption expenditure in Shenzhen was **RMB 38,320**, ranking **first** in Guangdong Province.
- 4 In terms of imports, Shenzhen's total imports in 2017 amounted to **USD169.79 billion**, accounting for **44%** of the total in the province, which also ranked **first**.
- 5 According to the Report on China's Imported Food Industry 2018 released by China Chamber of Commerce of Foodstuffs and Native Produce, in 2017, the total imported food at Shenzhen Port was **USD8.18 billion**, accounting for **13%** of the total imported food in China, ranking **second** in the country after Shanghai Port.
- 6 Shenzhen is a **coastal city** with a **free trade zone**, which is conducive to the trade of imported food and beverage.
- 7 As an urban ports with priority opening to the outside world, **Shenzhen Customs has launched a series of policies to support import trade**. For example, the inspection and quarantine supervision mode of imported frozen meat before temporary storage in the bonded port area of the sea and then transported to Hong Kong is initiated, and a number of convenient measures such as inspection in the imported wine area and inspection of imported food raw materials after warehousing are taken. The detection time is **10%-20%** shorter than before.