

CHINA'S TOP 25 SECOND TIER CITY FOOD IMPORT PROSPECTS

A Guide for Food Exporters to China 2012



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Promar Consulting and This Guide

Promar Consulting is one of Asia's preeminent research consulting firms, specializing exclusively in international food, drink, fisheries and agribusiness markets. We assist major companies, organizations and governments resolve problems, access markets, improve strategies and explore opportunities. Promar Consulting has extensive experience completing many food product marketing and research projects in China for large and smaller-sized clients from all over the world.

This report was completed by the staff of Promar Consulting based in Tokyo, Japan and Beijing, China.

This guide was initiated because we recognized that very few non-Chinese business people knew much about Chinese cities other than Hong Kong, Beijing, Shanghai, Guangzhou and a few others. We believe this report will open their eyes to the many excellent expansion options that are available to them in mainland China. But, more importantly, it will allow them to assess some of the best locations for whatever food product they wish to market in China.

This guide includes the Top 25 Second-tier Cities in China; but if you would like to see how we have ranked 45 more STCs in China please email us and we will send you our full list of 70 cities.

Should you be interested in our work on STC guides customized by product please let us know what food or drink and we can advise how and when such a prioritized list might be available. Or if we at Promar can be of help to you or your company to more deeply study these cities or other specific investments and/or promotions you are considering in China, we would be pleased to discuss such options with you.

We hope you find "China's Top 25 STC Food Import Prospects" to be useful in building your business in China.

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1.Introduction

This guide presents China's Top 25 STC's as they have been prioritized using available statistical data and Promar's judgment of its validity. The guide ranks these cities in order of their importance as potential future importers of foreign food imports.

We all know that the three big markets in China are Shanghai, Beijing, and Guangzhou. Many of the readers of this document already have developed their business in one, or all of these cities. And the greatest question that they face now is "*Where to go next*?" For those food exporting companies who have not entered China's huge market as yet, the most important question is "Where to go first?"

The answer to both these questions may be Tianjin – the city that offers the best potential to increase imports of food products over the next 5-10 years of any city in China.

How do we know that and why Tianjin?

Our complex analysis of the socalled Second Tier Cities (STC) in China discovered the importance of Tianjin, a city which has been on few companies' radar. In this analysis we tried to determine which of these STCs offered the greatest propensity to increase imports of food products over the next 5-10 years.





China has over 250 cities with populations of 1.0 million or more. We focused on the top 70 cities among which we identified and prioritized the Top 25 using 10 criteria and a 100 point ranking system.

You probably have heard of Tianjin but never thought much about it. And many of you have probably never heard of Shenyang, located in the northern Liaoning province. But, based on our analysis, Tianjin appears to have more potential than any of the Big Three cities. And Shenyang is not far behind them. The table on the right illustrates how our top 2 STCs compare with the three megacities.

What are Second Tier Cities?

We define Second Tier Cities (STCs) as those large (populations over 1.0 million) and prosperous (having the highest GDPs per capita) cities in mainland China, other than the 3 First Tier Cities of Shanghai, Beijing and Guangzhou.

	City	Points
1	Tianjin (#1 STC)	82.9
2	Shanghai	81.5
3	Beijing	80.5
4	Guangzhou	79.8
5	Shenyang (#2 STC)	73.9

1.1 Why is this guide important for food exporting companies?

We believe that this guide is useful to them because it:

- □ Is the only available list of Chinese cities that has been statistically prioritized as to their propensity to increase imports of food products.
- Presents foreign food product exporters both newcomers to China and old timers as well – with priority expansion options other than the Big Three.
- Provides some guidance, in China's maze of huge cities, to food company planners trying to decide where to go next with product promotion or additional offices.
- □ Identities some of the best location opportunities for potential investors considering foreign food plant locations in China.
- □ Offers major foreign retailers who will want to stock many imported products a preliminary guide to which cities might be the best options for them to consider

In summary, we hope food industry readers of the *China's Top 25 Second Tier City Food Import Prospects Guide* find it useful.



2. The Top 25 STCs and Their Opportunities

In this section, we rank the Top 25 STC targets for the food producers of the world, plus their exporters and other marketers who want to build their food and drink businesses in mainland China.

2.1 Where are the Top 25 STCs?

Twenty of the top 25 STCs are concentrated near or on the eastern or southern seaboard of China; moreover, there are five important inland cities as well. Please note the lists and rankings below.



Let us also review where these STCs are by province.

Province	Top 25 Second-tier Cities					
(total number of STCs)	Top 25 Second-der Crues					
Jiangsu (4)	Suzhou (#3), Nanjing (#9), Wuxi (#15), Changzhou (#16)					
Zhejiang (3)	Hangzhou (#4), Ningbo (#19), Wenzhou (#22)					
Guangdong (3)	Shenzhen (#6), Dongguan (#8), Foshan (#10)					
Shandong (3)	Qingdao (#7), Yantai (#24), Jinan (#25)					
Liaoning (2)	Shenyang (#2), Dalian (#5)					
Tianjin (1)	Tianjin (#1)					
Hubei (1)	Wuhan (#11)					
Fujian(1)	Xiamen (#12)					
Sichuan(1)	Chengdu (#13)					
Chongqing(1)	Chongqing (#14)					
Hebei(1)	Tangshan (#17)					
Hunan(1)	Changsha (#18)					
Anhui(1)	Hefei (#20)					
Jilin(1)	Changchun (#21)					
Henan(1)	Zhengzhou (#23)					

Table 1: Top 25 Concentrations by Province

The following map allows us to see both the location and concentration of the Top 25 STCs. For comparison, we added the three mega cities as well. We used color coding by rating groups of (#1-#5; #6-#15; #16-#25) for ease of identification. On the page following is the listing and ranking of the Top 25 STCs.



Figure 2: Location of Top 25 STCs in China

2.2 How do we rate and rank the Top 25

The following table lists China's Top 25 STCs based upon our statistical rank and rating system to determine which STC had the greatest propensity to increase food and beverage imports. We have included the mega cities for comparison. The rank and rating system itself is explained in Section 3 which follows.

For comparison: The Mega markets									
City	Province	Total Adjusted Criteria Rating Points	Map color code						
Shanghai	Shanghai	81.5							
Beijing	Beijing	80.5							
Guangzhou	Guangdong	79.7							

	C	hina's Top 25 STC Prospect	s for Foreign Food Markete	rs
1.	Tianjin	Tianjin	82.9	
2.	Shenyang	Liaoning	73.9	
3.	Suzhou	Jiangsu	73.8	
4.	Hangzhou	Zhejiang	72.3	
5.	Dalian	Liaoning	71.0	
6.	Shenzhen	Guangdong	69.7	
7.	Qingdao	Shandong	69.1	
8.	Dongguan	Guangdong	69.0	
9.	Nanjing	Jiangsu	68.1	
10.	Foshan	Guangdong	64.7	
11.	Wuhan	Hubei	64.7	
12.	Xiamen	Fujian	64.6	
13.	Chengdu	Sichuan	63.9	
14.	Chongqing	Chongqing	62.2	
15.	Wuxi	Jiangsu	61.9	
16.	Changzhou	Jiangsu	61.7	
17.	Tangshan	Hebei	60.7	
18.	Changsha	Hunan	60.1	
19.	Ningbo	Zhejiang	59.7	
20.	Hefei	Anhui	58.9	
21.	Changchun	Jilin	58.2	
22.	Wenzhou	Zhejiang	57.6	
23.	Zhengzhou	Henan	57.4	
24.	Yantai	Shandong	56.7	
25.	Jinan	Shandong	56.3	

Table 2 China's Top 25 STCs ranked by propensity to increase imports of food products



3. STC Rating and Ranking: How was it Accomplished?

Our goal was to rank the STCs on the basis of their near term (5-10 years) propensity to increase their buying of imported food products, *i.e.* those cities which received the highest ratings should be the ones where imported food and drink consumption will expand the most rapidly and thus, the best targets for foreign companies desiring to expand their exports. This was accomplished by what we call "criteria analysis methodology".

3.1 Steps in Criteria Analysis Methodology

We concluded that we could accomplish this goal by executing five steps as follows:

- 1. Assembling a manageable list of the most promising STCs in China
- 2. Determining Criteria which would influence the cities' propensity to increase imports.
- 3. Determining how we could comparatively measure, rank, and rate each Criterion.
- 4. Adjusting these basic Criteria ratings to better reflect their relative importance
- 5. And totaling these adjusted ratings to identify, and therefore rank, the Top 25 STCs

We explain each of these steps briefly as follows.

3.1.1 Assembled a list of the most promising Chinese STCs

Our list excluded the three first tier cities of Shanghai, Beijing and Guangzhou. We considered first, those cities having the largest populations (at least 1.0 million) and, second, those with the highest GDPs/capita. We then reduced that list to a manageable 70 cities with the highest combinations of those two factors.

3.1.2 Determined Criteria which would influence future import consumption

Based upon our experience within the Chinese market and with food products and trade we determined what Criteria would have the greatest bearing on future imported food consumption. We decided upon the following:



3.1.3 Developed a ranking and rating process to comparatively measure and rate each Criterion's importance

We needed a system which would allow us to quantitatively and comparatively measure each STC's performance against the other for each of the Criteria. About half of the Criteria we chose could be measured with one statistic which was usually easily available from all STCs, for example, population. To illustrate, the number of people in each city could simply be ranked, from the largest to the smallest.

And we could easily turn that ranking into rating points. We had 70 STCs we were working with. We viewed them in 10 groups of 7 cities each, giving 10 rating points to the top group of 7, and 1 point to the lowest ranking of the groups. We could use the same STC ranking systems for each of the other

Criteria which were based on one statistic – e.g. food expenditures: numbers of major supermarkets; kilometers of distance from ports or from Big Three cities. And we could easily turn each of these rankings into rating points: 10 groups, top group of 7 equals 10 points, etc.

This rating by ranking system also allowed us to have common denominators in order to compare rankings of, for example, Population (number of people) with Proximity to a Major Port (kilometers). This also allowed us to use the same Rating Point system for each city; we

Table 3 City Ranking and Rating Relationships

City ranking position for each criteria or indicator	Basic Rating points
1-7	10
8-14	9
15-21	8
22-28	7
29-35	6
36-42	5
43-49	4
50-56	3
57-63	2
64-70	1

Note: Used for all ranking of Criteria and Indicators

ranked each of our 70 STCs for each of our 10 Criteria. After doing so we put them into rating groups of 7 STCs each, as shown in Table 3.

There are several advantages to this ranking/rating system. Because we broke down 70 cities into 10 ranking groups of 7 cities each, it allowed our total ratings to be on a perfect base of 100. Also because we used Chinese city statistics – some of which are more reliable than others – by calculating our rankings and rating points in groups of 7, the errors of their differences were greatly reduced.

The other five Criteria – could not be properly captured in a single statistic. These included future growth; wealth; tourism; food service; food imports. How did we rank them? We sought characteristics – we called them "Indicators" – which most STCs published on a regular basis. We could then list and rank them – and thus rate them. We then used their combinations, which

"indicated" a comparable measurement of the Criteria. These were sometimes similar, sometimes different, indicators which always could be related to the Criteria. For example, for the Criteria – wealth – we used four Indicators e.g. (1) GDP/capita (2) GDP growth, (3) Disposable income, (4) Disposable income growth. We could rank all of these statistics, break them into the 10 ranking groups and give each Indicator rating points depending on their standing. And then, we simply averaged those points to derive a single rating point which could be used for each of the Criteria and thus was comparable to the single Criteria ratings explained earlier.

Let us explain this system a bit further using a real example (see Table 4 below.). To determine the Basic Criteria rating – "Future Growth" for Chengdu (#12), we needed to first rank the city by each of

5 Indicators and determine rating points for each. We then totaled the rating points and determined their average. That average of 8.4 equaled the "Basic Rating" for the criteria "Future Growth".

We did these calculations for all 5 of the Criteria that required use of multiple Indicators.

In several cases we probably could have used a single statistics e.g. food imports. But instead we chose to average the rating points developed by two Indicators – one to capture magnitude – e.g. current food imports – and one to capture trend – e.g. import growth per year.

 Table 4 Chengdu: Determination of Criterion Future Growth Basic

 Rating Points

Indicators (See Table 5)	Chengdu's ranking position (within each indicator list)	Indicator basic rating points based on ranking position			
1	8	9			
2	10				
3	24	7			
4	18	8			
5	20	8			
Total r	42				
Basic Rating poin "Future Growth" Cr	8.4 (average)				

*Note: This basic ranking will then be multiplied by an adjustment factor (see 3.14)

Please note Table 5 on the next page which shows all 10 Criteria and the Criteria or Indicator statistics used to develop them. As can be seen, they ranged from one Criteria measurement – e.g. population – to five Indicators for Future Growth – each of which needed to be ranked, then rated, then averaged, to equal the total Basic rating points for that specific Criterion.

Table 5	Criteria and	Indicators	Used for	Criteria	Ranking*
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	Criteria	Number of Indicators or Criteria	Indicator Measurement Basis	Unit of Measure
Α	Population	1	Current Inhabitants	Current number
			(1) Average past population growth	CAGR of \$US Billion
			(2) Current industrial investment	\$ US Billion
в	Future Growth	5	(3) Annual Growth in industrial investment	CAGR of \$US Million
			(4) Current Foreign industrial investment	\$ US Billion
			(5) Annual growth in foreign investment	CAGR of \$US Billion
			(1) Current GDP/ca	\$ US/ca
~		4	(2) GDP growth	CAGR of \$US
C	wealth	4	(3) Current Disposable income	\$ US/ca
			(4) Disposable Income growth	CAGR of \$US
D Tourism		3	 (1) Current total annual income from tourists – US\$ million 	\$ US Million
	lourism		(2) Income growth %/year	CAGR of \$US
			(3) Current 4&5 star hotels in city	Current Number
F	Food imports	2	Current total food imports in \$million (excluding commodities)	\$ US Million
	r oou imports		(2) Imports (as defined) growth %/year*	\$ US CAGR(3 year only)
F	Food expenditures	1	Current per ca. food expenditures per day	\$ US
			(1) Current dining out per capita	RMB per year
~	Frederica	4	(2) Current Annual growth in dining out expenditure - %/year	CAGR of RMB per year
G	FOOD Service	4	(3) Current 4&5 star hotels in citv	Current Number
			(4) Current Sales of large scale catering service enterprises	\$ US Million
н	Major supermarkets	1	(1) Major super markets (international and domestic)	Current Number
	Distance from	4	Distance from ports (for ports themselves – all zero km	Kilometers
1	Port	1	- First ranked by volume of food imports)	
J	Cluster Concept	1	Distance from one of the three mega-markets	Kilometers

* See Appendix A for STC Criteria and Indicator details.*"Current" means 2009 or 2010; "Growth" means 5 year Compound Annual Growth Rate (CAGR) % (except for food imports-3 years)

3.1.4 Adjusted the Basic Ratings to better reflected impact on imports

Prior to this point all Criteria were rated in a similar manner. A perfect score would have been 100 basic points (10x10 points); therefore we called them the Basic rating points. However we knew that the Criteria were not all equally important. For example, we believe "Future growth" is the most important of all 10 of the Criteria. Similarly, we believe "Wealth" is more important than "Population" as an influencer of foreign food growth potential. Also, at this stage in China, foreign food imports growth is more influenced by its consumption at Food Service facilities (especially restaurants and hotels) than by the Retail Stores where they might be stocked.

Thus we decided to adjust each Criterion's Basic Rating points. We developed Adjustment Factors based entirely upon our company experience in the Chinese food industry – i.e. which Criterion did we believe had the most and the least influence on increased consumer purchases of foreign food products? We made numerous test runs to determine what weakness each set of Adjustment Factors had. The end result is the set of Adjustment Factors shown in the example below for Tianjin.

Criteria	Basic Rating Points	Adjustment Factor	Adjusted Criteria Rating Points
A Population	10.0	1.0	10.0
B Future Growth	8.8	1.9	16.7
C Wealth	6.8	1.5	10.1
D Tourism	7.3	0.6	4.4
E Food Imports	7.5	1.5	11.3
F Food Expenditure	9.0	1.0	9.0
G Food Service	9.3	0.8	7.4
H Retail Activity	10.0	0.7	7.0
I Port Distance	10.0	0.5	5.0
J Cluster concept	4.0	0.5	2.0
Total	82.6	10.0	82.9

Table 6 Adjustment Factors and Adjusted Criteria for Tianjin (Example)

As one can see, using the Adjustment Factors on Tianjin had little impact. However, for other cities those adjustments made a significant difference. For example, using these Adjustment Factors changed Shenzhen's Basic Rating Points from 73.6 (#3 STC) to Adjusted Rating Points of 69.6 (#6). In contrast they moved Shenyang from 69.0 (#7) to 73.9 (#2).

3.1.5 Totalled and ranked all of the STC's Adjusted Criteria Ratings

We then added the Adjusted Criteria rating points as the final calculation. This solution is presented on the next page as Table 7 which shows the detail by Adjusted Criteria as well as the total for both Basic and Adjusted Criteria.

We believe it is the only available ranking of the Top 25 STCs in China offering the greatest propensity to increase imported food and beverages (excluding commodity products). The STCs in Table 7 represent Promar's prioritized choices for the 25 best Chinese city opportunities – excluding the three majors – for foreign food marketers.

We do not claim that this listing is perfect but we certainly believe it is an excellent indicator. We discuss this and other points in Section 5 "Criteria, Comments and Caveats".

					Α.	В.	C.	D.	E	F.	G.	Н.	I.	J.
City	Province	Ranking of Adjusted Total Criteria	Total of Adjusted (10 Criteria*)	Total of Base (10 Criteria)	Population Adjusted	Future Growth Adjusted	Wealth Adjusted	Tourism Adjusted	Food Import Adjusted	Food Expenditure per Capita <i>Adjusted</i>	Food Service Adjusted	Retail Activity Adjusted	Proximity to Major Food Ports <i>Adjus</i> ted	Cluster Adjusted
Shanghai	Shanghai		81.5	86.2	10.0	13.7	9.8	4.4	9.8	10.0	6.9	7.0	5.0	5.0
Beijing	Beijing		80.5	82.9	10.0	13.3	10.1	4.6	11.3	9.0	7.2	7.0	3.0	5.0
Guangzhou	Guangdong		79.7	85.7	9.0	12.5	8.6	5.2	10.5	10.0	6.9	7.0	5.0	5.0
Tianjin	Tianjin	1	82.9	82.6	10.0	16.7	10.1	4.4	11.3	9.0	7.4	7.0	5.0	2.0
Shenyang	Liaoning	2	73.9	69.0	7.0	14.8	12.8	4.6	10.5	9.0	6.4	6.3	2.5	0.0
Suzhou	Jiangsu	3	73.8	75.3	6.0	11.4	11.3	5.0	9.8	10.0	8.0	6.3	3.0	3.0
Hangzhou	Zhejiang	4	72.3	72.1	6.0	11.8	11.6	4.6	9.8	9.0	8.0	7.0	2.5	2.0
Dalian	Liaoning	5	71.0	68.4	6.0	14.1	11.6	4.8	9.8	10.0	6.2	3.5	5.0	0.0
Shenzhen	Guangdong	6	69.7	73.6	9.0	11.4	8.6	4.2	9.8	5.0	6.7	7.0	5.0	3.0
Qingdao	Shandong	7	69.1	67.9	8.0	10.6	11.6	4.2	9.8	10.0	6.4	3.5	5.0	0.0
Dongguan	Guangdong	8	69.0	70.2	7.0	10.3	9.8	3.6	10.5	10.0	7.5	2.8	3.5	4.0
Nanjing	Jiangsu	9	68.1	69.1	8.0	12.9	12.0	5.0	6.0	5.0	7.2	7.0	5.0	0.0
Foshan	Guangdong	10	64.7	67.3	5.0	11.4	8.3	3.8	11.3	6.0	6.4	4.2	3.5	5.0
Wuhan	Hubei	11	64.7	60.7	8.0	13.3	9.4	4.0	8.3	8.0	6.6	5.6	1.5	0.0
Xiamen	Fujian	12	64.6	61.3	2.0	15.2	9.4	3.6	9.8	10.0	6.8	2.8	5.0	0.0
Chengdu	Sichuan	13	63.9	60.3	10.0	16.0	5.6	4.0	5.3	9.0	7.2	6.3	0.5	0.0
Chongqing	Chongqing	14	62.2	59.1	10.0	14.1	7.5	4.6	5.3	7.0	7.6	5.6	0.5	0.0
Wuxi	Jiangsu	15	61.9	64.1	4.0	10.3	10.5	4.6	9.0	5.0	6.4	5.6	3.5	3.0
Changzhou	Jiangsu	16	61.7	59.4	3.0	14.4	10.5	3.8	7.5	8.0	6.0	3.5	3.0	2.0
Tangshan	Hebei	17	60.7	61.0	7.0	7.2	11.3	1.4	10.5	7.0	5.1	4.2	5.0	2.0
Changsha	Hunan	18	60.1	54.9	6.0	14.4	7.1	4.2	9.8	7.0	6.4	4.2	1.0	0.0
Ningbo	Zhejiang	19	59.7	61.4	5.0	8.7	10.1	4.2	9.0	5.0	6.4	6.3	5.0	0.0
Hefei	Anhui	20	58.9	53.8	4.0	15.6	10.9	3.8	6.0	6.0	4.8	6.3	1.5	0.0
Changchun	Jilin	21	58.2	55.0	8.0	14.1	6.4	4.4	6.0	8.0	5.6	4.2	1.5	0.0
Wenzhou	Zhejiang	22	57.6	60.3	8.0	5.7	6.8	3.6	9.8	8.0	5.8	4.9	5.0	0.0
Zhengzhou	Henan	23	57.4	53.8	7.0	14.1	9.4	4.4	5.3	5.0	5.1	5.6	1.5	0.0
Yantai	Shandong	24	56.7	55.2	6.0	8.4	11.3	3.8	8.3	8.0	5.2	0.7	5.0	0.0
Jinan	Shandong	25	56.3	52.2	5.0	10.3	9.4	2.8	9.8	7.0	6.7	3.5	2.0	0.0

Table 7 CHINA'S TOP 25 STCs RANKED BY PROPENSITY TO INCREASE IMPORTS OF FOOD PRODUCTS

Criteria	A. Population	B. Future Growth	C. Wealth	D. Tourism	F. Food Imports	G. Food Expenditure	E. Food Service	H. Retail Activity	I. Port Distance	J. Cluster concept
Adjustment Factors times Basic Criteria	1.0	1.9	1.5	0.6	1.5	1.0	0.8	0.7	0.5	0.5



4. Comparisons: Top 25 STCs to Big Three

In this section, we make a few interesting comparisons between the STCs and mega markets.

4.1 Comparisons in Major Criteria – STCs versus the Big Three

Let us make some comparisons of the STCs versus the Big Three cities in terms of population, investments, wealth and food imports¹.

4.1.1 Population

The mega markets are big but, as the two tables on the right show, the STCs are not far behind.

The average population for the three big cities is 15.7 million and Tianjin, which we ranked as the city with most potential for future food market development, has a population of 11.8 million people.

In addition to Tianjin, the largest STCs are the super city of Chongqing (#14) with a population of 26 million and Chengdu (#13) with 12.7 million people. However, on average, the Top 25 average 7.9 million.

What about Population Growth? We estimated that, for the Big Three, the average 5-year growth has been 2.3% annually. Tianjin has recorded a much faster

Table 8 Population									
City	Population (Million)								
Big Three Average	15.7								
Tianjin	11.8								
Top 5 STCs	8.4								
Top 10 STCs	7.9								
Average Top 25	7.9								

Table 9 Population Growth										
City	Average 5 year Annual Growth per year									
Big Three average	2.3%									
Tianjin	4.0%									
Top 5 STCs	1.6%									
Top 10 STCs	4.2%									
Average Top 25 STCs	2.8%									

¹ The data supporting these comparisons can be found for each STC and the Big 3 in Appendix A.

growth at 4.0% annually.

Although the average Top 25 STC growth has been 2.8%, The most rapidly growing STCs have been Shenzhen (#6) at 10%; Foshan (#10) at 14% and Changzhou (#16) 6%.

4.2.1 Industry Investments

Industry investment in China is a primary driver of future growth. So a look at industrial expenditures, their magnitude and their growth is essential for future business planning. Most of the largest industrial investments have been made in Shanghai, Beijing, and Guangzhou. But the

growth is primarily in the STCs. The tables on the right summarize the key – trends in the three big cities and top STCs.

The STCs receiving the greatest current industrial investment have been: Chongqing (#14) with \$58.2 billion; Tianjin (#1) with \$49.0 billion; Shenyang (#2) with \$43.3 billion and Chengdu (#14) with \$43.4 billion. On average the STC investment has been only 28.1 billion.

However, the average industrial investment in STCs has been growing almost twice as fast as that of the Big Three cities. Some STCs, however, are

Table 10 Industrial Investment Magnitude									
City	Average 5 year Investment (billion USD)								
Big Three Average	62.4								
Tianjin	49.0								
Top 5 STCs	39.0								
Top 10 STCs	30.8								
Average all STCs	28.1								

Table 11	Industrial Investment Growth Average S	% Pe	۶r
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Year								
City	Average Investment growth % per year							
Big Three Average	13.3%							
Tianjin	28.0%							
Top 5 STCs	25.0%							
Top 10 STC	23.8%							
Average all STCs	25.3%							

growing much more rapidly, e.g. Hefei (#20) is growing at 50% annually; Chengdu (#13) at 40%; Dalian (#5) at 37% and Shenyang (#2) at 33%.

4.1.3 Wealth

Our primary Indicator for wealth was GDP per capita. The Big Three still exceed most STCs but, in almost all of them, the growth in GDP/ca substantially exceeds that of the Big Three cities.

Table 12 Wealth									
Cities	GDP/capita	(\$US)							
Big Three Average	10,099)							
Tianjin	7,962								
Top 5 STCs	10,570)							
Top 10 STCs	9,867								
Average all 25 Top STCs	7,873								

As can be seen from the table on the left, the GDP/ca of the Top 10 STCs is nearly that of the mega markets. However a number of STCs were earning more. For example, the wealthiest of the STCs were: Suzhou (#3) with \$15,376 per capita; Shenzhen (#6) with \$12,923; and Wuxi (#15) with \$10,511.

Where growth in GDP/ca is considered, the STCs look much better than the Big Three, as is

Table 13 Wealth Growth										
Cities	GDP/ca 5 increase per year									
Big Three Average	12.7%									
Tianjin	15.0%									
Top 5 STCs	19.0%									
Top 10 STCs	16.9%									
Average of 25 STCs	17.4%									

clear from on the table on the left. Only 5 of the Top 25 were not growing as rapidly as the Big Three. The fastest increasing their wealth included Changsha (#18) at 26%, Hefei (#20) at 27%, Zhengzhou (#23) at 20% and Dalian (#5) at 23%.

4.1.4 Food Imports

The one criterion where the Big Three still largely dominate is Food Imports. However, as we have previously explained, Food Imports by themselves cannot be considered a true measure of relative importance. To date, we do not have a measure of how much of the imports going through the Big Three, or the STCs, are going on to other destinations and consumption. Nevertheless the comparison is still interesting. And as for the other categories, the STC growth percentage again exceeds that of the Big Three. First we will look at comparative values, then import growth.

Table 15 Foo	od Imports	Table 14 Food Import Growth									
Cities	Food Import (\$US Million)	Cities	Food Imports Annual increase per year %								
Big Three Average	2,133	Big Three Average	4.0								
Tianjin	1,299	Tianjin	5.0								
Top 5 STCs	687	Top 5 STCs	5.0								
Top 10 STCs	754	Top 10 STCs	4.5								
Average of 25 STCs	377	Average of 25 STCs	4.6								

The largest importing STCs include Shenzhen (#6) with 2.1 billion; Qingdao (#7) with 1.8 billion, Dalian (#5) with 1.6 billion and Tianjin 1.3 billion. Those STCs leading the growth indicators include Tangshan (#17) with 9%; Wenzhou (#22) with 8%, and Jinan (#25) with 7%.

In summary, in virtually all categories, the mega-cities lead, but, when growth is measured, it is usually much faster in the STCs than the Big Three.



5. Criteria, Comments, and Caveats

In this next to last section we explain and justify why we did what we did to complete this paper. We believe this report makes an excellent guide for food industry executives and planners in the monster market of China. However, we want them to understand where this analysis may have some limitations.

This analysis is based almost entirely upon published statistics available from the STC's themselves. However, as we completed it we needed to make a number of subjective decisions. These have been based entirely upon our judgment – which - though well informed in the food field – is certainly not infallible. In this section we explain a number of those which are most important regarding criteria and their adjusted factors.

5.1 Criteria and the Adjustment Factors

The most important decisions we made – based solely upon our judgement – were what Criteria we should use to build this comparative assessment, and how we should adjust it in order weigh them appropriately in the final rating and ranking of their impact.

We chose 10 Criteria, in part because that number itself simplified our comparative rating system. Actually, maybe there could have been 5, or 20, or even 100 Criteria. One can argue that 10 is too many or too few. But, for us, 10 seemed reasonable.

Are these the correct 10? We know, for example, we are missing several important possible Criteria e.g. government policy actions. Ten to twenty years ago, growth stimulating policies were initiated by the central Chinese government, and focused mainly on the Big Three cities. Those were later broadened to the major coastal STCs. We believe we have captured much of those "stimulations" in the "Forecast Growth" Criteria. As noted, we have based our forecasts mainly upon historical growth – which does not always reflect new policies. Nevertheless it is clear that these policies did have impact.

Today much of that new government policy stimulation is going to the western inland cities, especially Chengdu and Chongqing. For example, a recent statement (August 12, 2011) from the Economist Intelligence Unit says:

"Second quarter provincial GDP figures show slight deceleration in eastern provinces but growth remains robust in the west.

Preliminary releases from provincial statistical bureaus show that provincial GDP growth in the second quarter averaged 11.9%, a slight slowdown from the 12% average recorded in the first quarter of 2011. In a significant shift, the two newest municipalities – Tianjin on the Bohai Rim and Chongqing in western China – topped the list of fastest-growing provinces (cities), while Beijing and Shanghai – some of the richest parts of the country – came in at the very bottom.

Government policy tightening efforts have had a noticeable impact on the developed eastern coastal provinces, where growth softened from the first quarter. At the same time, favourable policies continue to encourage the expansion of industry in the western regions, whose economic development accelerated in the period. The fastest-growing provinces recorded rates of over 14%."

Source: Economist Intelligent Unit, August 12, 2011

Near term Government policy impact by city is difficult to statistically capture. Moreover we believe the impact of such policies is fairly long term e.g. today's investment incentives stimulate tomorrow's investments, which in turn result in the day after tomorrow's growth in production, wealth, supermarkets, trade, and other factors having major impacts on imported food consumption in the future.

Thus we again reiterate that our goal is to estimate short to midterm growth (nominally 5 years) – and not necessarily long term. We have done this with our choice of Criteria and with our use of Adjustment Factors.

Before continuing, we should add that there were two other possible, important criteria that we did not use: the status of the distribution system and the level of cold chain development in each STC. We did not try to assess them because neither have clear criteria or indicator statistics for most STCs.

A few thoughts on each of our 10 basic Criteria and their Adjustments follow. To put them in perspective the Adjustment Factors (AF) which were shown in Table 7 and are used to convert Basic Criteria ratings to Adjusted Criteria ratings – are shown in parentheses prior to the discussion of each the criteria.

(A) Population

Population is a single number Criterion – the number of legal residents in each STC. Thus, it is often understated – because there are so many "illegals" within each city. Furthermore, different cities use different definitions to define who is illegal and who is not. Nevertheless, because we were using groups of 7 cities for our ratings – plus the fact that virtually every large city has illegals – we believe our relative city to city comparisons were still adequately accurate for this report.

(B) Future city growth

Clearly, there is no single statistic that captures "Future Growth" – the most important Criterion of all, which we have emphasized with an AF of 1.9. Forecasting the future is always a risk; therefore we assembled 5 Indicators for which we could find historic city statistics; they together

(AF 1.0)

(AF 1.9)

provided reasonable, but not necessarily perfect, guides to future near term growth. Note that the average adjusted future growth rating for the Big Three was 13.2 whereas Tianjin's rating was 16.7, the ratings of several others were in the same range and the Top 25 averaged 13.1.

(C) Wealth

Wealth is also a critical Criterion. Food imports are usually higher priced and higher quality than similar domestic products. Those who can afford to, and have a desire to consume, will buy imports. Thus the STCs which rank highest in wealth should be carefully watched and targeted. Note again that the average adjusted Wealth rating for the Big 3 was 9.5; however the top 5 STCs averaged 14.0. Please note that a total of 14 of the top 25 exceeded the Big Three average wealth ratings.

(D) Tourism

Tourism can help stimulate consumption of imported foods; thus we have included it as a Criterion. However, we believe its relative impact is small. Thus the low AF rating.

(E) Food imports

Current food imports- like Future Growth and Wealth – were also one of the more important indications of what might happen to future imported food consumption. Our intent was to use two indicators: Annual import statistics and historic growth statistics. Let is explain how we accomplished this.

• Annual Food Import statistics (excluding commodities HS 10-12, 15-which are mostly grains and oilseeds) latest available year expressed n US\$ millions

(AF 0.6)

(AF 1.5)

(AF 1.5)

• Modified Historic CAGR % increases in imports, China only started tracking food imports by city in 2008, so we could only measure a 3 year trend (2008-2012). During this period many small cities started to record imports; thus they often had huge percentage increases (e.g. 19,000% for one STC). Therefore - for such small importing cities - we only counted total import tonnage as a single criterion. However, for the larger STCs, we averaged Total Imports plus average CAGR Indicators to arrive at a criteria rating. This combination for the larger importing STCs was also helpful to make the food import criteria at the points more conservative.

One other caveat is that Food Imports per city can be misleading because the largest importers are usually also the major ports. And, it is not possible to know how much of that imported food was used in that city and how much was sent on to other cities. Thus, to reduce the relative impact of very large import tonnage, we felt it was important to factor in the growth percentages as a second indicator. This solution was not perfect; however it did help to improve the relative weighting of the STCs involved.

(F) Food expenditures

Food Expenditures per capita in USD was the Criterion chosen here. We assumed that, if a larger amount of money is spent on food, it could be an Indicator that is positive for food imports. A caveat here is that, although we recognized that food expenditures are also related to the cost of food within each province, we did not try to factor that into this equation.

(G) Food service

Food service is important for anyone trying to forecast imported food consumption. In a new market, the first users of a new imported food product are usually the restaurants and large

(AF 1.0)

(AF 0.8)

hotels.

However, the Food Service Criterion was one of the most complex and difficult to evaluate because of the lack of Indicator data for a number of cities. Except for the number of 4 and 5 Star hotels, only 30% of the STC had data for 3 out of the 4 indicators used. Therefore an important caveat here is to recognize that, when we averaged, we simply used whatever indicators were available. – sometimes one and sometimes four – actually an average of 2.5 – to obtain the relative ranking Criteria value for each STC. Probably this was not completely accurate. But it did show us the relative importance of the different cities.

(H) Retail activities

Along with Food Service, Retail Stores are the other primary distribution method to get imported food products to consumers. The best Indicator for the retail sector is the number of very large international and domestic supermarkets and hypermarkets in each city. Such stores are always the first retailers to handle imports. The caveat here is whether we were always comparing and considering the same size and quality of these stores.

(AF 0.7)

(AF 0.5)

(I) Proximity to food ports

This Criterion is a measure of import competitiveness. If a city is a port, or is close to one, its imports will be lower in cost – less mark up plus lower transportation and distribution costs – and thus more competitive to similar domestic products. We evaluated this with the combination of total food imports and distance from the port. Because there was some duplication with Criteria E – Food Imports - a category that we felt may have been somewhat overstated – we gave this category a low AF to balance that impact.

(J) Cluster concept

The Cluster Concept is a comparative measurement of the proximity of each of the STCs to one of the Big Three cities. The point is that the closer the STC is to the larger Mega Market, the more interdependent the two become, naturally benefiting each other.

STCs within 200 km only were considered. Only 11 of the Top 25 STC's received points for Cluster Concept. Any others received no points. Rating points for this criterion by STCs qualifying are shown in the next Table.

Distance from mega market	Number of Basic rating points	Guangzhou	Shanghai	Beijing
Under 50 km	10	Foshan (#10)		
50 – 99km	8	Dongguan (#8), Zhengzhou (#23)		
100 – 149km	6	Shenzhen (#6)	Wuxi (#15) Suzhou (#3)	
150 – 199km	4		Hangzhou (#4), Changzhou (#16), Nanjing (#9)	Tianjin (#1) Tangshan (#16)

Table 16: Big Three Clusters

We believe the Cluster Concept is a Criterion because it reflects the benefits which STCs gain when they are close to one of the Mega Markets - which also gain in importance because of their presence. Because of the fact that most of the STCs involved in these clusters are port cities, a high Adjustment Factor for Cluster Concept would overstate the relative position of the port cities, already possibly overstated in the Food Import Criteria. Thus we have given the Cluster Concept an AF of only 0.5.



6. Conclusions

In this last section we summarize the most important conclusions from this project.

6.1 Best available guide for imported food markets

The most important conclusion that one can draw from "*China's Top 25 STC* Food Importer Prospects 2012" is that we have identified and prioritized 25 cities which, together, represent the best currently available location guide to major city opportunities in China for international food marketers.

This guide begins to remove some of the mystery regarding which cities, beyond the Big Three, after the best potential for imported food. It should be helpful to companies which must decide in which cities they should:

- Increase promotion;
- Establish distribution centers;
- Locate main or regional offices;
- Establish, as a foreign retailer, where they should start considering new supermarkets
- Consider, as a foreign food processor, where they might build or acquire a new plant

For each of these organizations this Top 25 STC Guide can be a good place to start looking!

6.2 Tianjin ranks as number one

Tianjin received a rating that exceeds those of Shanghai, Beijing, and Guangzhou plus all the

other STCs. We do not believe this ranking and rating system is infallible. But, as we worked with the data and tested various solutions using different Adjustment Factors, Tianjin repeatedly was rated with, or higher than the mega-markets. Tianjin truly offers major untapped potential in China for many imported food products.

6.3 Mega-Markets are not so dominant

In Tables 2 and 7 and Appendix A, we present the 25 Top STCs and compare them with the 3 mainland mega-markets. Interestingly, when so viewed, these Big Three cities do not appear nearly so dominant. As just indicated, one STC, Tianjin, exceeds them all with its rating of 82.9! And a number of the others are fairly close to their average adjusted rating – 80.6 – for the Big Three. The Top 5 rating average is 74.7 and the top 10 totals 71.4. When they are put into line with the ratings of these Top 25 STCs, the Three Bigs are not so overwhelmingly the best targets for imported food products in the future.

6.4 Cluster Concept is important

The Cluster Concept was the last of our Criteria. But it is an important one. Building on the Big Three can be good expansion strategy. It includes taking advantage of one of these larger core markets, but locating in a faster growing, often wealthier, sometimes less competitive, STC. Some Clusters which might be considered include the following:

Clusters with the mega-markets

• **The Guangzhou cluster**, is already a concept being promoted by the Chinese government. Please note the following figure.



Figure 3: The Cluster Concept of the future

Source: <u>http://www.telegraph.co.uk/news/worldnews/asia/china/8278315/China-to-create-largest-mega-city-in-the-world-with-</u> 42-million-people.html (accessed on 12/10/2011)

The above conceptual plan includes nine STCs, four of which are in Promar's Top 25 – Shenzhen (#6), Dongguan (#8), Foshan (#19) and Zhengzhou (#23) – and two are in our lower list of the 70 cities evaluated in this prospect – Zhongshan (#43) and Zhuhai (#30).

- The Shanghai Cluster involves only two of the Top 25 Suzhou (#3) and Wuxi (#15); but Hangzhou (#4), Changzhou (#13), Nanjing (#9) and even Hefei (#20) are not far away.
- Beijing plus Tianjin (#1) Cluster (which also includes Tangshan #17) could be a power house location for many companies.

Other possible clusters

- **Hangzhou (#4)** itself could be a cluster core for the Zhejiang province STCs Ningbo (#19) and Wenzhou (#22)
- **Qingdao (#7)** could become a base for a Shandong province cluster involving also Yantai (#24), Jinan (#25) and possibly Lianyungang (#28) in Jiangsu province.
- In North China, **Dalian (#5)** or **Shenyang (#2)** in Liaoning province might be a good cluster core which might also include Changchun (#21) in Jilin and possibly Harbin (#34) in Heilongjiang.

In China's interior the huge potential markets of **Chengdu** (#13) in Sichuan and **Chongqing** (#14) - although not close - might offer an opportunity as a combined operation.

6.5 Customized guides are feasible

Our work on this project has focused on developing an overall guide to the best opportunities for essentially all food products. However, it has also shown us that opportunities exist to make additional city priority lists that focus on specific food and drink products. Using different criteria, making the criteria more specific, and modifying adjustment factors can have a significant impact on the ranking of these STCs. We are now exploring how modified prioritized lists can be developed for several basic food and drink products.

6.6 Future guides are a prospect

Although slowing somewhat as we move into 2012, the overall China market has been growing at 9-10% annually. Moreover some of the STCs have been expanding at 25% annually over the last 5 years. Although China may be reducing its pace, we still expect growth to be rapid. Because of this Promar will probably consider another such STC analysis in 2013 or 2014, which we would expect to be an improvement. If a reader is interested please drop Promar an email.

Summing up, we believe that, although it is not perfect, the Top 25 list is an excellent indicator of each STC's potential for aggressive marketers of imported food products in China. We hope our readers concur.

Appendix A: STC Ratings Criteria and Indicator Data

This analysis provides the backup details of both the Criteria and Indicator statistics used for ranking and rating the STCs

	Big Thr	ree Compa	rison	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Criteria and Indicators	Shanghai E	Beijing	Guangzho	Tianjin S	Shenyang	Suzhou	Hangzhou	Dalian	Shenzhen	Qingdao I	Dongguan	Nanjing	Foshan	Wuhan	Xiamen	Chengdu (Chongqing	Wuxi	Changzhou	Tangshan	Changsha	Ningbo	Hefei	Changchun V	/enzhou Zh	engzhou	Yantai	Jinan
TOTAL ADJUSTED RATING	81.5	80.5	79.8	82.9	73.9	73.7	72.3	70.9	69.6	69.1	68.9	68.1	64.8	64.6	64.5	63.8	62.1	61.9	61.7	60.6	60.1	59.8	58.9	58.1	57.5	57.3	56.6	56.4
A. POPULATION (AR)	10	10	9	10	7	6	6	6	9	8	7	8	5	8	2	10	10	4	3	7	6	5	4	8	8	7	6	5
People - Million	19.2	17.6	10.3	11.8	7.1	6.3	6.8	6.1	8.8	7.6	6.9	7.6	6	8.3	2.5	12.7	28.4	4.6	4.4	7.3	6.6	5.7	5.0	7.5	7.7	7.4	6.5	6.0
B. FUTURE GROWTH (AR)	13.7	13.3	12.5	16.7	14.8	11.4	11.8	14.1	11.4	10.6	10.3	12.9	11.4	13.3	15.2	16	14.1	10.3	14.4	7.2	14.4	8.7	15.6	14.1	5.7	14.1	8.4	10.3
Population CAGR - %	2	3	2	4	1	1	1	1	10	1	2	7	14	2	3	5	1	1	6	1	2	1	3	1	1	1	0	1
Industrial Dev - \$ Bill	77.2	71.1	38.9	49.0	43.3	37.6	28.5	36.2	21.1	29.1	13.9	31.0	18.1	32.4	13.4	43.4	58.2	27.0	20.8	11.2	27.0	24.9	26.5	26.2	10.9	25.5	28.2	20.4
IDGR - %	10	14	16	28	33	14	13	37	8	18	22	16	22	29	32	29	26	14	25	15	29	12	50	41	11	28	16	21
Foreign Dev - \$ Bill	9	6.1	3.7	7.4	6	8.1	3.3	5	4	2.6	3.2	2.4	1.8	2.6	2	2.2	2.7	3.2	2	0.8	1.8	2.5	1.2	2	0.3	1.4	1.1	0.9
FDGR - %	31	15	7	32	26	13	24	23	3	-9	2	15	1	14	38	32	41	11	37	19	38	5	40	23	6	55	1	29
C. WEALTH (AR)	9.8	10.1	8.6	10.1	12.8	11.3	11.6	11.6	8.6	11.6	9.8	12	8.3	9.4	9.4	5.6	7.5	10.5	10.5	11.3	7.1	10.1	10.9	6.4	6.8	9.4	11.3	9.4
GDP/ca (\$US)	10,807	10,070	11,790	7,982	7,806	15,376	10,152	9,099	12,923	8,382	7,666	7,157	10,474	6,373	9,015	4,418	2,583	10,511	7,190	6,914	6,557	10,040	4,781	4,898	4,540	5,844	7,052	7,188
GD - CAGR %	13	17	8	15	21	17	19	23	11	17	18	17	11	15	12	7	17	8	18	21	26	16	27	13	14	20	18	13
Disposable Income - \$ U S	4222	3915	4043	2795	2448	3434	3468	2518	3846	2945	4356	3327	3237	2405	3446	2438	2260	3396	3107	2357	1989	3641	2243	2159	3288	2264	2784	2993
DI CAGR - %	12	11	11	14	18	13	13	14	-1	17	10	19	9	15	14	13	14	15	14	17	6	12	16	14	7	14	16	15
D. TOURISM (AR)	4.4	4.6	5.2	4.4	4.6	5.0	4.6	4.8	4.2	4.2	3.6	5.0	3.8	4.0	3.6	4.0	4.6	4.6	3.8	1.4	4.2	4.2	3.8	4.4	3.6	4.4	3.8	2.8
Total Annual Income - \$ Bill	28	35.8	14.5	12.5	5.9	10.4	10.2	5.8	7.5	6.0	2.3	10.3	2.7	5.4	4.4	5.4	8.0	7.5	3.4	0.7	4.3	6.5	1.9	3.3	3.4	4.9	3.3	3.0
Income CAGR % /year	10	17	23	14	23	21	15	24	8	20	17	22	20	17	10	13	21	23	24	17	22	22	31	292	25	25	25	N/A
4&5 star Hotel - Number	368	239	164	78	47	106	148	58	176	60	102	81	53	76	70	85	79	50	28	8	72	44	34	27	22	37	24	41
E. FOOD IMPORTS (AR)	9.8	11.3	10.5	11.3	10.5	9.8	9.8	9.8	9.8	9.8	10.5	6.0	11.3	8.3	9.8	5.3	5.3	9.0	7.5	10.5	9.8	9.0	6.0	6.0	9.8	5.3	8.3	9.8
Total food imports - \$US Million Imports (as defined) growth	1,784	1,378	3,238	1,298	87	115	355	1,591	1,867	1,759	122	/3	281	27	3/3	41	16	83	36	21	168	236	6/	14	29	1/	693	5/
% /year	3	5	4	5	7	6	4	3	3	3	6	2	6	6	4	2	3	5	5	9	5	4	2	4	8	3	2	7
F.FOOD EXPENDITURES(AR)	10	9	10	9	9	10	9	10	5	10	10	5	6	8	10	9	7	5	8	7	7	5	6	8	8	5	8	7
\$ US per ca.	486	401	570	355	394	404	376	422	N/A	446	586	N/A	274	325	524	372	305	260	354	306	302	N/A	279	343	329	236	335	290
G. FOOD SERVICE (AR)	6.9	7.2	6.9	7.4	6.4	8.0	8.0	6.2	6.7	6.4	7.5	7.2	6.4	6.6	6.8	7.2	7.6	6.4	6.0	5.1	6.4	6.4	4.8	5.6	5.8	5.1	5.2	6.7
Dining out/\$ U S	302	206	386	194	N/A	N/A	N/A	148	254	137	363	N/A	N/A	115	181	N/A	N/A	N/A	184	100	N/A	N/A	N/A	98	227	68	86	156
Annual growth in dining out - %	N/A	N/A	N/A	14.5	N/A	N/A	N/A	N/A	-1	N/A	11.6	N/A	N/A	5	16.7	N/A	N/A	N/A	7.9	39	N/A	N/A	N/A	14.7	5.5	13.2	1	14.9
4&5 star Hotels - Number	368	239	164	78	47	106	148	58	176	60	102	81	53	76	70	85	79	50	28	8	72	44	34	27	22	37	24	41
Catering sales - \$ Mill	N/A	2171	N/A	393	131	277	354	155	N/A	N/A	N/A	N/A	N/A	247	104	N/A	1030	N/A	105	N/A	N/A	179	N/A	N/A	97	N/A	187	N/A
H. RETAIL ACTIVITY (AR)	7.0	7.0	7.0	7.0	6.3	6.3	7.0	3.5	7.0	3.5	2.8	7.0	4.2	5.6	2.8	6.3	5.6	5.6	3.5	4.2	4.2	6.3	6.3	4.2	4.9	5.6	0.7	3.5
Major super markets (international and domestic) - Number	158	288	90	86	56	35	66	12	58	11	10	90	13	30	10	35	27	25	11	14	15	48	47	13	21	31	4	12
I.PROXIMITY TO PORT (AR)	5	3	5	5	2.5	3	2.5	5	5	5	3.5	5	3.5	1.5	5	0.5	0.5	3.5	3	5	1	5	1.5	1.5	5	1.5	5	2
Distance - km	0	128	0	0	192	111	154	0	0	0	70	0	30	571	0	1,511	1,656	60	75	0	696	0	476	481	0	574	0	393
J. CLUSTER CONCEPT (AR)	5	5	5	2	0	3	2	0	3	0	4	0	5	0	0	0	0	3	2	2	0	0	0	0	0	0	0	0
Distance from mega city - km	0	0	0	152	693	105	177	826	141	668	72	305	27	927	708	1987	1650	137	185	178	1191	214	476	969	482	698	740	432

AR: Adjusted Rating; CAGR: Compound Annual Growth Rate; N/A: Not Available (when 'N/A' is indicated, an average rating of 5.0 was used; (except for Food Service where statistics were

limited and in two cases, rating points were based upon an average of 2.5 indicators.) Note – most current data is 2010