

Shanghai Office

Fact Sheet: Shanghai

1. Introduction

Shanghai with an area of 6,340 sq km, population of 24.75 million, a GDP of RMB 4.72 trillion (approximately EUR 606.2 billion) in 2023 a 5% increase from the previous year, and a GDP per capita of RMB 190,321 (approximately EUR 24,442) and the second most populous in China (Chongqing ranks first). Located on the Huangpu River near the Yangtze River Delta, Shanghai was originally a fishing village. The city gained prominence in the 19th century due to trade and its favorable geographical position. In the 1990s, the city's modernization accelerated thanks to economic reforms led by Deng Xiaoping. Since then, Shanghai has transformed into a global center for finance, trade, research, and technology. It is currently home to the Shanghai Stock Exchange, one of the largest in the world for market capitalization, and the Shanghai Free Trade Zone, the first free trade zone in mainland China established in 2013. The Port of Shanghai, the country's primary port, is one of the busiest in the world. In 2020, Shanghai has the third largest number of billionaires in the world, beating Hong Kong and behind only Beijing and New York. The city is also home to several prestigious universities, including Fudan University, Shanghai Jiao Tong University and Tongji University.

2. Geography

Shanghai is encompassed in the Yangtze River Delta (YRD) Region. In addition to the municipality of Shanghai, the YRD includes the provinces of Zhejiang, Jiangsu and Anhui,

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Certificate N. 38152/19/S
ISO 9001 / UNI EN ISO 9001:2015



including 26 cities. It covers an area of 225,065 square kilometers and represents a total population of 163.3 million people. Its combined GDP exceeded 30 trillion yuan in 2023 for the first time, marking a year-on-year growth of 5.7% and comprising 24.4% of the national total. The delta region's GDP reached 7.4 trillion yuan in the first quarter of 2024, accounting for about 25% of the country's total GDP. Along with Beijing, Tianjin, and Chongqing, Shanghai is one of the four Chinese cities enjoying the special status of autonomous municipality, an administrative level equivalent to that of provinces. Shanghai includes several national-level economic and technological development zones active in strategic sectors, such as:

- 1) Mechanical, chemical, and medical industries, aerospace, and information technology (Minhang Development Zone, Caohejing Hi-Tech Park, Jinqiao Development Zone, Shanghai Chemical Industrial Zone, Zhangjiang Hi-Tech Park, Songjiang Development Zone, and Shanghai Zizhu Hi-Tech Industrial Development Zone)
- 2) Service industry, tourism, and foreign trade (Hongqiao Development Zone and Sheshan National Tourist Resort).
- 3) Financial sector (Lujiazui Financial and Trade Zone).

3. Economy

Shanghai had a resident population of 24,758,900 as of the end of 2023, including 14,696,300 registered residents and 10,062,600 migrants. The city is ranked among top 10 cities in the world in terms of Gross Domestic Product (GDP) ranging between 6th and 10th place according to several institutions using different parameters. In 2023, the municipality's GDP was RMB 4.72 trillion (approximately EUR 606.2 billion), up 5% from the previous year. Third-tier industry accounted for 75.20% of GDP and continues to grow rapidly. GDP per capita amounted to CNY 190,321 (approximately EUR 24,442.92) in 2023 up of more than EUR 4,000 if compared with the previous years (2020). Shanghai's main industries are financial services, wholesale and retail trade, transportation, construction and manufacturing.

4. Finance

Shanghai is ranked as the 6th financial center globally in 2024 Global Financial Centers Index, following New York, London, Singapore, Hong Kong and San Francisco. In 2022, the value added from the financial sector in Shanghai municipality amounted to approximately

to RMB 862.63 billion contributing to more than 19% of the total GDP of Shanghai. The municipality hosts various national-level financial markets such as the Shanghai Stock Exchange, the Shanghai Gold Exchange, and the Shanghai Insurance Exchange. The city boasts 1,771 licensed financial institutions, including 548 foreign-funded institutions, accounting for over 30 percent of the total. In 2023, the total trading volume of Shanghai's financial markets reached a new high of RMB 3,373.6 trillion, ranking among first positions in the world. In recent years, Shanghai has promoted the development of the Fintech (financial technology) sector by adopting measures such as the launch of the Science and Technology Innovation Board, the establishment of the Shanghai Fintech Industry Union, and the publication of the Implementation Plan to Accelerate the Development of the Shanghai Financial Technology Center. These measures have created new opportunities for foreign-invested financial institutions in Shanghai. Furthermore, recently, plans are underway to build an international green finance hub. A green finance service platform was recently launched with an initial selection of 11 projects, financing a total of RMB 3.58 billion (EUR 458 million).

5. Trade

To promote and facilitate foreign investment in the city, the first free trade zone in mainland China, the China (Shanghai) Pilot Free-Trade Zone, was established in 2013. Originally comprising the bonded zones of Waigaoqiao, Yangshan Port, and Pudong Airport, the Free Trade Zone was expanded to include the economic and technological development zones of Jinqiao, Zhangjiang, and Lujiazui in 2014, and the Lingang New Area in 2019, covering a total area of 240.7 sq km. Shanghai is one of the main maritime and air traffic hubs in China. For 10 consecutive years, its port has been the busiest in the world for container handling. In 2022, the total amount of import and export of goods in the Shanghai is CNY 7.715 trillion; the container throughput of the Shanghai Port reaches 47.3 million international standard containers, ranking the first in the world for thirteen consecutive years. In 2022, Shanghai Pudong Airport handled 3.12 million metric tons of cargo, ranking it the first among all airports in mainland China in terms of cargo throughput. Guangzhou Baiyun International Airport ranked the second, with about 1.88 million metric tons of cargo throughput in that year. Shanghai's trade with the European Union is constantly increasing. In 2023, the EU is Shanghai's largest trading partner, with imports and exports between Shanghai and the EU amounts to RMB 638.23 billion yuan, a growth of 5.4 percent from previous year, accounting for 20.2 percent of the total value of imports and exports. During the same period,

Shanghai's imports and exports to other Regional Comprehensive Economic Partnership member countries, Japan and Australia were RMB 1.04 trillion, RMB 292.15 billion and RMB 175.99 billion respectively, with growths of 0.9 percent, 1.4 percent and 27.2 percent.

Each year, the city hosts various international events, including the China International Import Expo (CIIE), the largest national fair on imports.

The CIIE, hosted by the Ministry of Commerce and the Shanghai Municipal People's Government, and organized by the China International Import Expo Bureau and the National Exhibition and Convention Center (Shanghai), is national import-themed exhibition, which has taken place annually since 2018. Over the past six years, the CIIE has actively served as a platform for international procurement, investment promotion, cultural exchange, and open cooperation, promoting around 2,500 representative new products, technologies, and services, with intended transaction volumes reaching an estimated value of several hundreds of billions of euros. In previous editions, sixty-four nations participated, along with three international organizations (the World Trade Organization, the United Nations Industrial Development Organization, and the International Trade Center), and more than 3,800 companies exhibited their products in the Business Exhibition Hall. Over 160 Italian companies were present, including major groups such as ENI, Ferrero, IVECO, and Leonardo, renowned brands such as D&G, Maserati, and Alfa Romeo, and numerous small and medium-sized enterprises.

6. Innovation

In 2023, Shanghai dedicated approximately 4.4 % of its GDP to research and development, with a noteworthy 10 percent of this budget allocated to basic research, which is fundamental for scientific advancement. Shanghai's scientists have made substantial contributions, publishing 120 papers in prestigious journals which accounts for 26.2 percent of the national total.

Shanghai is home to over 24,000 high-tech enterprises, marking a 9 percent increase from the previous year. Additionally, certified and registered technology contracts reached a total value of RMB 485 billion (EUR 63.05 billion), reflecting a significant 21.1 percent growth compared to the previous year. In the 2023 Global Innovation Index by the World Intellectual Property Organization, the Shanghai-Suzhou Cluster ranks fifth among the world's "Best Technology Clusters," with its position steadily rising.

Shanghai serves also as one of the major platforms for talent development and acquisition. The municipality is home to some of China's top universities, such as Shanghai Jiao Tong University, Fudan University and Tongji University (ranked third, fifth and sixteenth, respectively, in the 2024 Ranking of China's Best Universities).

The city recently reorganized its key State laboratories. 9 new laboratories were established, while 26 existing ones completed reorganization. Additionally, Shanghai participated in the reorganization of 17 laboratories from other provinces and cities. 15 national major sci-tech infrastructure facilities have been completed and/or are currently under construction. High-level scientific and technological innovation platforms, along with new R&D institutions, are rapidly emerging. The National Technological Innovation Center in the Yangtze River Delta collaborates with leading enterprises, establishing joint innovation centers to support innovation. Key institutions like the Tsung-Dao Lee Institute, Shanghai Qi Zhi Institute, and the Shanghai Research Center for Brain Science and Brain-Inspired Intelligence have achieved remarkable milestones. Various high-level research institutes are present in the area, including the Zhangjiang Lab and the Shanghai Research Center for Quantum Sciences. Shanghai is one of the Chinese cities that attract the highest number of foreign R&D centers. Most of the 461 foreign-invested R&D centers in Shanghai are concentrated in the biomedical, information technology, automotive, and chemical sectors. Some were established by multinational companies such as Microsoft, IBM, Philips, Nokia, and Honeywell. As one of the most dynamic cities for AI development, the municipality hosted the World Artificial Intelligence Conference in 2019 and was recognized by the Chinese government as one of the national pilot areas for innovative development and AI application. Various investment funds have been established to support companies specializing in artificial intelligence. In addition to funds such as the AI Industry Fund of the G60 Science and Technology Innovation Corridor and the AI Venture Capital Fund of the Yangpu District, the Shanghai AI Industry Investment Fund was established, allocating RMB 10 billion (EUR 1.27 billion) for the initial start up and development phase.

7. Foreign Investment

Shanghai is one of the most attractive destinations for foreign investment in China. In 2022, Shanghai is the second largest province in China in terms of the number of new foreign-invested enterprises, accounting for 11.3 %, and the third largest province in China in terms of the actual amount of foreign investment used, accounting for 12.7 %. In 2019, the

municipality had over 50,000 foreign-invested enterprises, 720 regional headquarters of multinational companies, and 461 foreign-invested R&D centers (representing one-quarter of the foreign-invested R&D centers in China). Following the implementation of measures to open new sectors to foreign investors, Shanghai recorded strong growth in foreign direct investment. In 2020 alone, 51 new regional headquarters of foreign-funded multinationals and 20 new foreign-funded R&D centers landed in the city, bringing the total figures to 771 and 481, respectively. In 2023, Shanghai had nearly 60,000 foreign-funded enterprises, which contribute to over one-quarter of the city's gross domestic product and more than one-third of its tax revenue. Recently, Tesla inaugurated its gigafactory in Shanghai.

8. Italian Companies Presence

Shanghai is home to the largest number of Italian companies in China, primarily active in the mechanical (as for example Ansaldo Energia, Bonfiglioli, Camozzi, Danieli, Finmeccanica, Itema, Santoni, Nordmeccanica, Coesia, Pama) and automotive and spare parts sector (as Alcantara, Alfa Romeo, Brugola, CNH Industrial, Comau, Ferrari, FCA, Magneti Marelli, Maserati, Pirelli, Iveco). A sector offering good growth prospects in Shanghai and Eastern China is pharmaceutical healthcare, represented by companies such as Bracco, Chiesi, Copan, Diasorin, Esaote, Fabbrica Italiana Sintetici, Dedalus, Indena, Menarini, Sorin, Stevanato. Other areas in which Italian companies operate in Shanghai include aviation and aerospace (as Leonardo Finmeccanica, Italian Aerospace Network), logistics (as Savino del Bene, JAS, Otim, Capital/Sisam, Interglobo, Ferrari for jewellery and Omlog for fashion), tourism and transportation (as Costa Crociere, MSC, Grimaldi), IT (as Exprivia) and shipbuilding (as Fincantieri). The fashion and accessories sector is represented by companies such as Armani, Bottega Veneta, Brunello Cucinelli, Bulgari, Calzedonia, Damiani, Diesel, Dolce&Gabbana, Ermanno Scervino, Ferragamo, Fendi, Geox, Gucci, La Perla, Loro Piana, Max Mara, Moncler, Pinko, Prada, Stefano Ricci, Tod's, Valentino, Zegna, Golden Goose and Luxottica. Specialized institutes such as the Istituto Marangoni and Nuova Accademia Belle Arti (NABA) are also present. For the services sector, Italian bank Intesa Sanpaolo and several legal and tax consulting firms have their offices and regional headquarters in Shanghai. Major Italian food and beverage companies operating in Shanghai or nearby areas include (among many) Carpigiani, Inalca, Caviro, Fabbri, Ferrero, Fratelli Beretta, Gruppo Italiano Vini, Marchesi Antinori, Zenato and Zonin. Italian Michelin star restaurants and distinguished Italian chefs opened and/or expanded their operation in the municipality of Shanghai in the recent years.



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Date: July 2024

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Shanghai Municipal Commission of Commerce

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