

Shanghai Office

Fact Sheet: Suzhou

1. Introduction

Suzhou (area 8,657 sq km, population: 12.96 million, city GDP: RMB 2.4653 trillion (approximately EUR 317 billion) in 2023, a 4.6% increase from the previous year, per capita GDP: CNY 190,600 (approximately EUR 24,486) is a city located in Jiangsu province. Suzhou is a prime destination for foreign investment due to its proximity to Shanghai and relatively low operating costs. The city is situated on the lower reaches of the Yangtze River and the shores of Lake Taihu, part of the Yangtze River Delta region which encompasses Shanghai, the provinces of Jiangsu, Zhejiang, Anhui and around 26 cities (with a staggering RMB 30 trillion GDP in 2023, around EUR 3.8 Trillion). With over 2,500 years of history, Suzhou is one of China's major tourist destinations. The many rivers and canals running through the city have earned Suzhou the nickname "Venice of the East." The city is also famous for its classical gardens, nine of which are listed as UNESCO World Heritage sites.

2. Economy and Innovation

Suzhou represents the top city economy in Jiangsu in terms of GDP and the sixth city in all of China in 2023 (preceded by Shanghai, Beijing, Shenzhen, Chongqing and Guangzhou). In 2023, the city recorded a GDP of RMB 2.4653 trillion (approximately EUR 317 billion), a 4.6% increase from the previous years. Suzhou also boasts a per capita GDP of RMB 190,600 (approximately EUR 24,486), the third highest in all of China after Shenzhen and Wuxi (already surpassed tier 1 cities such as Shanghai and Beijing).

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Suzhou's economy is primarily based on its significant manufacturing sector, the third largest in China, including the production of iron and steel, computer and electronic equipment, and textile products. Since the Song Dynasty (960-1279), Suzhou has also been an important center for the silk industry. The city has a well-developed service sector, mainly due to tourism. Today, Suzhou is particularly interested in the development of advanced technologies, providing incentives to companies considered at the forefront in IT, Industry 4.0, environmental protection, nanotechnologies, biomedical industry, software animation, big data, tourism, and historical heritage restoration. Suzhou includes several national-level economic development zones (areas with preferential commercial policies to attract foreign direct investment and stimulate internal growth) among them:

(1) Suzhou Industrial Park (SIP), founded in 1994 on an area of 288 sq km with the collaboration of the Chinese and Singaporean governments. Over 4,400 projects have been launched in the SIP, of which 156 have been invested in by Fortune Global 500 companies (as of 2018). The SIP hosts, among others, an artificial intelligence center co-founded by Huawei and the SIP BioBay biomedicine cluster.

(2) Suzhou New District (SND), established in 1990, covering an area of approximately 223 sq km and specializing in IT, medical instruments, renewable energy and environmental protection, rail transportation, and the textile industry. The district hosts the Alibaba Cloud Innovation Center, one of 50 worldwide managed by the Chinese e-commerce giant.

(3) Taicang Port Economic and Technological Development Zone, established in 1993, covers an area of 144 sq km and focuses on the development of advanced manufacturing with special attention to new energy, intelligent equipment, biomedicine, energy, light industry, petrochemical industry, logistics and trade. It includes a port and a free trade zone.

(4) Kunshan Economic and Technological Development Zone, established in 1984, covering an area of 115 sq km. It includes several science and technology parks dedicated to robotics, advanced equipment, cultural and creative industries.

(5) Wuzhong Economic and Technological Development Zone, inaugurated in 1993, covering an area of 124 sq km. It specializes in the production of intelligent equipment, information technologies, biopharmaceutical products, and electric vehicle components.

In 2019, the Chinese government established the China (Jiangsu) Pilot Free Trade Zone, a free trade zone to facilitate and attract Chinese and foreign investments in Jiangsu Province. The zone includes three areas located in Suzhou, Nanjing, and Lianyungang. The so-called “Suzhou Area,” covering 60 sq km, mainly within the Suzhou Industrial Park, represents about half of the free trade zone's area.

Suzhou, being part of Jiangsu, distinguish itself also for a high level of education. Notoriously, Jiangsu important platform for newly graduates students to enter the job market and its universities are very active in research programs. Among those, the Soochow University, located in Suzhou, is one of bigger contributor (jointly with other universities based in Nanjing) for high level of education, specialized training and future talent acquisition.

3. Foreign Investment

Suzhou is a major destination for foreign investment. By the end of 2022, over 160 “Fortune 500” companies had invested in Suzhou (increasing total number by 10 since 2020), including multinational corporations like Phillips Healthcare, P&G, Bosch, BP, ExxonMobil, JD.com, Zippo, and Honeywell. Suzhou also has a significant Italian economic presence and is considered the home of the largest “Italian industrial district” outside of national borders of Italy. Over 170 Italian companies operate in the so-called “Suzhou Greater Area” which includes Suzhou and the neighboring localities of Changshu, Kunshan, and Taicang. Most Italian companies in Suzhou and the Suzhou Greater Area are active in the advanced mechanics and automotive sectors: among the most important are for examples Carel (plant in Suzhou for the production of air conditioning, refrigeration, and heating systems); Comau (plant in Kunshan for the development and implementation of automation processes for the automotive sector); Danieli (plant in Changshu for the production of machinery for steel processing); EDT (die-casting); Faist (components and technologies for the automotive sector, production plants in Suzhou); Lafert (electric motors); Marsilli (winding machines, plant in Suzhou); Manuli (hydraulic systems); Marchesi (metalworking technologies); Mattei (assembly and sale of compressors); MEC (industrial consultancy); Piovan (production of automated machinery for the transformation of plastic granules); Ognibene (steering actuators); Prima Power (sheet metal processing machines); Prysmian (plant in Suzhou for the production of cables for applications in the energy, telecommunications, and optical fiber sectors); Radici (production of plastic granules); Sabaf (thermostats, gas burners, and

hinges for appliances); Sematic (systems for the elevator industry); Sogefi (components for the automotive industry); Soilmec (design and production of equipment and plants for deep foundations); Valvitalia (production of valves for the oil and gas sector); Modula (vertical storage system, automated warehouses); FuturaSun (PV and solar panels); Pelliconi (bottle cap manufacturers); Spanesi (car body equipment); Mecc Alte (alternators); Ariston (heating solutions); Spal Automotive (axial fans, centrifugal blowers, and coolant pumps for the automotive industry) and Candy Hoover (home appliances). The Italian presence is also notable in the medical and cosmetic sectors with companies as Cefla (producer of dental units and equipment for dental applications), Intercos (cosmetic products), Sorin (medical devices), Ompi-Stevanato (vials for pharmaceutical use), and Ponzini (applications for dentistry and cosmetics). The fashion sector is represented by companies like Safilo (eyewear production). Various events and fairs are organized in Suzhou to attract high-level international technologies and talents to the city. Since 2009, the Venture Week for International Elites has been held annually, including a competition to award the most innovative entrepreneurial projects and present them to Chinese investors.

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Sources

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