



cutting through complexity

IT in Hangzhou: People-driven innovation

Invest in Hangzhou :
Information Technology Industry

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Introduction

This report aims to provide an overview of the investment climate in Hangzhou, Zhejiang province, for investors interested in the information technology industry in China.

Hangzhou, the capital city of Zhejiang province, was once regarded as the “Best *Zhou* (an ancient Chinese administrative unit) in southeast China”. As a pivotal city in the Yangtze River Delta, Hangzhou contributes towards the rapid growth of the economy. From 2006 to 2011, Hangzhou's gross domestic product (“GDP”) surged from CNY 344.4 billion to CNY 701.2 billion, representing a compound annual growth rate (“CAGR”) of 15.3 percent. The proportion of the tertiary industry also climbed from 44.9 percent to 49.3 percent over the period.

The industrial structure of Hangzhou has evolved over recent years. The cultural and creative industry, financial services, e-commerce, software and IT services, Internet of things (“IOT”), and the tourist industry are becoming the key drivers of economic growth. The Information Technology (“IT”) industry has been expanding fast in Hangzhou. In 2011, revenue from major activities in the IT industry amounted to CNY 239 billion, rising by 24 percent.

In a fast-changing market like China, various enterprises and industries may find themselves in different situations. It is recommended that investors who are operating or planning to operate in China should seek the latest information and specific advice from experienced professional consultants, and conduct due diligence when appropriate.

This report aims to provide information about the investment climate in Hangzhou through our independent analysis of publicly available information. It should not be used as a substitute for adequate due diligence before any investment.

Sources of information are indicated in the report. We would like to thank the Hangzhou Municipal Foreign Trade and Economic Cooperation Bureau for its kind assistance. This report adopts an exchange rate of USD 1 = CNY 6.34 (based on the Bank of China's benchmark rate on 10 August 2012), and includes data up to September 2012.

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Sources: Hangzhou Economic and Social Development Report 2011; Bank of China; Chinanews.com; Economic and Information Technology Commission website; China Daily website; Zhejiang Online; China City Development website

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Industry overview

- A thriving IT industry
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In 2011, revenue from major activities in the IT industry amounted to CNY 239 billion, rising by 24 percent. According to an article on the China Daily website, Hangzhou is the only city in China that is the base for the national IT industry, national software industry, national integrated circuit design industry, services outsourcing industry and high-tech industry at the same time



A thriving IT industry

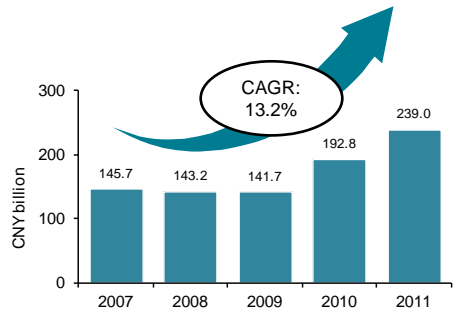
Hangzhou has a strong and growing IT industry

- In 2011, revenue from major activities in the IT industry amounted to CNY 239 billion, rising by 24 percent over the last year, and achieving a CAGR of 13.2 percent from 2007 to 2011
- In 2011, there were more than 2,000 IT enterprises with a headcount of about 200,000, which is 35,000 more than that in 2010

Software and IT services, IOT and e-Commerce are the major sectors driving the development of the IT industry in Hangzhou.

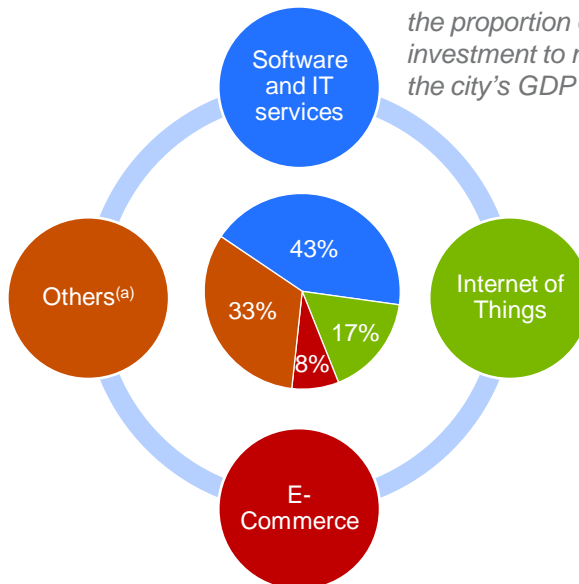
- In 2011, for software and IT services, IOT, and e-commerce sectors amounted to 43 percent, 17 percent, and 8 percent respectively of the IT industry's total revenue

Revenue from major activities in the IT industry, 2007–2011



“ Hangzhou will leverage its innovation as one of the driving forces to stimulate the development of information technology and related industries. It aims to increase the proportion of R&D investment to more than 3% of the city's GDP in 2015 ”

IT industrial structure and revenue breakdown, 2011



Note: Others include telecommunication services, electronics manufacturing, etc.

Sources: Hangzhou Municipal Information Office ; China Electrics website; Hangzhou Statistics Bureau website; Sina Tech website; China News website; *Suggestions for Hangzhou's Development of Innovative City*

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Growing influx of foreign investors

Increasing influx of foreign investments into Hangzhou, especially in the software and IT services industry

- In 2011, the actually utilised foreign investment reached USD 4.72 billion, up by 8.4 percent
 - USD 1 billion was contracted for the information and software industry, with a year-on-year growth of 46.3 percent
- During the first quarter of 2011, there were 18 new projects invested by foreign companies in software and information service industry with a total value of contract amounted to USD 170 million, taking up 16 percent of Hangzhou's total contracted value in this period
- Almost all e-Commerce and IOT industries in Hangzhou are invested with domestic private capital.

A 46.3% increase of Hangzhou's information technology industry contract value from last year

“ Hangzhou has a huge talent pool, and the municipal government and Hangzhou's universities are cooperating with private enterprises to help develop and raise the standard of technical skills for new graduates ”

- Management of Insigma

Leading foreign IT-related companies in Hangzhou^(a)



Note: (a) Includes investment from Hong Kong, Taiwan and Macau

Sources: Hangzhou Statistics Bureau website; Development Plan of Internet of Things Development in Hangzhou in 2010–2015; Jiangsu Small Medium Enterprises website; Hangzhou Xiasha website

Market potential

- **A software and IT services hub**
- **A centre for developing the internet of things**
- **The “capital of e-Commerce”**
- **Driving future growth**

The software and IT services, IOT and e-Commerce industries are developing rapidly in Hangzhou, and play a key role in China’s IT industry. They are three of the Top 10 key emerging industries that Hangzhou supports under the 12th Five-year Plan



A software and IT services hub

Hangzhou is one of the most important bases of the software industry in China. The software and IT services industry's major activity records an annual income of CNY 102.3 billion

- In 2011, the software and IT services industry's major activity recorded operating revenue of CNY 102.2 billion. With the revenue from major activities in 2015 targeted at CNY 150 billion, a CAGR of more than 10 percent is expected
- As at the end of 2011, there were 44 software enterprises with annual revenue above CNY 500 million. Among the software enterprises, 34 were with a revenue of more than CNY 1 billion. 11 enterprises were named in China's Top 100 Software Companies for 2011
- As at the end of 2011, the total exported value of Hangzhou's software industry reached to USD 915 million, a 35.3 percent increase from last year
- Currently there are more than 20 major software industrial parks scattered in various districts of Hangzhou, each measuring around or more than 10,000 square metres

Key drivers of software and IT services development in Hangzhou

1 Robust market demands

- Hangzhou is located in the Yangtze River Delta where GDP reached more than CNY 8 trillion, accounting for 17.4 percent of the national total
- There is a strong demand for software and IT services from more than two million enterprises in the Yangtze River Delta

2 Cluster effect of software enterprises

- Software enterprises can form conglomerates to accept large orders
- Large software enterprises can subcontract these orders to small software enterprises

3 Adequate human and technological resources

- There are about 120,000 new college graduates from Hangzhou each year
- Hangzhou has an IT talent pool of over 200,000 people
- There are 637 research and development centres, as well as 501 corporate technology centres



6 Government's support for the industry

- Initiate and guide various forms of financial support
- Outsource more government information projects
- Build more industrial parks
- Issue more policies to attract skilled people and to encourage training and business start-up

5 Improving investment and financing environment

- In 2009, Science and Technology Bank was established in Hangzhou which specializes in serving technology enterprises
- Up until 2011, Hangzhou has 403 venture capital and equity investment institutions

4 Well-protected intellectual property rights

- In 2007, Hangzhou became the first model city for intellectual property rights protection in China
- In 2009, Hangzhou issued regulations on intellectual property rights protection in the outsourcing service industry
- In 2010, the Gaoxin (Binjiang) District in Hangzhou became the first industrial park nationally to pilot implementing intellectual property rights

Sources: Hangzhou Municipal Information Office; Zhejiang Economic and Information Technology Commission website; Hangzhou Municipal Government website; Three-Year Action Plan for the Restructuring and Promotion of Electronics and Information Industries in Hangzhou from 2009 to 2011

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A centre for developing the internet of things

Currently, the annual output of the IOT industry in Hangzhou is about CNY 40 billion, and it will surge to over CNY 100 billion by 2015

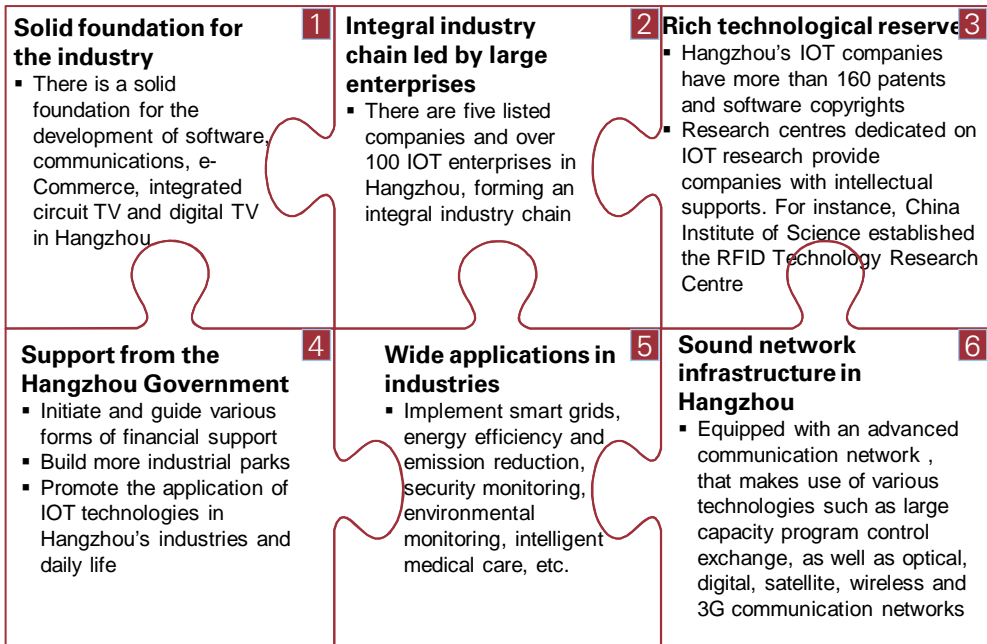
- In 2011, the annual output of the IOT industry in Hangzhou was about CNY 40 billion, representing 30 percent increase from last year. The output of the industry in 2012 and 2015 are targeted at CNY 50 billion and CNY 100 billion respectively
- As at the end of April 2012, there were more than 100 IOT enterprises in Hangzhou, of which five are listed ones. All of these companies helped the completeness of the industry value chain

“ Hangzhou aims at developing the IOT industry to one of its strength and increase the city's intelligence management level ”

IOT industry chain in Hangzhou



Key drivers of IOT development in Hangzhou



Sources: Hangzhou Municipal Information Office; Development Plan of the IOT Industry in Hangzhou (2010–2015); CNTV website; China Information Industry News website; Hangzhou Statistics Bureau website; IOT union website; Hangzhou Daily; Hangzhou Net website; RFID China website

The “capital of e-Commerce”

Hangzhou is the only “Capital of e-Commerce” in China with the number of e-commerce websites 1/5 of the national total

- In 2011, revenue from e-Commerce corporate services in Hangzhou amounted to CNY 18.5 billion, representing a year-on-year increase of 68 percent. The revenue in 2015 is targeted at CNY 100 billion
- As at the end of 2011, there were about 2,400 B2B and B2C e-Commerce websites in Hangzhou, more than one-fifth of the national total. Alibaba.com and taobao.com are the B2B and B2C websites recording the highest sales in China respectively
- In 2011, the sales revenue of Hangzhou’s e-commerce entities reached CNY 33.3 billion, representing a 90.64 percent y-o-y increase
- Hangzhou’s 2011 online sales was 12.8 percent of the city’s total retail sales, higher than the national average of 4.27 percent

Key drivers of e-Commerce development in Hangzhou

1 Robust market demands

- Hangzhou is located in the prosperous Yangtze River Delta where the GDP reached about CNY 8 trillion, accounting for 17.4 percent of the national total
- There is strong demand for e-Commerce from over two million enterprises in the Yangtze River Delta

2 Cluster effect of enterprises

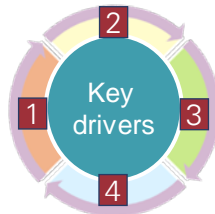
- More than one-third of Internet companies in China are in Hangzhou
- Leading enterprises such as alibaba.com and taobao.com provide a platform for the business development of small and medium e-Commerce enterprises

3 Support from the Hangzhou Government

- Allocate funds in support of the use of e-Commerce by enterprises
- Issue tax credit policies for the e-Commerce industry
- Allocate funds in support of research and development, as well as reward leading enterprises in e-Commerce application
- Plan for the establishment of the first e-Commerce university in China

4 Improving e-Commerce support systems in Hangzhou

- Building an e-Commerce integrity system since 2002
- Building an e-Commerce payment platform since 2003
- Building a talent pool for e-Commerce since 2000
- In 2012, Hangzhou was enlisted to be one of 12 cities piloting the integration of internet, telecommunication network and radio and television network



Sources: Hangzhou Municipal Information Office; Test Report on 2010 e-Commerce Market Data in China, China e-Business Research Center ; sohu.com; Zhejiang Economic and Information Technology Commission website; People’s Post

Driving future growth

The government has put a clear road map in place to develop the IT industry in Hangzhou

Key areas of e-Commerce development:

1. **Wider application**
Apply e-Commerce in enterprises, communities, rural areas and government agencies
2. **Service enhancement**
Attract and develop more enterprises to engage in e-Commerce and to encourage online trading, business start-up and employment
3. **Technological upgrade and innovation**
Develop broadband wireless mobile communication, next generation network, network and information security, encryption and electronic authentication, wireless video identification, online payment, credit management, supply chain management, system integration, etc.
4. **A sound support system**
Continuously improve the network infrastructure, and strengthen the logistics support system, standard system, credit system and payment system



Key areas of IOT development:

1. **Pilot and demonstrate smart city:**
Initiate intelligent transport system, intelligent urban and rural administration, intelligent public security, intelligent travel, energy efficiency and intelligent buildings
2. **Pilot and demonstrate intelligent living:**
Be the innovators in intelligent homes, intelligent communities and intelligent medical care
3. **Pilot and demonstrate intelligence convergence:**
Use smart grids, intelligent production and logistics, safe production, energy saving and emission reduction, and food safety tracking
4. **Pilot and demonstrate intelligent environment monitoring:**
Implement urban water environment monitoring, atmosphere monitoring, underground tube net monitoring and forest ecological safety monitoring

Key areas of software and IT services development:

1. **IT and industry convergence:** Promote and expedite the use of computer-aided manufacturing applications and information systems in industries, and encourage wider application of the IT system in various processes and e-Commerce in product circulation
2. **Strengthen advantageous software industries** such as corporate applications software and communication software, and develop embedded software, network software and video game software
3. **Encourage the outsourcing of software and information services** to enhance the global exposure of the software industry

Sources: Development Plan of Hangzhou's IOT Industry (2010–2015) ; Development Report on Hangzhou's Software and Information Services Industry, 2009; Development Plan of Hangzhou's Cultural and Creative Industry (2009–2015)

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Investment Environment

- Industrial parks
- Investment policies
- Hangzhou's strengths
- Case study

Hangzhou has created a positive investment environment by setting up over 20 industrial parks for e-Commerce, software and IT services, and IOT industries, and by issuing a series of supporting policies

Industrial parks

Major IT industrial parks in Hangzhou				
Name of industrial parks	Core industries	Area (m ²)	Number of enterprises in the park	Location
Hangzhou Central Software Park	Software	9,100	Over 80	Shangcheng District
Xiacheng Xinghuo e-Commerce Park	e-Commerce, Software	200,000	About 200	Xiacheng District
Hangzhou East e-Commerce Park	e-Commerce	170,000	195	Jiangan District
Hangzhou North Software Park	Software	1 million	Over 10,000	Gongshu District
Hangzhou West Software Park	Software	1 million	About 100	Xihu District
Hangzhou Digital Entertainment Park	Software	83,000	52	Xihu District
Ego Software Park (Ego Innovation Park)	Software	130,000	Over 700	Xihu District
Changdi Software Park	Software	49,000	Over 120	Xihu District
Gaoxin District Animation Software Park	Software, cartoon and animation	50,000	Over 40	Gaoxin District
Hangzhou East Software Park	Software	Nearly 500,000	About 400	Wenjiao District, Jiangbei District
Inigma Software Park	Software	460,000	Over 10	Xihu District
Ascendas Software Park	Software	800,000	Over 90	Hangzhou Economic and Technological Development Area
Hangzhou South Software Park	Software	155,000	20-30	Xiaoshan District
Hangzhou Audio and Video Software Park	Software	About 133,333	Over 10	Xiaoshan District
Yuhang Innovation Zone Software Park	Software, creativity, electronic and information	370,000	About 100	Yuhang District
Gaoxin District (Binjiang) IOT Industrial Park	IOT	2.8 million	Over 100	Gaoxin District

Sources: MOFCOM website; websites of Hangzhou Municipal Government and its districts; Shanghai Service Federation website; Hangzhou Daily website; sohu.com; Zhejiang Online; Investment Promotion Online; Ego Group official website; website of Hangzhou East Software Park; Ronghe Online

Investment policies

Major investment policies for the IT industry issued by the Hangzhou Municipal Government in recent years

Year	Policies and their content
2012	<p><i>Management Measures (Trial) for the Development Fund of Hangzhou's Key Industry (IT industry specified)</i></p> <ul style="list-style-type: none"> → A fund of at least CNY 0.6 billion is set to be subsidies for IT industry's technological innovation and industrialization development
2011	<p><i>Directory of the Way of Development for Hangzhou's IT Industry 2010</i></p> <ul style="list-style-type: none"> → Details the key areas of the IT industry's development, which is an important basis for the application and the Municipal Government's approval of special funds for the development of the IT services industry.
2010	<p><i>Certain Opinions from the Hangzhou Municipal Government on the Further Promotion of the Information Services Industry</i></p> <ul style="list-style-type: none"> → Financial support for the IT industry <p><i>Development Plan of Internet of Things Development in Hangzhou in 2010–2015</i></p> <ul style="list-style-type: none"> → Five-year plan for the IOT industry <p><i>Administrative Measures on a Special Fund for the Development of the Information Services Industry in Hangzhou (Trial)</i></p> <ul style="list-style-type: none"> → Financial support for the IT industry
2009	<p><i>Three-Year Action Plan for the Restructuring and Promotion of the Electronic and Information Industries in Hangzhou from 2009 to 2011</i></p> <ul style="list-style-type: none"> → Three-year plan for the electronics and information industries <p><i>Reply from the Hangzhou Municipal Government on the Resolution of Issues Relating to Returned Overseas Students</i></p> <ul style="list-style-type: none"> → Support and incentives for returned overseas students in terms of business start-up, employment and living conditions <p><i>Guiding Opinions on the Implementation of a Business Start-up Training Program for Ten Thousand College Students in Hangzhou</i></p> <ul style="list-style-type: none"> → Financial support for the training of college students
2008	

Sources: Hangzhou Municipal Economic and Information Technology Commission website; Hangzhou Municipal Foreign Trade and Economic Cooperation Bureau website

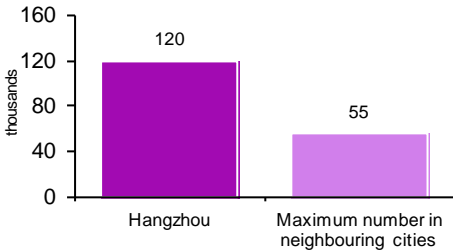
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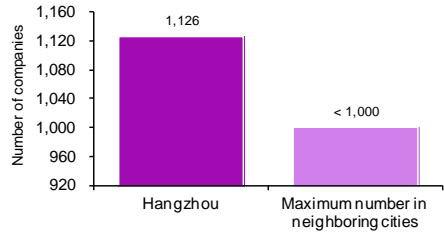
Hangzhou's strengths

Hangzhou enjoys advantages over neighboring cities^(a) in terms of its skilled people, the cluster effect of enterprises, and its IT infrastructure

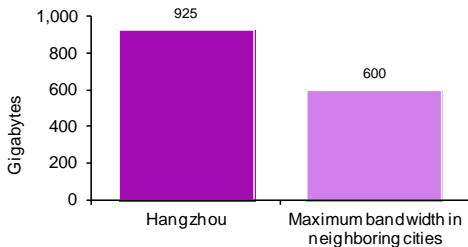
The number of new graduates from colleges and universities in 2011



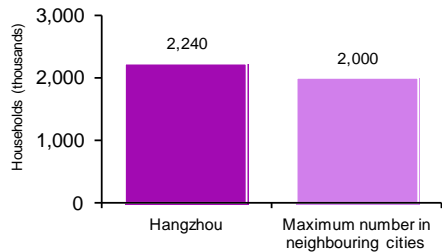
Total number of officially approved software enterprises in 2011



Internet export bandwidth in 2011



Total number of users with broadband Internet access in 2011



Hangzhou has continuously enhanced its investment environment and services to strengthen its competitiveness

Measures for strengthening Hangzhou's competitiveness		
Major areas	Current situation	Measures for improvement and enhancement implemented by Hangzhou
Living costs such as housing	The housing prices in Hangzhou are in the upper tier in China.	Various policies were implemented between 2008 and 2011 to expedite the establishment of a housing security mechanism for talented people
International services	Institutions specifically serving foreigners are increasing.	<ul style="list-style-type: none"> • Foreign teachers at primary and secondary schools, as well as overseas educational institutes are being introduced to enhance the level of international schools. • International medical professionals are brought in to enhance the standard of the medical and auxiliary services for the benefit of foreigners.

Note: (a) Neighboring cities refers to other cities in the Yangtze River Delta, excluding Shanghai and Nanjing.

Sources: Jiangsu Economic and Information Technology Commission website; Wuxi Municipal Bureau of Information and Radio website; Suzhou Economic and Information Technology Commission website; Ningbo Information Industry Bureau website; China Daily; Nanjing Daily; 2011 Suzhou Economic and Social Development Report; China Telecommunication website



Case study I

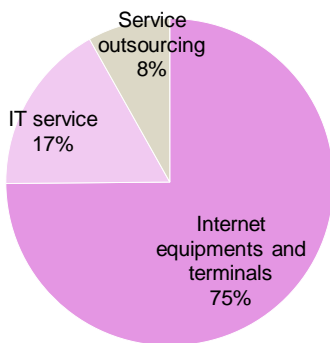
Insigma Technology Company Limited (“Insigma”)

Full support of the government and a large talent pool has led to Insigma’s success in Hangzhou

“ The Hangzhou Government has been innovative and proactive in promoting the IT industry and in creating a conducive environment for growth, for example, the Hangzhou Government has promoted local projects and enterprises in the US Global Outsourcing Conference ”

- Management of Insigma

Composition of Insigma’s revenue in 2011



“ Hangzhou has a huge talent pool, and the municipal government and Hangzhou's universities are cooperating with private enterprises to help develop and raise the standard of technical skills for new graduates ”

- Management of Insigma

Company background

- Established in 2001, Insigma is headquartered in Hangzhou, with software development and delivery centers in cities such as Beijing, Shanghai, Shenyang, Dalian, Tokyo and New York. It has a registered capital of CNY 842 million
- Insigma mainly provides services related to network equipment and terminals, as well as IT system integration and software outsourcing services (mainly for US and Japanese clients). The company has developed extensive partnerships with technology giants such as Microsoft, IBM and Cisco

Tremendous growth

- As a leader in China's outsourcing industry, Insigma is ranked by the International Association of Outsourcing Professionals as one of the Top 45 World's Best Outsourcing Service Providers in 2012. It was also enlisted as one of the Top 10 Domestic Software Companies given by Ministry of Industry and Information Technology of PRC for eight consecutive years
- In 2009, Insigma's software park was put into use. This park is recognised as one of the first model software parks for outsourcing and advanced software industries in Hangzhou
- In 2011, the company's revenue reached to CNY 5.8 billion, a 6 percent increase from last year

Source: Interview with the management of Insigma; Insigma's corporate website; Insigma's interim report of 2010

Case Study II

Sky Network Technology Co. Ltd (“Sky”)

Hangzhou’s abundant talent resource and completing value chain have helped Sky’s development

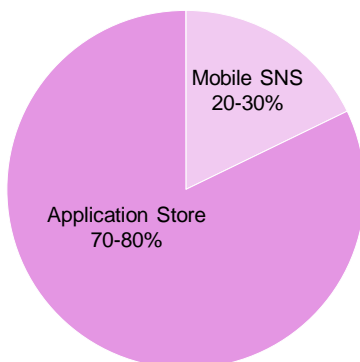
“ Hangzhou has plentiful talent resources from leading universities within the city, making the recruitment process smoother and hiring faster ”

- Management of Sky

“ Hangzhou’s environment for the mobile internet industry has been improving, particularly with the increased resources for animation and e-commerce enterprises. Because of these additional resources, we are able to seek plenty more opportunities for business co-operation here ”

- Management of Sky

The proportion of Sky’s revenue by categories



Company background

- Sky Network Technology Co. Ltd was founded in 2005. Its core business is in mobile devices which includes an application store, a web-based game platform and a social network community. Its mobile application store contributes approximately 70 percent of its revenue.
- With branches in Shanghai, Shenzhen, Beijing, New Deli and Jakarta, Sky has more than 600 employees

Sky has grown rapidly since its establishment in Hangzhou

- After six years, Sky is now one of China’s largest mobile internet platform companies. The number of domestic users exceeds 600 million and the number of overseas users has reached 80 million
- Sky’s operating revenue reached CNY 685.5 million in fiscal year 2012, representing a CAGR of 49 percent over the previous three years
- In 2007, Sky won USD 3.5 million in investment from the prestigious venture capital firm Sequoia Capital. In December 2010, the company went public on the Nasdaq becoming one of China’s first Nasdaq-listed mobile internet company
- Over the next two to three years, in addition to providing support for its mobile business, Sky plans to enhance the development of its off-line experience stores. Currently, Sky owns five brick and mortar stores within its base of Zhejiang, and is looking for companies to partner with for national coverage

Sources: interview with Sky Network Technology Co. management; official website of Sky Network Technology Co.

About Hangzhou



2011 Population: 8,738,000

One of China's seven ancient capitals

Second in terms of economic prosperity in the Yangtze River Delta

- **Hangzhou: “City of quality life”**
- **Rapid economic development**
- **Progressive industry structure**
- **Strong education and a pleasant environment**
- **Contact list**

Hangzhou: “City of quality life”

Hangzhou has been recognised for its high standards of living

- Hangzhou, the capital city of Zhejiang province, is located in the north of China's southeast coast.
- As one of the cradles of Chinese culture, Hangzhou was once referred to by Marco Polo as *“the most beautiful and elegant city in the world”*
- Transport hub of Southeast China, connecting major cities in Zhejiang, Anhui, Yunnan and Guangdong.

Hangzhou's total area: 16,596 km²

Major transport infrastructure links to national high-speed railway networks

International airport recorded 17,512,200 passengers in 2011

Hub of 11 national highways

• Beijing

1,000 km

750 km

500 km

250 km

Nanjing

Shanghai

Hangzhou

• Hong Kong

Note: Distances between locations are estimated distances only

Sources: Hangzhou Municipal Foreign Trade and Economic Cooperation Bureau; Hangzhou government website; Hangzhou Urban Planning Bureau website; Hangzhou National Economic and Social Development Report 2011

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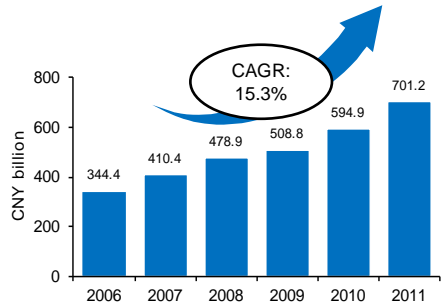
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Rapid economic development

Hangzhou is highly competitive and has rapid economic development

- In 2011, Hangzhou's GDP amounted to CNY 701.2 billion, up 18 percent year-on-year
 - The CAGR of Hangzhou's GDP from 2006 to 2011 was 15.3 percent
- In 2011, Hangzhou's annual value of imports and exports totaled CNY 405.57 billion (USD 63.97 billion), growing by 22.2 percent over 2010
 - Imports amounted to CNY 142.33 billion and exports to CNY 263.24 billion

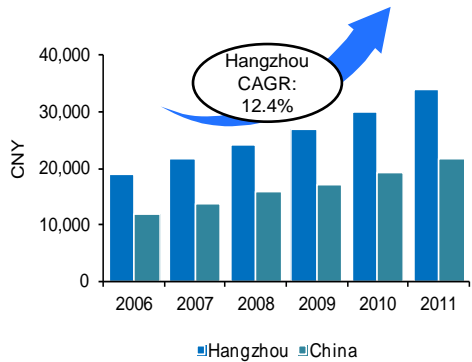
GDP of Hangzhou, 2006-2011



Hangzhou offers a consumer market with above average disposable incomes

- In 2011, Hangzhou's per capita disposable income for urban residents reached CNY 34,065, up 13.4 percent year-on-year, and exceeded the national average by 56.2 percent
- Hangzhou's total retail sales of consumer goods increased year-on-year by 18.7 percent to CNY 254.8 billion

Hangzhou versus national per capita disposable income, 2006-2011



Sources: Hangzhou National Economic and Social Development Report 2011; Hangzhou Statistics Yearbook 2011

Progressive industry structure

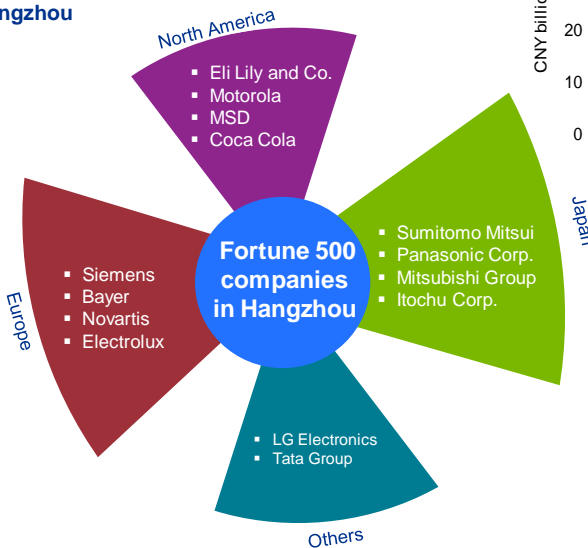
Evolution of Hangzhou's industry structure

- Hangzhou has focused on the secondary and tertiary industries and have accounted for more than 95 percent of Hangzhou's GDP for the last five years
- In 2011, the output value of the tertiary industry totaled approximately CNY 345.4 billion, and the CAGR of the tertiary industry's output value from 2006 to 2011 was 17.2 percent

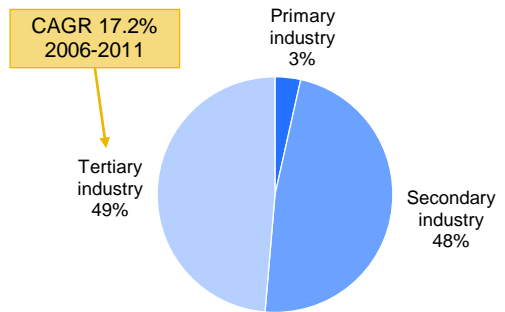
Foreign direct investment (FDI) as the driving force of Hangzhou's economic growth

- In 2011, FDI in Hangzhou jumped by 4.5 percent year-on-year to CNY 29.92 billion (USD 4.72 billion) in total

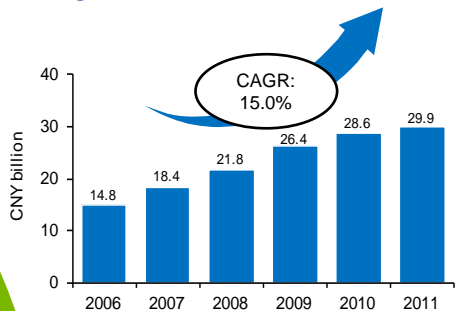
Examples of Fortune 500 companies invested in Hangzhou



Breakdown of Hangzhou's GDP in 2011



Foreign direct investment, 2006-2011



Sources: Hangzhou Municipal Foreign Trade and Economic Cooperation Bureau; Hangzhou National Economic and Social Development Report 2010; Hangzhou Statistical Yearbook 2010; Hangzhou Gaining Momentum for Economic Transformation, Zhejiang Daily

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Strong education and a pleasant environment

Hangzhou's strong capability for scientific research and high standard of education





- There are 38 general colleges and universities, 317 senior and junior secondary schools, as well as 37 vocational training schools in Hangzhou
- Hangzhou encourages corporate investment in scientific research and the founding of research institutes. A total of 40,892 patent applications were submitted and 29,251 were authorised in 2011, ranking Hangzhou first among all provincial capitals

38 colleges and universities

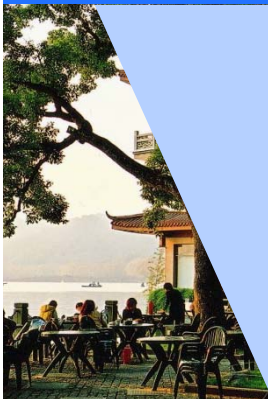
About 120,000 graduates annually

Pleasant weather with four distinct seasons

- Hangzhou has a subtropical monsoon climate with an average annual temperature of 17.2°C and annual rainfall of 1,360 millimeters.
- As at the end of 2011, Hangzhou had a greenery coverage rate of 40 percent and urban per capita green space of 15.5 square metres

Hangzhou climate		
Season	Temp. (Ave. low-high °C)	Typical weather
Spring	10.0-22.2	
Summer	24.9 – 30.2	
Autumn	15.9-24.5	
Winter	1.4 – 6.7	

Hangzhou has been recognised for its high standard of living




- Hangzhou's quality of living is among the highest in the country, capturing awards such as:
 - China's "Happiest City"
 - "National Excellent City in Comprehensive Improvement of Urban Environment"
 - China Habitat Environment Prize
 - National Model City of Environmental Protection
 - China Outstanding Tourist City

Sources: Hangzhou Municipal Government website, Hangzhou National Economic and Social Development Report 2011; Zhejiang province National Economic and Social Development Report 2011; Zhejiang News website

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“ Hangzhou is a city of leisure. With its picturesque scenery, fascinating art shows, various expositions and colourful activities, Hangzhou is a city of joy for all. ”

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