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## **Guiyang Named as 2016 Best-Performing City in China**

*Milken Institute Provides Insights to Evaluate Economic Dynamics of China's Cities*

**BEIJING** – The Milken Institute's second annual Best-Performing Cities China Index, unveiled today at the Yale Center in Beijing, shows that Guiyang's growth in jobs, wages, gross domestic product (GDP), and foreign direct investment (FDI) puts it first among the first- and second-tier cities in China, followed by Shanghai and Tianjin in second and third place, respectively, for the second year in a row.

The Best-Performing Cities China Index offers a comparative snapshot of the economic performance of 260 Chinese cities in two categories. The largest-cities group includes 33 'first- and second-tier cities;' the small and medium-sized group includes 227 'third-tier cities.' To provide insights into urban economic and development trends in China, the index takes nine factors into account: one-year (2013-2014) and five-year (2009-2014) job growth, one- and five-year wage growth, one- and five-year gross regional product (GRP) per capita growth, three-year (2011-2014) foreign FDI growth, share of FDI and GRP (2014), and the location quotient (LQ) for high value-added industry (2014).

Guiyang jumps from eleventh place to number one among 'first- and second-tier cities' with its outstanding performance in growth of jobs, wages, GRP, and FDI, mainly driven by government support, particularly with its 'One Belt, One Road' (OBOR) initiative and an intensified effort to fill the development gaps among East – West regions. Shanghai and Shenzhen finish in the top four, reflecting the success of "Free Finance and Trade Zones" in China, backed by the growing high value-added research and development (R&D) industry in the two cities. Shenzhen moves up to sixth place from fourth place, followed by Chengdu, Dalian, Nanchang, Chongqing, Xi'an, and Haikou.

In the category of 'third-tier cities,' Zhoushan vaults from 95 to No.1, thanks to a promising performance in one- (1<sup>st</sup> position) and five-year (5<sup>th</sup> position) job growth, attributed to its port location, the OBOR initiative, and the 12th five-year plan. The OBOR initiative notably boosts China's cities performance, as several inland cities – Xiangyang (4<sup>th</sup> position), Baoji (7<sup>th</sup> position), Meishan (8<sup>th</sup> position), and Liupanshui (10<sup>th</sup> position) – enter the top 10 list. Following last year's rankings, Taizhou (3<sup>rd</sup> position), Suzhou (5<sup>th</sup> position), Nantong (6<sup>th</sup> position), and Suqian (ranked 9<sup>th</sup>) in Jiangsu Province also dominate the top 10 list in 2016.

“Our data-driven analysis reveals that increased openness, economic restructuring, and urbanization, often in the form of major urban clustering, have all led to economic improvement and development in China,” said Perry Wong, Managing Director, Research at the Milken Institute and co-author of the report. “The surging openness from China’s 12th FYP and the OBOR initiative, give rise to China’s foreign trading activities. All trading activities with Central Asia, Europe, and Africa unlock China’s potential business opportunities. The cities in the less-developed inland regions also elevate their growth rates as large scale urbanization continues to drive China’s economy. ”

Cities from China’s Northeast, except Dalian, generally display a lackluster performance in the ranking, which shows China’s difficulty in restructuring an older industrial base that relies on energy, steel production and less diversified heavy industries. Changchun, which dropped from the 8<sup>th</sup> spot to the 17<sup>th</sup> spot in a one-year period is an example of this phenomenon.

“The Best Performing Cities China Index provides fresh insights into Chinese cities’ economic dynamics and their performance. Although east coast cities still dominate the best performance rankings, with government support and further urbanization development prospects, Chinese inland cities possess great potential for growth as well.” Mr. Wong concluded.

To download the full report, including an interactive table of all 260 cities, please go to [best-cities-china.org](http://best-cities-china.org).

### Appendix: The Rankings

Rank	First- and Second-Tier Cities	Rank	Third-Tier Cities
1	Guiyang, Guizhou (贵州省, 贵阳市)	1	Zhoushan, Zhejiang (浙江省, 舟山市)
2	Shanghai (上海市)	2	Weifang, Shandong (山东省, 潍坊市)
3	Tianjin (天津市)	3	Taizhou, Jiangsu (江苏省, 泰州市)
4	Shenzhen, Guangdong (广东省, 深圳市)	4	Xiangyang, Hubei (湖北省, 襄阳市)
5	Chengdu, Sichuan (四川省, 成都市)	5	Suzhou, Jiangsu (江苏省, 苏州市)
6	Dalian, Liaoning (辽宁省, 大连市)	6	Nantong, Jiangsu (江苏省, 南通市)
7	Nanchang, Jiangxi (江西省, 南昌市)	7	Baoji, Shaanxi (陕西省, 宝鸡市)
8	Chongqing (重庆市)	8	Meishan, Sichuan (四川省, 眉山市)
9	Xi'an, Shaanxi (陕西省, 西安市)	9	Suqian, Jiangsu (江苏省, 宿迁市)
10	Haikou, Hainan (海南省, 海口市)	10	Liupanshui, Guizhou (贵州省, 六盘水市)

**Appendix: Components of the Index**

Indicator	Weight
1-year job growth (2013-2014)	0 .100
5-year job growth (2009-2014)	0 .100
1-year wage growth (2013-2014)	0 .100
5-year wage growth (2009-2014)	0 .100
1-year GRP per-capita growth (2013-2014)	0 .100
5-year GRP per-capita growth (2009-2014)	0 .100
3-year FDI growth (2011-2014)	0 .125
FDI/GRP (2014)	0 .125
LQ for high value-added industry employment (2014)	0 .150

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The Milken Institute is a nonprofit, nonpartisan think tank determined to increase global prosperity by advancing collaborative solutions that widen access to capital, create jobs and improve health. It conducts data-driven research, convenes action-oriented meetings and promotes meaningful policy initiatives. For more details, please visit: [www.milkeninstitute.org](http://www.milkeninstitute.org)  
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