

USDA Foreign Agricultural Service

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Global Agricultural Information Network

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## China - Peoples Republic of

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### Emerging City Market Report - Wuhan

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**Report Highlights:**

The data and analyses shown in this report are the result of a market research project conducted by Euromonitor on the behalf of the Agricultural Trade Office in Shanghai. The data and analyses in this report are not the position of the U.S. Department of Agriculture. Rather, the data and analyses are information collected from in-field research to give the Agricultural Trade Office in Shanghai further insight into the local market.

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# City Profiling Study of China

## Wuhan City

A custom report compiled by Euromonitor International for

**USDA FAS**

November 2016

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## **0. RESEARCH BACKGROUND**

### **0.1 RESEARCH OBJECTIVE**

U.S. Department of Agriculture (“the Client”) engaged Euromonitor International to carry out a custom research study evaluating the market landscape of imported fresh food in the cities of Hangzhou, Nanjing and Wuhan. In order to meet the Client’s specific research request, Euromonitor thereby proposed a customized market research program to cover required qualitative outputs.

### **0.2 RESEARCH COVERAGE**

Hangzhou, Nanjing and Wuhan

### **0.3 RESEARCH METHODOLOGY**

In compiling and preparing the Euromonitor Report, Euromonitor International used the following methodologies to collect information, validate the data and information collected, and cross-check each respondent’s information and views against those of others:

- Secondary research which involved reviewing published sources including Municipal statistics and official sources such as Municipal Bureau of Statistics, company reports including audited financial statements where available, independent research reports, and data based on Euromonitor International’s own research database.
- Primary research which involved interviews with a sample of leading industry participants and industry experts for latest data and insights on future trends and to verify and cross check the consistency of data and research estimates.
- Audits of major retail outlets.

The market research was completed in October 2016 and all statistics in the Euromonitor report are based on information available at the time of reporting. Euromonitor’s forecast data comes from analysis of historical development of the market, the economic environment and underlying market drivers, and is cross-checked against established industry data and trade interviews with industry experts.

### **0.4 ABOUT EUROMONITOR**

Established in 1972, Euromonitor International is the world leader in strategy research for both consumer and industrial markets. Comprehensive international coverage and leading edge innovation make our products an essential resource for companies large and small, national and global. With offices around the world and analysts in 80 countries, the company is a leading provider of global market intelligence. Our products and services are held in high regard by the international business community and we have 5,000 active clients including 90% of the Fortune 500 companies.

# 1. MACROECONOMIC & SOCIODEMOGRAPHIC FACTS FOR WUHAN

## 1.1 SNAPSHOT

Table 1 Wuhan: Key Facts		Remarks
<b>City Name</b> (nick name, if available)		<b>Wuhan</b>  (Han/Jiangcheng)
<b>Administration Level</b>		Prefecture-level city Vice provincial-level Capital city of Hubei Province
<b>Geographic Location</b>	Wuhan is in southeast Hubei Province, bordering Anhui Province on the east, Hunan Province on the south, Jinzhou City on the west, and Henan Province on the north. It covers a total area of 8,494 sq. km., with a downtown area of 863 sq. km.	
<b>Natural Resources</b>	Water: There are many rivers and lakes in Wuhan, including East Lake, South Lake, and the Changjiang River. Water covers approximately 26.1% of Wuhan;	
<b>Key Industries/Economic sectors</b>	Pillar industries: Steel, photonics, petrochemical, automobile, transportation, tourism and real-estate industries; Major enterprises and MNCs investing in Wuhan include: Wuhan Iron and Steel Group (Steel); Schneider-Electric (Energy Management and Automation); Samsung (Electronics and Communications); Siemens (Electric motors manufacturing); Ford, and Dongfeng Peugeot Citroen Automobile Company Ltd (Auto manufacturing).	
<b>Key Areas</b>	Commercial districts: Wuhan Plaza, Hanjiang Road, Optical Valley, Jiedaokou, South Central, Xudong, and Wangjiawan; CBD: Wangjiadun; Education communities: Wuchang District; Industrial parks: Zhuankou Economic & Technological Development Zone and Wuhan East Lake High-Tech Development Zone; Tourist attractions: Yellow Crane Tower, Wuhan Yangtze River Bridge, Ancient Lute, Guiyuan Temple, and Qingchuan Pavilion.	
<b>City Positioning/Future Plan</b>	Positioning: The only megalopolis of central China, with vital industrial base, science and education base and Integrated transport hub. Important large-scale transit station in China's railway system. 13 <sup>th</sup> FYP: GDP is forecast to reach RMB 1.9 trillion by 2020. Wuhan aims to become a national innovation-oriented city with output value of the high-tech industry reaching RMB 1.65 trillion.	

Source: Wuhan Bureau of Statistics and other government portals

## 1.2 MACRO ECONOMY

**Table 2 GDP Value Size and GDP Per Capita in Wuhan, 2011-2015**

	2011	2012	2013	2014	2015	H1 2016
<b>GDP value, RMB billion</b>	<b>676.2</b>	<b>800.4</b>	<b>905.1</b>	<b>1,006.9</b>	<b>1,090.6</b>	<b>534.6</b>
- <i>Real GR %</i>	<b>12.5</b>	<b>11.4</b>	<b>10.0</b>	<b>9.7</b>	<b>8.8</b>	<b>7.6</b>
<b>GDP per capita, RMB</b>	<b>68,315</b>	<b>79,482</b>	<b>89,000</b>	<b>98,000</b>	<b>104,132</b>	<b>112,239</b>
- <i>Real GR %</i>	<b>15.8</b>	<b>16.4</b>	<b>12.0</b>	<b>10.1</b>	<b>6.8</b>	<b>7.6</b>

*Source: Wuhan Bureau of Statistics, Municipal Statistical Yearbook of Wuhan*

**Table 3 Investment, International Trade Value and Domestic Retail Sales for Wuhan, 2011-2015**

	2011	2012	2013	2014	2015	H1/2016
<b>FDI, USD billion</b>	<b>27.5</b>	<b>34.2</b>	<b>41.0</b>	<b>52.4</b>	-	-
- <i>Real GR %</i>	<b>12.4</b>	<b>24.3</b>	<b>19.8</b>	<b>27.8</b>	-	-
<b>Total investment in fixed assets, RMB billion</b>	<b>425.5</b>	<b>503.1</b>	<b>600.2</b>	<b>700.3</b>	<b>768.1</b>	<b>347.6</b>
- <i>Real GR %</i>	<b>22.1</b>	<b>20.0</b>	<b>19.3</b>	<b>16.7</b>	<b>10.3</b>	<b>3.4</b>
<b>Import trade value, USD billion</b>	<b>11.1</b>	<b>9.6</b>	<b>9.8</b>	<b>12.6</b>	<b>12.9</b>	<b>29.6</b>
- <i>Real GR %</i>	<b>18.3</b>	<b>-13.7</b>	<b>2.1</b>	<b>28.7</b>	<b>2.3</b>	
<b>Export trade value, USD billion</b>	<b>11.7</b>	<b>10.8</b>	<b>11.9</b>	<b>13.8</b>	<b>15.2</b>	<b>38.4</b>
- <i>Real GR %</i>	<b>34.0</b>	<b>-8.3</b>	<b>11.1</b>	<b>15.5</b>	<b>9.9</b>	<b>12.4</b>
<b>Total retail sales of consumer goods, RMB billion</b>	<b>303.2</b>	<b>346.7</b>	<b>391.7</b>	<b>457.4</b>	<b>510.2</b>	<b>263.0</b>
- <i>Real GR %</i>	<b>18.0</b>	<b>14.4</b>	<b>13.0</b>	<b>12.7</b>	<b>11.6</b>	<b>9.3</b>

*Source: Wuhan Bureau of Statistics, Municipal Statistical Yearbook of Wuhan*

### ■ GDP grows 8.8% to exceed RMB 1,090 billion in 2015, ranking third among 15 sub-provincial cities in China

In 2015, Wuhan's GDP reached RMB 1,090.6 billion, increasing by 8.8% over the previous year. It ranked third among the 15 sub-provincial cities in China, marking significant improvement in urban competitiveness. The city's pillar industries experienced strong growth in 2015.

### ■ Food processing a major contributor to Wuhan GDP

Wuhan is home to a significant number of food manufacturing enterprises. As of end 2014, Wuhan has an estimate of over 1,300 food processing and food manufacturing enterprises ranging from beverages, instant foods, to grain and oil processing. Wuhan's Dongxihu District, a national food processing zone, is home to over 170 manufacturing enterprises including 48 scaled companies. Total industrial output value reached RMB 29.7 billion in 2014, accounting for 33.8% of total industrial output by scaled companies. Leading enterprises in the zone include Wahaha, Zhouheiya, and Coca Cola.

### ■ Wuhan is the center of Wuhan Metropolitan Area, generating radiating effect on eight major cities

Holding sub-provincial status, Wuhan is recognized as the center of Central China. Wuhan Metropolitan Area refers to the area with Wuhan as its center, covering 8 large and medium-sized cities including Huangshi, Erzhou, Huanggang, Xiaogan, Xianning, Xiantao, Tianmen and Qianjiang. Wuhan City is the center of the metropolitan area and Huangshi is the sub-central city. The construction of Wuhan Metropolitan Area involves industry, transportation, education, finance, tourism and other fields, more than half of the total population and over 60% of GDP value of Hubei Province. It is one of the largest metropolitan areas in central China. The surrounding cities support Wuhan through agricultural produce supply and the development of construction and tertiary sector.

### ■ 13<sup>th</sup> FYP: Wuhan aims for moderate-to-high-speed economic growth, sets GDP target of RMB 1,900 billion for 2020

According to the municipal 13th FYP, Wuhan aims to maintain moderate-to-high-speed economic growth over the next five years. GDP is projected to reach RMB 1,900 billion in 2020, calling for an ambitious annual growth rate of 11%. Innovative city construction will be

accelerated with the output value of the high-tech industry reaching RMB 1,700 billion. The total retail sales of consumer goods will increase by 11.5%, further increasing the share of the service sector in GDP composition.

## 1.3 DEMOGRAPHICS

**Table 4 Population in Wuhan, 2011-2015**

	2011	2012	2013	2014	2015	CAGR 11-15
<b>Total population, permanent, million</b>	<b>10.02</b>	<b>10.12</b>	<b>10.22</b>	<b>10.33</b>	<b>10.60</b>	<b>1.4%</b>
<b>Total population, registered (with Hukou), million</b>	<b>8.27</b>	<b>8.22</b>	<b>8.22</b>	<b>8.27</b>	<b>8.29</b>	<b>0.1%</b>
- <b>Male population, million</b>	<b>4.24</b>	<b>4.21</b>	<b>4.20</b>	<b>4.23</b>	-	-
- <b>Female population, million</b>	<b>4.03</b>	<b>4.01</b>	<b>4.01</b>	<b>4.04</b>	-	-
- <b>Urban population, million</b>	<b>5.41</b>	<b>5.55</b>	<b>5.56</b>	<b>5.59</b>	<b>5.62</b>	<b>1.0%</b>
- <b>Rural Population, million</b>	<b>2.90</b>	<b>2.65</b>	<b>2.66</b>	<b>2.68</b>	<b>2.68</b>	<b>-2.0%</b>
- <b>Urban population as of total, %</b>	<b>64.7</b>	<b>67.5</b>	<b>67.6</b>	<b>67.6</b>	<b>67.7</b>	<b>1.1%</b>
- <b>Aged &lt;=14 YL, million</b>				<b>0.91</b>	--	
- <b>Aged between 14-65 YL, million</b>				<b>6.38</b>	--	
- <b>Aged &gt; 65 YL, million</b>				<b>0.93</b>	--	
- <b>With education level of university and above, million</b>	-	-	-	-	-	-

*Source: Wuhan Bureau of Statistics, Municipal Statistical Yearbook of Wuhan, the Sixth Population Census of China*

### ■ Percentage of urban population reaches 67.7% in 2015, reflecting continuous urbanization development

Urban population in Wuhan was 5.6159 million in 2015, increasing by 23,300 people over the previous year. Urban population accounted for 67.7% of total population, improving by 3 % over the past five years and reflecting a steady urbanization development.

According to China's 2010 6th population census, the education level of Wuhan's permanent population improved drastically from ten years ago. In 2010, 25% of the population have attained university level, 21.8% have attained senior secondary level, 33.0% junior secondary level and 13.3% primary level. As compared with the findings of the 5th census conducted 10 years earlier, the proportion of population that has attained university-level education has risen from 12,290 to 25,191 per 100,000 people, while the proportion of population with senior secondary education has risen from 20,707 to 21,782 per 100,000 people.

### ■ Wuhan witnesses significant inflow of population in 2015, particularly young talents from surrounding cities

In 2015, resident population in Wuhan was 10.6 million, an increase of nearly 270,000 over the previous year. During the same period, registered population was 8.3 million, an increase of 19,600 over the previous year. In 2015, Wuhan experienced a huge net inflow of population of 2.3 million, about 1.64 times higher than the 2010 level. The immigrants were mainly from Wuhan Metropolitan Area and other cities in Hubei Province. The immigrants are mainly young people and outstanding talents. With numerous leading academic institutions in the city, Wuhan attracts a significant number of students every year.

### ■ Foreigner population increases by 15% in first half of 2016; population composed of teachers, students and employees of foreign enterprises

In 2013, Wuhan launched an internationalization plan as it strived to improve its internationalization level and build itself as a city of international industry agglomeration, international trade and logistics, international talent and innovation, and international ecological community in Central China. Wuhan has accelerated the implementation of its 'Home in Wuhan' project for foreigners, establish foreign language consulting and public service system, upgrade facilities and services in dining, lodging, transportation, shopping and entertainment to match international standards, and improve the overall living conditions for foreigners studying, working and living in China.



In recent years, the number of foreigners visiting and settling in Wuhan saw a progressive growth. According to the statistics released by the Entry-Exit Administration of Wuhan Public Security Bureau, in the first half of 2016, visiting foreigners in Wuhan reached 92,120 people, up by 37% from the previous year. Among these foreigners, approximately 40% are tourists, another 40% are travelling for business purposes, and the rest are visiting families. During the same period, the foreigner resident population increased by 15% to nearly 15,000 people. The foreigner population is largely composed of teachers, students and employees of foreign enterprises. Meantime, the East Lake High-Tech Development Zone has seen significant growth in foreigner population. As of November 2016, the Development Zone has been home to nearly 4,000 foreigners, more than 300 foreign-owned enterprises and around 30,000 temporary residents every year, according to the Public Security Sub-Bureau of East Lake High-tech Development Zone.

Notably, Wuhan is home to a well-developed French community as about 50 French companies have operations in the city, representing over one third of French investment in China, and the highest level of French investment in any Chinese city.

## 1.4 CONSUMER AFFLUENCE

**Table 5** Income and Expenditure in Wuhan, 2011-2015

	2011	2012	2013	2014	2015	CAGR 11-15
Disposable income per capita, urban, RMB	23,738	27,061	29,821	33,270	36,436	11.3%
Disposable income per capita, rural *, RMB	9,814	11,190	12,713	16,160	17,722	15.9%
Consumer expenditure per capita, urban, RMB	17,141	18,813	20,157	22,002	23,943	8.7%
- Consumer expenditure on food per capita, RMB	6,782	7,522.5	7,770.7	6,976	7,549	2.7%
-Engel's coefficient for urban households, %	39.6	40.0	38.6	31.7	31.5	-
- Consumer expenditure on medical & healthcare per capita, RMB	1,272.4	1,379.4	1,437.2	1,445.1	-	-
- Consumer expenditure on entertainment, education and services, RMB	2,098.8	2,402.2	2,600.6	2,130.4	-	-
Consumer expenditure per capita, rural, RMB	6,586.3	8,166.7	9,127	11,672	12,940	18.4%
- Consumer expenditure on food per capita, rural, RMB	2,574.5	3,244.5	3,459.1	3,714	4,128	12.5%
-Engel's coefficient for rural households, %	39.1	39.7	37.9	31.8	31.9	-
CPI increase, %	5.2	2.8	2.4	1.9	1.4	-
- CPI increase % on food	10.1	4.7	2.9	-0.5	-0.8	-

Source: Wuhan Bureau of Statistics, *Municipal Statistical Yearbook of Wuhan*

\* Disposable income numbers for rural population prior to 2013 are based on net income per capita, while figures since 2013 onwards are adjusted to disposable income per capita.

### ■ Wuhan's per capita income and expenditure in 2015 surpass national average

In 2015, Wuhan's urban and rural household disposable incomes per capita were RMB 36,436 and RMB 17,722, respectively, higher than the national average by RMB 7,307 and RMB 7,431. The growth rate of consumer expenditure per capita in Wuhan was faster than the national total during 2011-2015. Consumer expenditure per capita in Wuhan exceeded the national average by RMB 6,290 in 2015.

**Table 6** Ownership of Consumer Durables per Hundred Households, Urban in Wuhan, 2015

	2011	2012	2013	2014	2015
Cars, per hundred urban households	16.4	22.1	24.5	25.1	30.3
Mobile Phones, per hundred urban households	211.6	229.91	230.3	230.5	245.4
Fitness Equipment, per hundred urban households	7.2	7.3	5.25	6.15	-

Source: Wuhan Bureau of Statistics, *Municipal Statistical Yearbook of Wuhan*

## 1.5 CITY INFRASTRUCTURE AND LOGISTICS

**Table 7 Overview of City Infrastructure in Wuhan, Current**

	2015	Current	Remarks
<b>Number of train stations, passenger service</b>	<b>3</b>	<b>3</b>	-
- <b>Number of train stations for CRH</b>	<b>2</b>	<b>2</b>	-
<b>Number of civil airports</b>	<b>1</b>	<b>1</b>	Tianhe Airport (天河机场) Passenger traffic in 2015: 18.9mn
- <b>Number of international airports</b>	<b>1</b>	<b>1</b>	
- <b>Number of airports under construction/planning</b>	<b>1</b>	<b>1</b>	Hannan Airport (汉南通用机场)
- Number of domestic airlines	<b>285</b>	<b>285</b>	-
- Number of international airlines	<b>38</b>	<b>38</b>	-
<b>Number of inbound tourists, million</b>	<b>2.02</b>	-	JP, SK, SG, MY, AU
<b>Mileage of expressways, km</b>	<b>633.5</b>	-	-
<b>Mileage of 1<sup>st</sup>-grade highways, km</b>	<b>15,394.3</b>	-	-
<b>Number of cinemas</b>	<b>80</b>	<b>80</b>	-
<b>Number of museums</b>	<b>10</b>	<b>10</b>	-
<b>Number of theatres</b>	<b>14</b>	<b>14</b>	-
<b>Number of parks</b>	<b>74</b>	<b>74</b>	-
<b>Number of theme amusement park</b>	<b>5</b>	<b>5</b>	-
<b>Number of public greenland areas (sq.km.)</b>	<b>70.1</b>	-	-
<b>Number of sports fields</b>	<b>154</b>	<b>154</b>	-
- <b>Number of large sports stadiums</b>	<b>2</b>	<b>2</b>	-
<b>Number of hospitals</b>	-	-	-
-General hospitals	-	<b>243</b>	-
-A-Graded hospitals	<b>35</b>	<b>35</b>	-
-TCM hospitals	-	<b>54</b>	-
-Specialist hospitals	-	<b>276</b>	-
<b>Number of foreign-invested private healthcare service providers</b>	<b>1</b>	<b>1</b>	
- <b>Specialist hospitals</b>	-	-	-
- <b>Dental clinics</b>	-	-	-
<b>Number of universities</b>	<b>82</b>	-	-
<b>Number of mid-schools</b>	<b>361</b>	-	-
<b>Number of primary schools</b>	<b>591</b>	-	-
- <b>Number of international schools</b>	<b>7</b>	<b>8</b>	-
<b>Number of 3-star &amp; above hotels</b>	<b>72</b>	-	-
- <b>Number of 5-star hotels</b>	<b>14</b>	-	-
<b>Number of 5-A tourist attractions</b>	<b>3</b>	-	-

Source: Wuhan Bureau of Statistics, Municipal Statistical Yearbook of Wuhan, Municipal Culture, Sports, Tourism, Transportation, Medical & Healthcare, Education Statistical Yearbooks of Wuhan, etc.

### ■ Wuhan is the major transportation hub in Central China

Wuhan is one of the six railway transportation centers in China and serves as a major hub of high-speed railway network in Central China.

There are three passenger train stations, namely Wuhan Railway Station, Hankou Railway Station, and Wuchang Railway Station. Wuhan Railway Station serves the Beijing–Guangzhou High-Speed Railway, the Shanghai–Wuhan–Chengdu High-Speed Railway, and Zhengzhou/Jiujiang-bound passenger trains. On the other hand, most of the “conventional” (not high-speed) trains go to the older Hankou or Wuchang stations. Meantime, two new railway stations, the Hanyang Railway Station and Guanggu Railway Station are under construction. Wuhan boasts the highest railway passenger volume in Central China, with passenger traffic by railway reaching 142.3 million in 2014.

Wuhan currently has one civil airport, the Tianhe International Airport (天河国际机场). Passenger throughput reached 18.94 million people in 2015, ranking first in Central China. Wuhan Tianhe has been selected as China’s fourth international hub airport after Beijing Capital International Airport, Shanghai-Pudong and Guangzhou Baiyun. In 2015, the Tianhe International Airport has experienced great development in international and regional affairs. According to statistics, the flow of international and regional travelers reached 1.74 million (+32.5%) in 2015, representing 9.2% of the total flow and ranking first in Central China for three consecutive years. To date, the number of international and regional destinations of the airport has reached 38.

In 2016, the government of Wuhan allocated 60% of a RMB 200 billion urban construction funding to transportation infrastructure upgrades. The city aims to become an international transportation center in Central China by 2020.

Wuhan has eight types of public means of transport, including buses, trolley buses, subways, intercity railways, ferries, and public bicycles, as well as trams and BRT to be put into use by the end of 2016. In 2009, Wuhan was one of China’s first cities to launch free public bicycles. At present, the city has set up nearly one thousand stops in its three towns. The Wuhan government has actively promoted the use of public transit in recent years. With the addition of BRT and trams, the adoption of public transit in Wuhan is expected to rise further.

■ **Wuhan provides abundant higher education resources**

Wuhan is a city with rich education resources. According to Wuhan’s Bureau of Statistics, as of end 2015, there are 82 universities in Wuhan, with 2 first-class universities, namely Wuhan University (武汉大学) and Huazhong University of Science and Technology (华中科技大学) sponsored by Project 985. Wuhan University in particular is the top institution in Wuhan with a long history, outstanding faculty and comprehensive academic resources. Additionally, there are 7 universities identified as priority institutions under Project 211, such as China University of Geosciences and Central China Normal University. In terms of student body, there are over 956,000 undergraduate students and over 112,000 graduate students as of end 2015.

■ **Wuhan government outlines over RMB 300 billion investment in transportation construction projects in 13<sup>th</sup> FYP (2016-2020)**

During the 13<sup>th</sup> FYP period, Wuhan aims to develop itself into an international transportation center. It will strive to reach 45 million in air passenger capacity, 500,000 tons in freighter cargo throughput, over 60 in international and regional airlines, 0.2 billion tons in port cargo throughput, 400 kilometers in track traffic mileage, over 60% share of travel in the city district by public transportation, and a full coverage of bus stations within 500 meters by the year 2020. It is estimated that during the 13<sup>th</sup> FYP period Wuhan will continue to strengthen transportation infrastructure construction and invest over RMB 300 billion.

In terms of project construction, it will complete Wuxiao (Wuhan to Xiaogan) Intercity Railway, the third phase of construction at Tianhe International Airport, airport transportation center, West Fourth Ring Road, Wuhan section of Wushen (Wuhan-Shenzhen) Expressway and the section of Qiaoxiao (Qiaokou to Xiaogan) Belt expressway to Beijing, Hong Kong and Macao. It will accelerate development of projects such as the Zhuankou Yangtze River Bridge and the second phase of construction at Jinkou Port. It will also push forward projects such as the second phase of construction of Xingang Jiangbei Railway, Wuhan Logistics Exchange and Wuhan Shipping Exchange. In terms of the improvement of the international transportation channel, it will launch airlines to the Middle East, Canada, the Americas, Oceania and the surrounding regions such as Japan, South Korea and Southeast Asia. It will operate over 3 international and regional airlines all year around, develop international cargo airlines and open offices in Europe.

In terms of logistics, Wuhan plans to launch 6 projects, including the building of the Central China Headquarters of HiGREEN and ZTO Express and construction of the second phase of JD Central China headquarters, as well as the second phase of Hankou North Railway Logistics Center. It will introduce over 6 renowned logistics enterprises and add (or upgrade) over 10 national A-class logistics enterprises. It will support the development of innovative logistics enterprises and create efficient Internet Plus logistics innovation brands. Hubei was approved by the State Council to set up China’s first inland (Wuhan of Hubei) experimental free-trade zone in Wuhan in 2016. At present, Wuhan has 8 duty-free stores.

Table 8	City Logistics Details	Description
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**Seaports  
nearby**

Shanghai Port, 450km away

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**Main  
railways** Wuhan-Guangzhou high speed railway links the city with Beijing, Shanghai and Guangzhou. HSR shortens the time to Beijing to 5 hours, Guangzhou 4 hours and Shanghai 5 hours.

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**Main  
highways &  
roads** Wuhan has a huge network of highways, including National Highways 106, 107, 316 and 318, as well as Beijing Guangzhou Expressway, Lan Fu Expressway and Wuhan Jingzhou Expressway. There are 15394.30 km of graded highways in Wuhan, of which 633.50 km are expressways.

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**Key water  
transport  
network** Wuhan is one of the inner river ports along the Yangtze River.

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**Airports** Wuhan Tianhe Airport has 322 civil routes, including 38 international routes.

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**Trade  
Zones** (1) China (Hubei) experimental free-trade zone is under construction.  
(2) Wuhan export processing zone:  
E-mail: infor@wedz.gov.cn  
(3) East Lake comprehensive bonded area:  
E-mail: donghu365@dh365.gov.cn

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*Source: Municipal Statistical Yearbook of Wuhan, Wuhan government portals, etc.*

## 1.6 RETAIL AND FOODSERVICE REVENUE

**Table 9 Sales Revenue of Retail and Foodservice, in Wuhan, 2011-2015**

	2011	2012	2013	2014	2015
<b>Total retail sales of consumer goods, RMB billion</b>	<b>303.2</b>	<b>346.7</b>	<b>391.7</b>	<b>436.9</b>	<b>510.2</b>
<i>Real GR %</i>	<b>18.0</b>	<b>14.4</b>	<b>13.0</b>	<b>12.7</b>	<b>11.6</b>
- <b>Non-store based retail sales, RMB billion</b>	<b>8.7</b>	<b>12.6</b>	<b>15.5</b>	<b>10.7</b>	<b>-</b>
<i>Real GR %</i>	<b>190</b>	<b>44.4</b>	<b>23.3</b>	<b>-31.0</b>	<b>-</b>
- <b>Online retail sales, RMB billion</b>	<b>-</b>	<b>-</b>	<b>5.9</b>	<b>11.1</b>	<b>20.5</b>
<i>Real GR %</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>77.5</b>
- <b>Retail sales of wholesale and retailing, RMB billion</b>	<b>266.4</b>	<b>309.5</b>	<b>351.4</b>	<b>396.6</b>	<b>462.6</b>
<i>Real GR %</i>	<b>1</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>7</b>
- <b>Sales of wholesale, RMB billion</b>	<b>25.71</b>	<b>31.87</b>	<b>33.90</b>	<b>35.50</b>	<b>-</b>
<i>Real GR %</i>	<b>28.49</b>	<b>23.96</b>	<b>6.37</b>	<b>4.27</b>	<b>-</b>
- <b>Sales of retailing, RMB billion</b>	<b>235.2</b>	<b>277.6</b>	<b>317.5</b>	<b>353.1</b>	<b>-</b>
<i>Real GR %</i>	<b>3</b>	<b>4</b>	<b>8</b>	<b>3</b>	<b>-</b>
- <b>Retail sales of lodging and foodservice, RMB billion</b>	<b>29.50</b>	<b>337.2</b>	<b>36.39</b>	<b>40.32</b>	<b>47.55</b>
<i>Real GR %</i>	<b>14.5</b>	<b>14.3</b>	<b>7.9</b>	<b>10.8</b>	<b>12.7</b>
- <b>Growth rate % for retail sales of oil &amp; food by scaled companies</b>	<b>24.0</b>	<b>13.3</b>	<b>14.8</b>	<b>16.5</b>	<b>11.6</b>
- <b>Growth rate % for retail sales of communications by scaled companies</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>25.7</b>	<b>84</b>
- <b>Growth rate % for retail sales of medical &amp; healthcare by scaled companies</b>	<b>-</b>	<b>-</b>	<b>27.1</b>	<b>27.4</b>	<b>84.0</b>
- <b>Growth rate % for retail sales of sports &amp; entertainment by scaled companies</b>	<b>-</b>	<b>-</b>	<b>5.8</b>	<b>-3.0</b>	<b>36.5</b>
- <b>Growth rate % for retail sales of cars by scaled companies</b>	<b>-</b>	<b>-</b>	<b>17.3</b>	<b>23.1</b>	<b>14.6</b>

*Source: Wuhan Bureau of Statistics, Municipal Statistical Yearbook of Wuhan*

### ■ Retail sales of consumer goods exceed national average with 11.6% growth in 2015

Total retail sales of consumer goods in Wuhan maintained an upward trend from 2011 to 2015. In 2015, total retail sales reached RMB 510.2 billion with a growth rate of 11.6%, slightly slowing down compared with the previous year but still higher than the national average (nominal rate of 10.7%). Retail sales by scaled companies reached RMB 351.9 billion with a growth rate of 9.9%. In terms of industry, retail sales of wholesale and retailing was RMB 462.7 billion with a growth rate of 11.4%, and retail sales of lodging and foodservice was RMB 47.6 billion with a growth rate of 12.7%.

### ■ Traditional consumption grows steadily; leisure consumption of communications and healthcare products post fastest growth

By category, traditional consumption grew steadily with an increase of 11.6% in retail sales of oil and food and 10.4% in daily household goods. Meanwhile, communications, medical and healthcare showed faster growth and better prospects for development. In recent years, communications have been updated quickly. Smartphone service life is generally no more than 3 years, which has sped up the growth of retail sales of communications. The total retail sales of communications registered a significant growth of 84% on year in 2015. On the other hand, in the context of an aging population and rising consumer health awareness, the retail sales of Chinese and western medicines increased by 23.8% from the previous year.

### ■ Online retailing registers significant growth of 77.5% in sales in 2015

As a traditional commercial city, online retail sales in Wuhan reached RMB 20.5 billion in 2015, reflecting a year-on-year increase of 77.5%

and accounting for 4% of the city's total retail sales of consumer goods. Over the past three years, the share of online retail sales as part of the city's total retail sales of consumer goods increased by nearly 3 percentage points from 1.52%. As a city possessing the largest number of college students in China, Wuhan has witnessed growing online consumption and online purchasing power. As Wuhan is actively building itself as the national logistics center, it has a number of railways, waterways and air logistics channels. The development of logistics is sound, with the added value of the logistics sector reaching RMB 120 billion in 2015.

#### ■ Wholesale & retail maintains upward trend; lodging & foodservice regains momentum in 2015

The retail sales of wholesale and retailing in Wuhan was RMB 462.67 billion with an increase of 11.4% in 2015. The market has maintained an upward trend over the past 5 years. A variety of retailing forms such as supermarkets, convenience stores, specialty stores, warehouse clubs and shopping malls continued to emerge and show strong vitality. On the other hand, retail sales of lodging and foodservice increased by 12.7% to RMB 47.55 billion, showing signs of recovery from two years of fluctuations. Total retail sales of scaled foodservice enterprises edged up 4.2% to reach RMB 12.0 billion, faster than the growth recorded in the previous year by 3.4 percentage points as leading enterprises actively expand their business in mass-end dining to combat weakened performance in the high-end segment. Smaller foodservice enterprises registered significant expansion, with sales revenue growing at a rate of 16.1%, exceeding that of the scaled enterprises by 11.9 percentage points.

**Table 10 Number of Business Entities, Employment in Retail and Foodservice Industries in Wuhan, 2013**

Y2013	# of Business Entities	# of Employed ('000 people)	Total Assets (RMB Billion)
<b>Wholesale &amp; retailing</b>	<b>40,849</b>	<b>536.6</b>	<b>579.73</b>
- <b>Retailing</b>	<b>16,147</b>	<b>256.6</b>	<b>185.90</b>
- <b>Mixed retailing</b>	<b>1,335</b>	<b>75.3</b>	<b>50.35</b>
- <b>Food, beverage, and tobacco</b>	<b>1,316</b>	<b>17.9</b>	<b>4.94</b>
- <b>Culture and sports</b>	<b>1,367</b>	<b>10.3</b>	<b>3.95</b>
- <b>Medical &amp; medical instruments</b>	<b>1,354</b>	<b>19.7</b>	<b>16.94</b>
- <b>Kiosk, non-store based and others</b>	<b>1,859</b>	<b>15.1</b>	<b>9.16</b>
<b>Lodging &amp; foodservice</b>	<b>2,426</b>	<b>120.4</b>	<b>-</b>
- <b>Foodservice</b>	<b>1,564</b>	<b>84.2</b>	<b>-</b>

Source: The municipal statistical bulletin of 3rd Economic Census of Wuhan in 2013

## 1.7 CITY PLANNING

### ■ Wuhan sets GDP target of RMB 1,900 billion by 2020; to strengthen status as comprehensive national transportation hub

According to Wuhan's 13<sup>th</sup> FYP, municipal GDP is projected to reach RMB 1,900 billion by 2020. Total fixed asset investment is projected to grow at a CAGR of 10.0% to reach RMB 1248.1 billion by 2020. Wuhan aims to achieve 75% urbanization rate among registered population. The resident population in the city is estimated to reach 12 million.

Wuhan will focus on three major and advantageous industrial clusters of information technology, life and health, as well as smart equipment, and form two industries with output value of over RMB 500 billion and several industries with output value of over RMB 200 billion. It will cultivate several service institutions and enterprises in the fields of technology trade, intellectual property, and technology consulting and human resources, and build a science and technology service system covering the full chain of innovation. It will also promote the upgrading of Wuhan Iron and Steel (Group) Corp., Wuhan Sinopec, and Sinopec-SK, and build first-class ecological industrial parks of green low-carbon recycling.

Wuhan will further enhance its status as the comprehensive national transportation hub. It will develop itself as an advanced national manufacturing industry center and national commerce logistics center, create an upgraded version of China Automobile Manufacturing City and build a national logistics hub. It will promote the integration and development of Internet and finance, build a central financial center, optimize venue layout, operate Wuhan International Exhibition Center, Wuhan International Convention Center and other venues, and build a national level exhibition center. It will also utilize and bring into play the advantages of Wuhan in the survey and design of bridges, railways and electric power, and develop itself into a Design City.

In terms of large scale infrastructure construction and investment projects, Wuhan will carry out the third phase expansion at Wuhan Tianhe International Airport. Further, the city plans to build a second airport and international air cargo transportation center. It will promote an extension project of Line 6 and build several track traffic projects. The city will launch the 95.39-square-kilometer Fuhe green wedge and afforestation pilot project and carry out the construction of Liuqi ecological park.

In terms of talent introduction, Wuhan will focus on emerging industries, introduce global industry leading talent, carry out special talent introduction activities, and strive to introduce 1 to 2 industry leading talents every year. It will implement a project that will cultivate young talent, support college students and young scientific and technological talent in innovating and starting their own businesses, promote the establishment of all kinds of entrepreneurial colleges and training institutions, and organize young talent to carry out innovative and entrepreneurial practices.



## 1.8 CUSTOMS AND PRACTICES

### ■ Wuhan enjoys a rich history and long economic relations with France

Economic relations between Wuhan and France can be traced back to more than 150 years ago, when France and Wuhan cooperated in a series of economic activities. In recent years, France has invested in three major projects in Wuhan including Wuhan Iron and Steel (Group) Corp., Dongfeng Peugeot Citroen Automobile Company Ltd., and Sino-French Ecological Demonstration City, and the investment in Wuhan has covered many different fields. In September, 2015, the first Sino-French University began to enroll students in Wuhan, reflecting continuous in-depth cultural exchange between Wuhan and France.

### ■ Hangzhou is renowned for tea drinking culture

Hankou Wuhan was once known as the “Tea Port of the Orient”, serving as a major go-to hub for tea business between China and the rest of the world three hundred years ago. At present, Wuhan is famous more as a place for drinking tea, with its many tea houses, than for growing tea, although there is a famous tea-growing area 200 km southwest in Junshan, Hunan Province. Wuhan has five tea markets on Hong Kong Road, Chongren Road and Luyu Road, with annual turnover of the tea market estimated at over RMB 1 billion.

## 1.9 OTHERS

**Table 11 List of Tourist Attractions in Wuhan**

Tourist Attraction	Event Description
Yellow Crane Tower (黄鹤楼)	Regarded as one of the Four Great Towers of China, the tower stands on the banks of the Yangtze River at the top of Snake Hill.
Wuhan East Lake Scenic Area (东湖)	East Lake is located on the south bank of the Yangtze River and in the east suburb of Wuchang, Wuhan city. It is the biggest scenery tourist attraction in Wuhan and also the largest lake within a city in China.
Chu River and Han Street (楚河汉街)	With a total floor space of 210,000 sq. m., Chu River and Han Street is a popular shopping district with numerous tourist attractions.

Source: Wuhan Tourism Commission and other government portals

**Table 12 List of National of International Events in Wuhan**

Exhibitions/Trade Shows	Time	Event Description
Central China International Production Capacity Cooperation Forum	2016	An international forum serving as a platform for exchanges and cooperation among governments, financial institutions, enterprises of China and abroad.
15 <sup>th</sup> China (Wuhan) International Auto Aftermarket Show	2015-2017	A trade show showcasing auto accessories.
Exhibitions/Trade Shows	Time	Event Description
Wuhan Open	2014-2016	A major event of Women's Tennis Association and one of two Premier-level stops in China
Wuhan International Marathon	2016	An international marathon event
Badminton Asia Championships	2015-2016	An international badminton event held by Badminton Asia representing 41 Asian member associations.
Tour of China	2016	Advanced international racing cycling event sponsored by UCI (UnionCyclisteInternationale); the largest and the most influential cycling event in China.

Source: Wuhan International Expo Center and other government portals

## 2. RETAILING SECTOR ‘DEEP DIVE’ FOR WUHAN

### ■ Retailing sector highly competitive; warehouse clubs gaining momentum

Wuhan’s retailing sector is highly competitive with significant presence of foreign and local brands. The city currently has hypermarket chains of Walmart, Carrefour, Metro, Auchan, AEON and warehouse clubs of Sam’s Club and Costco. As of October 2016, there are 12 Walmart outlets in Wuhan, 9 Carrefour outlets, 2 Metro outlets, 2 Auchan outlets, 1 AEON outlet, 1 Sam’s Club outlet and 1 Costco outlet. Walmart and Carrefour lead the hypermarket sector with the largest number of outlets due to their long history of commitment in the city. Notably, the warehouse club sector is a new growth point, with Sam’s Club and Costco successively entering the market in 2014 and 2015 respectively. Since the opening of Wuhan Sam’s Club in December 2014, the store saw prosperous business. In 2015, Costco officially settled in Optics Valley bonded commodities trading center in Wuhan Eastlake Free Trade Zone. Wuhan is designated as the only officially authorized free trade zone of Costco in mainland China. Costco provides nearly 200 kinds of U.S. commodities, covering food, consumer and household goods, baby and maternal care, as well as clothing. The commodity offering will be expanded to 1,000 kinds in 2016.

In the supermarket universe, local brands Zhongbai, Zhongshang and Wushang dominate with 77, 55 and 46 outlets respectively, followed by Arctic Ocean, Vanguard and China Resources Suguo. Although local supermarkets are strong in Wuhan, only Wushang achieved growth in revenue and profits in 2015, while Zhongbai and Zhongshang showed declines of different degrees due to negative impact from foreign commercial giants and the overall slowdown of domestic commercial retail sales in recent years. In terms of boutique stores, Zhongbai has 8 boutique stores, Zhongshang 3, Ole’ 1 and Wushang 1.

In the convenience store sector, the major brands can be categorized into three groups, namely local brands managed by State-owned Assets Supervision & Administration Commission (e.g. Zhongbai Haobang CVS), local public brands (e.g. Codow) and other brands. Convenience stores have witnessed robust expansion in recent years. On the one hand, accelerated pace of life founded the needs for more convenient shopping options. On the other hand, the shutdowns of roadside stands and food stalls as part of the government’s move to renovate and tidy up city landscape have created needs for convenience stores offering standardized premade meal options. Further, supported by increased spending power, consumers are willing to pay more for higher convenience. As of October 2016, Wuhan has over 400 Codow outlets, 100 Today outlets, over 80 Quick Seven outlets and 84 Monsoon outlets.

Wuhan Zhongbai Group, founded in Wuhan in 1970, is engaged in commodities retailing. The Group operates department stores and chain supermarkets, which are available in the formats of warehouse-style supermarket and small- to middle-sized supermarkets. The Group also operates logistics and distribution service, property management, as well as import and export trading. Zhongbai has aggressively expanded its presence in the city in recent years, leading the retailing market in Wuhan with an estimated 12% market share in sales revenue in 2015. Zhongbai targets the middle and lower income consumer group. Although the purchasing power of this group is fairly low, consumer base is very large. However, in recent years, Zhongbai has been expanding its target consumer group to include the younger generation born in the late ‘80s and ‘90s with the upgrade of supermarkets and launch of convenience stores. In 2016, in an effort to expand business and cater to the trend of diversified consumption, Zhongbai acquired a sole local licensing contract from Lawson of Japan to use the “Lawson” brand to open convenience stores in Hubei Province. Zhongbai aims to open at least 500 Zhongbai Lawson convenience stores in the next 3 years.

Wuhan Wushang Group, founded in Wuhan in 1959, is a retail group renowned for its department store operation. Building on its success in department stores, the Group rolled out a supermarket brand, Wushang Discount and opened the first Super Life supermarket in 2007. Wushang Discount targets the higher income customers. In 2013, Wushang set up an import and export trading company to manage merchandising from abroad. In 2015, Wushang commands an estimated 11% share of the retail market in Wuhan.

### ■ Sales of imported fresh food concentrated in hypermarkets and supermarkets

Imported fresh food is mainly sold in large shopping malls, hypermarkets and supermarkets in Wuhan, including foreign brands of Walmart and Metro and domestic brands of Wushang Supermarket and Zhongbai Warehouse Club. Hypermarkets sell various categories of imported fresh food with a wide coverage, including imported fruits and vegetables, meat, seafood, dairy products, nuts and wine. In supermarkets, for example Zhongbai Chain Supermarket, some imported fresh fruits and meat products are sold. In some medium and high-end convenience stores, imported dairy products are sold.

### ■ Hypermarkets to remain as the main retailing channel; supermarkets and boutique stores to gain popularity

With more supermarket operators upgrading their fresh food offerings to include higher quality products and shortening the supply chain of imported goods through direct purchasing channels, supermarkets are expected to become more competitive than other retail channels in the future. Meantime, hypermarket operators are also noted increasing the variety of their imported product offerings and

rolling out O2O services to cater to consumer needs for convenience. Given Wuhan people's preference for a one-stop shopping venue, hypermarkets are expected to remain the mainstream channel.

**Table 13 Major Modern Grocery Retailers and the Outlet Number in Wuhan, Current**

Store type	Name of retailer	HQ location in China	# of outlets in the city	Positioning	Imported fresh food
Hypermarket	Walmart	Shenzhen	12	Mass-end	Fruits: Apples from Chile, U.S.; oranges from Australia, South Africa Liquid Dairy: White milk from New Zealand (Fonterra), France (Président) Meat: U.S. (Tyson), shrimp from Argentina and Ecuador Nuts: Cashews from Vietnam (Dan D Pak) Wine: Red wine from New Zealand and Australia
Supermarket	Zhongbai	Wuhan	77	Mass-end	Fruits: Pears from the Philippines, avocados from Mexico, durian from Thailand Liquid Dairy: White milk from New Zealand (Theland) Nuts: Biscuits from Italy(CRICH) Meat: U.S., Australia Wine: Dry Red Wine from France (Berston) and New Zealand
Convenience Store	Today	Wuhan	100	Mass-end	Milk: Dairy products from Korea
Boutique Grocery Store	Zhongbai	Wuhan	8	Mass-end	Nuts: U.S. Liquid Dairy: New Zealand(Anchor), Danish(Arla) Wine: Australia(Benfolds), Germany(Diamond), France,
Warehouse club	Sam's club	Shenzhen	1	Mass-end	Fruits: Coconuts from Thailand, oranges and grapes from the UK Liquid Dairy: Milk from the UK (Member's Mark) and Germany (NEUBURGER) Nuts: U.S., Pakistan, Italy Wine: Italy (SANSOVINO), France (ASDA), Australia (DE BORTOLI), Chile (Extra Special)

Source: Euromonitor estimates from desk research, retailer website analysis and primary fieldwork

Note: **Hypermarket** refers to chained or independent grocery retail outlets with a typical selling space of over around 3,000 square meters which are frequently located in out-of town sites or as the anchor store in a shopping center and with a primary focus on selling food/beverages/tobacco, other groceries, as well as a range of non-grocery merchandise such as consumer appliances, toys, magazines, etc. Examples of hypermarket brands in the PRC include Carrefour, Walmart, Tesco, Auchan. For the avoidance of doubt, the term "hypermarket" shall exclude cash and carry, warehouse clubs and mass merchandisers.

**Supermarket** refers to chained or independent grocery retail outlets (excluding discounters, convenience stores and independent grocery stores) exhibiting a broad offering of groceries including fresh food (e.g. vegetables, fruits, meat), as well as a limited offering of non-grocery products such as health and beauty products, electronics and appliance products, etc. Supermarkets are widely located in residential neighborhoods, central business districts and commercial areas, railway stations, schools, etc., with a typical selling space of between

approximately 400 and 3,000 square meters. For some store outlets with a selling space of less than about 400 square meters, but exhibiting main operating characteristics of the supermarket retail format, such as mainly selling grocery products, including fresh food (e.g. vegetables, fruits, meat), and with regular and limited operating hours (different from convenience stores which usually exhibit extended operating hours) can be included in the supermarket category. Examples of supermarket brands in China include Lianhua, CR Vanguard, NGS-mart, Jia Jia Yue, Wenfeng, Wumart, etc. For the avoidance of doubt, the term “supermarket” shall exclude discounters, convenience stores and independent grocery stores.

**Convenience store** refers to chained grocery retail outlets with extended working hours selling a wide range of groceries, usually handling two or more of the following product categories: audio-visual goods, take-away food, newspapers or magazines, cut flowers or potted plants, greeting cards. Convenience stores are usually located in residential neighborhoods, central business districts and commercial areas, metro and railway stations, schools, etc. with a typical selling area of less than around 400 square meters.

**Vanguard stores** include the super/hypermarkets and fresh marts under the Vanguard brand, while its OLE’ and BLT stores are grouped into Boutique Stores.

**Walmart stores** include both Walmart and Trust-mart outlets, excluding **Sam’s Club** which is classified as a warehouse club rather than super/hypermarket.

### ■ Wine and other alcohol beverages enjoy high popularity in Wuhan

Wine and other alcohol beverages are essential for gatherings to Wuhan people. In addition, wine is regarded as a decent gift during holidays due to its positive health benefits. According to sources from Wuhan Alcoholic Drinks Association, there are over thousands of types of imported wines in Hubei market and 400 imported wine dealers. The Association estimated the annual consumption of wine in Wuhan at over RMB 1 billion, among which imported wine accounted for nearly 70% in value. Owing to the Chinese government’s anti-graft policy, consumption of high-end wine products such as premium Chinese spirits has witnessed reduced demand while medium and mass-end wines saw increased needs. On the other hand, reduced production from the Bordeaux region in France in the past two to three years opened up opportunities for wine producers from other regions such as Australia and Chile. A diversified offering of wine products from Australia and Chile at affordable prices have appealed to younger generations of the ‘80s and ‘90s.

### ■ Growing spending power and health awareness prompt consumers to opt wine products over other alcohol drinks

With improving living standards, Wuhan residents have become more sophisticated and conscious about the quality and health benefits of food and beverages. While drinks are indispensable for dining occasions for Wuhan people, a growing number of people are noted choosing wine over spirits and beers given its higher health benefits.

Meantime, preferential import policies on wines from Chile, Australia and New Zealand drastically increased consumer choices and lowered costs, making wine products more attractive to a wider consumer group.

### ■ Hypermarkets account for an estimated 40% of retail grocery sales

**Table 14 Est. Retail Sales Share (%) of Imported Fresh Food for Modern Grocery Retailers, Current**

Store type	Sales Share (Value %)	Key Import Fresh Food Categories	Source:
Hypermarket	40	Livestock and poultry, Dairy, Fruits, Snacks, Wine and Beverages	Euromonitor estimate from desk research, consumer
Supermarket	20	Livestock and poultry, Dairy, Fruits, Snacks, Wine and Beverages	
Convenience Store	1	Dairy, Wine and Beverages	
Boutique Grocery Store	9	Livestock and poultry, Dairy, Fruits, Snacks, Wine and Beverages	
Warehouse club	15	Livestock and poultry, Dairy, Fruits, Snacks, Wine and Beverages	
Food Specialist	5	Fruits, Wine and Beverages	
E-commerce	10	Livestock and poultry, Dairy, Fruits, Snacks, Wine and Beverages	
Others	-	N/A	
<b>TOTAL</b>	<b>100%</b>	-	

survey, store audits and and primary trade interviews

### ■ Wuhan’s modern retailing well developed

Traditional retailers are struggling to maintain competitiveness against modern retailers owing to a lack of standardized management,

hygiene and strict supervision. Moreover, the ever-increasing public consumption level in Wuhan has directed consumers to seek higher quality services offered by modern retailers. In some areas with high consumption level, for example, the small wholesale market in Hanzheng Street has been upgraded to fashion retail outlets geared toward entertainment use. On the one hand, some wet markets or wholesale agricultural produce markets will remain as important commodity distribution centers due to the government funding and strengthened supervision. However, modern retailers have developed exponentially due to standardized management and rich product diversification that meets the latest consumption trend.

### ■ Limited sales of imported fresh food in traditional grocery channels

Traditional grocery channels in Wuhan typically do not sell imported foods. However, the Southern China Seafood Market located in Hankou sells imported seafood products from Vietnam, Canada and Australia via Wuhan port. However, imported seafood is high in price and less widely received by local consumers.

Wuhan Baishazhou Agricultural Products Market (武汉白沙洲农副产品大市场), located in South Gate of Wuhan, is one of the top ten wholesale markets across the country promoted by the Commerce Department and Agricultural Department. The market has a total area of 700mu comprising of trading departments of fresh produce, aquatic products, grain and oil as well as other agricultural products.

### ■ List of outlet number for below non-grocery retailers and leading chain operators in other consumer fields in the city

**Table 15 Est. Outlet Universe for Non-grocery Retailers, Current**

Sector	Brand Name	Outlet Number	Source: Euromonitor estimates from desk research, store-audits and primary trade interviews
Apparel (Fast Fashion)	UNIQLO	15	
Apparel (Fast Fashion)	GAP	4	
Apparel (Fast Fashion)	ZARA	3	
Apparel (Fast Fashion)	H&M	9	
Apparel (Luxury)	LV	2	
Consumer Goods	Muji无印良品	7	
Consumer Goods	Niniso名创优品	18	
Drugstore	Watsons	63	
Beauty Store	Sephora	8	
4S Store	BMW	10	
4S Store	BUICK	7	
4S Store	BYD	4	
4S Store	Ford	12	
Shopping mall	Wanda万达	4	
Shopping mall	MIXC万象城	0	
Property	Greenland绿地	9	
Property	Vanke万科	13	
Property	Shimao世茂	4	
Finance	CMBC民生银行	33	
Finance	CIB兴业银行	19	
Finance	CEBB光大银行	21	
Finance	CMB招商银行	38	
Finance	HXB华夏银行	18	

### 3. FOODSERVICE ‘DEEP DIVE’ FOR WUHAN

#### ■ Local cuisine highlighted by salty and spicy flavors

Wuhan is abundant in resources of freshwater fish and shrimps. Local dishes are usually salty and slightly spicy with rice as a main food and fish as main dish. In recent years, Sichuan cuisine such as Sichuan hot pot is popular in Wuhan because local people like spicy food. Traditional Sichuan cuisine has been innovated through slightly reducing spiciness to meet the tastes of the local people in Wuhan, making it extremely appealing.

#### ■ Foodservice landscape led by Hubei cuisine and Sichuan cuisine restaurants

Leading foodservice brands in Wuhan include Chinese cuisine restaurants of Waipojia, 57C Xiang, Green Tea, Qiaojiangnan, and Jinqianbao; Chinese hotpot chains of Chaotianmen Hotpot, Guojianguo Hotpot, and Donglaishun. In recent years, Sichuan cuisine such as Sichuan hot pot has been popular in Wuhan because the locals like spicy food. According to Dianping.com, the top three restaurants by popularity in Wuhan are Shudaxia Hot Pot (Sichuan hot pot), Lama Sichu (Hubei cuisine) and Taohuazhui Tavern (Hubei cuisine), reflecting consumers’ love for local home dishes and Sichuan hot pot.

#### ■ Overall high acceptance of western cuisines in Wuhan

Wuhan people, particularly the younger generation, dine out relatively frequently (2~4 days per week). Common occasions for dining out includes friend reunions, family gathers and business dinners. Chinese cuisine is most frequently chosen for family gatherings as it appeals to all generations. On the occasions of business banquets, western cuisine is most frequently chosen. On the occasions of friend reunions, Chinese cuisine and hot pot restaurants are most frequently chosen.

Benefitting from a rich French culture, Wuhan has relatively high acceptance of western cuisines. As of October 2016, there are approximately 78,500 registered restaurants on third-party restaurant service platform Dianping.com (excluding bakeries and cafes), among which approximately 2,000 are western cuisine restaurants, equivalent to 2.4% of total. In comparison, Japanese cuisine restaurants and Korean cuisine restaurants only make up 1.1% each. In western cuisine restaurants, steak and pizza enjoy the highest popularity.

In western cuisine restaurants, those mainly offering steak and pizza tend to enjoy greater popularity, reflecting Wuhan local’s preference. Notably, mass-end steakhouses are extremely popular. Major chain brands include Banqiushan Western Food Restaurant and Houcaller Steak. Other Western food chain brands include mid- to high-end steak house Wang Steak and Gevafa French restaurant.

#### ■ Small specialty restaurants emerge as fast-growing foodservices in Wuhan

Over the past few years, foodservice in Wuhan has become a way of networking and having a sense of community. Generations after the ‘80s and ‘90s in pursuit of expressing personality and characteristics have become the mainstream of foodservice consumption. Large foodservice operators have slowed down their expansion, and foodservice market in Wuhan has become more and more subdivided. Small specialty foodservice establishments of 100 to 200 square meters have expanded fast. For example, Taohuazhui Tavern has opened 8 outlets this year and attracted many young people. Such kinds of small restaurants are in line with the popular foodservice tastes and the pursuit of expressing personality. Moreover, they partner with food delivery platforms to achieve rapid expansion. According to trade sources, in the first half of 2016, small foodservices contributed 70% of foodservice revenue in Hubei Province, an increase of 30% over three years ago.

#### ■ Opportunities and challenges of American/Western restaurants

Opportunities	Challenges
Popularity of western cuisine among foreigner population	Lack of novelty among American food/Western restaurants
Popularity of western culture among student population carries over to food	Relatively low purchasing power
Increased frequency of dining-out	

#### ■ Mid- to high-end restaurants typically source imported beef and seafood ingredients

Mid-to-high-end western food restaurants, steakhouses, Japanese-flavored restaurants and Chinese restaurants usually use imported meat products (such as Australian beef and lamb) and aquatic products (such as Norwegian salmon and South American shrimps) as raw ingredients. Mid- to high-end restaurants also typically offer a selection of imported wine products.

**Table 16 Outlet Number of Leading Foodservice Chains and the Use of Imported Fresh Food in Wuhan, Current**

Store type	Name of Leading Brands	# of outlets in the city	Positioning	Use of imported fresh food
Chinese FSR	Grandma's House 外婆家	5	Mass-end	Fish
Chinese FSR	South Beauty 俏江南	3	Mid- to high-end	Beef, wine
	Donghuhui 东湖会	1	Mid- to high-end	Salmon, cod
Hot pot chains	Haidilao 海底捞	6	Mass-end	Beef, lamb
Pizza food	Pizza Hut 必胜客	52	Mass-end	Prawns, beef
Steakhouse	Douniushi Steak House 斗牛士	2	Mass-end	Beef
Steakhouse	Wangpin Steakhouse 王品牛排	2	Mid- to high-end	Beef, cod, wine
Western FSR	Geyafa 戈雅法餐厅	5	Mid- to high-end	Beef, cod
Western FSR	Damiano 武汉光谷凯悦酒店	1	Mid- to high-end	Australian beef
Japanese-flavored FSR	He Lu Kaiten Sushi 禾绿回转寿司	5	Mass-end	Eel, salmon, saury
Japanese-flavored FSR	Huayin Japanese Restaurant 花隐日式怀石料理	1	Mid- to high-end	Beef, cod
Korean-flavored FSR	Han Na Shan 汉拿山	11	Mass-end	Beef, lamb
Korean-flavored FSR	Shanqiu 山丘私房烤肉	1	Mid- to high-end	Beef, Australian lamb, South American shrimp
Other Asian-flavored FSR	Hong luole 红罗勒泰餐厅	1	Mid- to high-end	Coconut
American-flavored FSR	Ailehao Hawaii 爱乐好夏威夷西餐	1	Mass-end	Beef
Western QSR	KFC	115	Mass-end	-
Chinese QSR	Zhen Gongfu 真功夫	18	Mass-end	-
Cafés & Bars	Starbucks	70	Mass-end	-

Source: Euromonitor estimates from desk research, retailer website analysis and primary fieldwork

Note: Mass-end pricing refers to restaurants with per capita spending of less than RMB 200. Mid-to-high-end pricing refers to restaurants with per capita spending in the range of RMB 200-500.

### ■ Wines from Australia and Chile enjoy highest popularity in foodservices

People in Wuhan usually have wine on occasions such as work colleague gatherings, wedding banquets, family gatherings and dating. Imported wine is most commonly consumed in restaurants, while the most popular products are wines from Australia and Chile, with average prices of below RMB 200. Wines from Australia and Chile are rated highly by the younger generation for their sweet tastes and decent prices.

### ■ Improved living standards and rising health awareness drive consumption of wine

With the further liberalization of import tariff policy, imported wine could see continuous growth and further markdowns in prices. Meanwhile, with the living standard in Wuhan improving, people will pay greater attention to the quality and taste of wine. Imported red wine with higher health benefits as opposed to other alcohol drinks such as vodka will appeal to more consumers.

### ■ Nationally renowned food manufacturer: Zhouheiya

Wuhan Zhouheiya, founded in 2002, is a leading manufacturer of traditional Chinese braised snacks. As of 2016, Zhouheiya has expanded its business footprint in 38 cities across 12 mainland provinces with 715 self-operated retail stores. The product offerings include local delicacies like spicy braised duck neck, braised peanuts and duck tongue. Braised snacks have a long history in China, where they are commonly sold at roadside stalls but are increasingly being marketed by major snack brands.

## 4. HOTEL & INSTITUTION ‘DEEP DIVE’ FOR WUHAN

### ■ List of major hotel chain operators

**Table 17 Outlet Number of Selected Hotel Chain Operators in Wuhan, Current**

Name	# of outlets in the city	Source: Euromonitor estimates from desk research and company website analysis
Intercontinental Hotels	2	<b>■ Hotel industry registers stable growth</b> There are over 72 three-star and above hotels in Wuhan as of December, 2015. At present, the majority of visitors travelling to Wuhan are business travelers or tourists on transit flights to other surrounding regions. Visitors with business and meeting demands tend to have limited budgets for lodging, which results in the average price of a competitive hotel at between RMB 600 and 800 in Wuhan. Although the hotel market in Wuhan started late, it has attracted Wanda Hotels and Resorts to open its first Wanda Reign Hotel. In the next five years, several high-end hotels
Hyatt Hotel	1	
Marriott International	1	
Starwood	4	
GreenTree Inn	12	
JingJiang Star	24	
Rujia Inn	75	
Wuhan Changjiang Hotel (武汉长江大酒店)	4	
Wuhan Swan Hotel (武汉天鹅恋酒店)	5	

will enter the Wuhan market, reflecting developers’ confidence in the market in Wuhan.

According to the municipal 13<sup>th</sup> FYP, Wuhan is forecast to receive 0.3 billion domestic tourists in 2020 with a total tourist income of RMB 320 billion. Wuhan Tianhe International Airport was approved to implement a 72-hour transit visa exemption policy and Wuhan has become a transit visa exemption city. Further, Wuhan has sped up internationalization, with the number of visitors and tourist income rising significantly in the past five years. The State has approved the Wuhan Foreign Consulate District Construction Plan to facilitate development of public infrastructure to service foreign visitors and dwellers.

### ■ Wuhan to welcome investment by international hotel brands; promote development of tourist attractions

In the next 5 years, more than 10 five-star hotels will open in Wuhan, including InterContinental Wuhan, Hilton Wuhan Riverside, Fairmont, Jumeirah, etc. Wuhan will promote the development of East Lake Ecological Tourist Attraction into a world-renowned and first-class domestic cultural tourist attraction in the future. Other tourist attraction sites under planning include the Legend of Mulan tourist attraction, Creative Optical Valley and Pan Jinyin Lake. Further, the city plans to build a cruising yacht center. It will improve a series of leisure tourist facilities with the focus on car camping and tourist public service system.

**Table 18 Hotel and Tourists & Tourism Statistics for Wuhan, Current**

	2013	2014	2015
<b>Number of biz entities in the lodging industry</b>	<b>233</b>	-	-
<b>Number of 3-star &amp; above hotels</b>	-	-	<b>72</b>
<b>Number of international hotels</b>	-	-	-
- <b>Number of 5-star hotels</b>	<b>14</b>	<b>14</b>	<b>14</b>
- <b>Number of 4-star hotels</b>	<b>31</b>	<b>31</b>	<b>31</b>
- <b>Number of chained economic hotels</b>	-	-	-
<b>Number of 5-A tourist attractions</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Number of inbound tourists, million</b>	<b>1.6</b>	<b>1.7</b>	<b>2.0</b>
<b>Number of domestic tourists, million</b>	<b>170.2</b>	<b>191.3</b>	-

Source: Wuhan Bureau of Statistics, Municipal Statistical Yearbook of Wuhan, Municipal Tourism Statistical Yearbook of Wuhan, The Municipal Statistics Bulletin of 3rd Economic Census of Wuhan in 2013



■ List of major institutions related to international business and their corresponding functions

**Table 19 List of Institutions Related to International Business in Wuhan, Current**

Type of Institution	Full Name	Key Functions
Trade Associations 1#	China-Britain Business Council (Wuhan office)	Supports UK companies in establishing trade and businesses in China; offers seminars and networking opportunities for UK companies.
Trade Associations 3#	China Council for the Promotion of International Trade Wuhan Sub-Council (CCPIT-Wuhan)	Promotes communication and trade with foreign trade bodies and chambers of commerce through the hosting of seminars and trade exhibitions.
Trade Associations 4#	Hubei International Trade Association of E-commerce Trade	Promotes e-commerce trade in Hubei province; supports local e-commerce businesses through the hosting of seminars and exhibitions.
<u>Embassies and consulates</u> 1#	Consulate of France (Wuhan)	Promotes mutual economic prosperity and supports French nationals and enterprises in China.
<u>Embassies and</u>	Consulate of South Korea (Wuhan)	Supports

consulates2#

consular district Koreans and enterprises to promote economic exchanges between South Korea and central China.

Embassies and consulates3#

British Consulate General Wuhan

Promotes mutual economic prosperity and supports British nationals in China.

Embassies and consulates4#

Consulate General of the United States (Wuhan)

Provides emergency services to American citizens in the region; promotes U.S. exports and fosters other aspects of commercial and economic relations.

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Gov't affiliates 1#

Hangzhou Municipal Foreign Trade & Economic Cooperation Bureau

Implements national, provincial and municipal policies, laws and regulations on foreign trade and economic cooperation, foreign investment as well as foreign trade functional areas.

Gov't affiliates 2#

Hangzhou Municipal Commission of Commerce

Implements

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development  
strategies for  
trade and  
businesses;  
promotes  
international  
trade and  
regulates  
import and  
export of  
processing  
trade and  
service trade.

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*Source: Desk research including the trade association websites*

## 5. E-COMMERCE LANDSCAPE IN WUHAN

### ■ List of major e-commerce platforms for grocery shopping and their product offerings

**Table 20 List of Major Food Retailing E-Commerce Platforms in Wuhan**

Name	Product offerings	Imported product offerings	Top selling products
Tmall Supermarket 天猫超市	Fruits and Vegetables, Poultry and Livestock, Seafood, Wine, Grain and Oil, etc.	Fruits, Poultry and Livestock, Seafood, Dairy, Tea, Nuts	Fruits, Poultry, Seafood, Dairy, Tea, Nuts
JD Home 京东到家	Fruits and Vegetables, Poultry and Livestock, Seafood, Wine, Grain and Oil, etc.	Fruits, Poultry and Livestock, Seafood, Wine, Grain and Oil, etc.	Fruits and Vegetables, Poultry, Seafood
SF Best 顺丰优选	Fruits and Vegetables, Poultry, Seafood, Grain and Oil, Wine and Beverages, etc.	Fruits, Poultry, Seafood, Consumer goods, Dietary supplements	Seafood, Fruit, Poultry and livestock
Benlai 本来生活网	Fruits and Vegetables, Poultry, Seafood, Grain and Oil, etc.	Fruits, Poultry, Seafood, Dairy, Tea, Nuts	Dairy, Nuts, Tea, Biscuits and Crackers
Womai 我买网	Fruits and Vegetables, Poultry, Seafood, Nuts, Wine and Beverages, etc.	Fruits, Poultry, Seafood, Dairy, Nuts, Wine and Beverages, Biscuits and Crackers	Wine and Beverages, Biscuits and Crackers

Source: Euromonitor estimates from desk research and company website analysis

### ■ Online grocery shopping gains popularity; fruits and dairy products lead all product categories

Online fresh food shopping in Wuhan has continued to gain popularity in the past few years, supported by a large base of young consumers made of up college students and white-collar workers. Common food categories that local consumers buy through online channels include fruits and vegetables, nuts, and wine products. Among fruits and vegetables, most products are grown locally. Meanwhile, exotic fruits such as grapes and apples from the U.S. and avocados from Mexico are also commonly bought online. Ranked by sales volume on Womai.com, the top selling fruits are kiwi from New Zealand, longan from Thailand, avocados from Mexico, mangos from Thailand and oranges from South Africa. Among nuts, the top selling brands are Shiyi by COFCO and California Field (Beijing), both of which use imported nut ingredients from the U.S.

### ■ Online grocery retailing market exhibits growth potential

Wuhan is now regarded as the regional center of Central China, acting as the major transportation hub in the region with major railways and expressways connecting it to major cities in China. The city is well-suited for the development of a national logistics center. Moreover, the city has a significant population and boasts the highest influx of young population among all second-tier cities as of May 2016. The younger population is typically associated with higher preference for choosing e-commerce, making Wuhan a promising city.

### ■ JD Home actively expanding business coverage in Wuhan

Nationally popular e-commerce grocer JD Home is actively expanding its business coverage in Wuhan as it makes inroads into Central China. Since the launch of online fresh food grocery service in 2015, JD Home has teamed up with Zhongbai Warehouse, the warehouse retailing unit of Wuhan's largest public retailing enterprise Zhongbai Group, providing expedited O2O sales and delivery service. JD Home is expected to launch similar partnerships with Zhongbai's supermarket and electronics divisions in the future.

### ■ Online consumption of imported wines grows as consumers enjoy access to wider collection of products

Online consumption of wine is gaining popularity as it offers consumers access to a wide collection of products. According to trade sources, the percentage of imported wines among all wine products sold online reached 49% in value terms as of 2015. Most consumers buy imported wines for gift giving. The major import countries of origin are France, Chile, Australia and the U.S. However, most Wuhan people would choose domestic brands for personal use, citing affordability and decent taste as the main reasons. Local popular brands are Changyu and Great Wall, whose products are priced in the region of RMB 50 to RMB 200.

**Table 21 List of Major Cold Chain Logistics Service Providers in Wuhan**

Name	Geographical coverage	Transport fleet	Warehouse units and capacity
Wuhan Bai Liu Sha Cold Chain Logistics	Central China	-	Cold storage with 60,000-ton capacity; 384 frozen food retail outlets.
Wuhan Julidingxing Cold Chain Logistics	Central China	Over 100 trucks	45,000 cubic meters of storage warehouse with industrial ice manufacturing facility capable of producing 80 tons of ice per day.
Wuhan Meng Yuan Cold Chain Logistics	Central China	Over 150 cold storage trucks, with 30 1.5-ton trucks; multiple 3-ton, 5-ton, 10-ton and 20-ton trucks.	Storage warehouse in excess of thousands of sq. m.
Wuhan Wandun Cold Chain Logistics	Central China	Enjoys exclusive rights to operate railway logistics	Cold storage with close to 80,000-ton capacity.

Source: Euromonitor estimates from desk research and company website analysis

### ■ Local cold chain logistics in development stage

The cold chain logistics sector in Wuhan is in a development stage. There are an estimated eight cold chain operators with significant operational scale. The leading operator in Wuhan is Wuhan Bai Liu Sha Cold Chain Logistics, established in 2008. Wuhan Bai Liu Sha provides wholesale, processing, warehousing, delivery and online trading services, operating a total cold storage capacity of 600,000 tons and 384 frozen foods retail outlets.

### ■ Government regulations to support cold chain logistics development in the future

The implementation of the new Food Safety Law in 2015 called for tightened supervision of the upstream and downstream sectors of the food supply chain, shedding light on the standard development of corresponding logistics. Moreover, according to the Guiding Opinions of the State Council on Promoting the "Internet Plus" Action Plan (2015-2018) 《国务院关于积极推进“互联网+”行动的指导意见》, the government is committed to promoting the development of delivery facilities in communities and residential areas, including the introduction of self-pickup delivery stands and cold logistics warehouses. Notably, in 2014, Wuhan was chosen as one of the trial cities for the development of cross-border cold logistics between mainland China and Taiwan because of its ideal geographical location and well-developed transportation infrastructure. In March, 2016, the Wuhan government highlighted plans to partner with Inner Mongolia in the construction of a new route connecting Asia and Europe. The government further raised the potential of developing cold logistics along the route and establishing a meat import port and distribution center in Wuhan.

Furthermore, Swire Cold Chain Logistics, the world's third largest cold chain logistics operator, has announced plans to build a 65,000 sq.m. warehouse in Wuhan, reflecting the promising prospects of Wuhan's logistics sector.

### ■ Wuhan enjoys high internet penetration with broadband access reaching 89% in 2015

In 2015, the penetration of broadband access in Wuhan households reached 89%, while the penetration of mobile internet exceeded 90%. The rates of broadband and mobile internet penetration are significantly higher than the national averages of 50% and 32.5%. According to Wuhan's 13th FYP, the penetration of broadband and mobile internet is expected to reach 95% and 97%, respectively, by 2020.

## 6. RECOMMENDATIONS

### ■ Fruits and nuts categories exhibit largest potential

Fruits and dairy products are the largest imported fresh food categories in terms of sales and variety. Notably, exotic fruits enjoy high popularity in Wuhan, led by imported cherries from the U.S., mangoes and durians from Southeast Asia. Fruits are among the most typical products carried in stores by hypermarkets, supermarket and boutique stores. Imported fruits appeal to local consumers due to perceived quality and high nutritional value.

While dairy products also present strong market potential, products from Germany, Australia and New Zealand exhibit significant advantage in terms of brand awareness. Next to fruits and dairy products, nuts enjoys moderate level of popularity in Wuhan. In particular, nuts from the U.S. are well received by local consumers. According to survey findings, 42.6% of consumers who purchase nuts prefer U.S. products, 16.6% prefer nuts from Malaysia, and the rest would choose local products or products from other countries.

### ■ Hypermarkets and supermarkets are the preferred channels

Hypermarkets and supermarkets are the most ideal outlets for food exports to tap into, given their popularity among Wuhan residents. Reports indicated that Wuhan people have a higher demand for convenient transportation and a one-stop shopping environment. Hypermarkets account for an estimated 40% of modern grocery retail sales, followed by supermarkets with an estimated 20% share.

Zhongbai Group is an ideal partner given its strong brand name and geographical coverage. As of December 2016, Zhongbai has 245 warehouse-style supermarket outlets, 77 of which are in Wuhan. Zhongbai is aggressively upgrading its business model through expanding fresh food and imported product offering. It recently opened 5 overseas direct purchasing centers in Wuhan.

Meanwhile, it is worth noting that membership stores are starting to gain popularity. Back in 2000, foreign-owned supermarkets introduced the membership-based concept; however, people were unwilling to pay extra bucks for membership enrollment given the overall low consumption. Over the years, consumer affluence has improved significantly. Sam's Club reportedly has over 90,000 members in Wuhan. Zhongbai Group also adopted the concept of membership at its overseas direct purchasing centers.

### ■ Distributors

Shanghai Jia Nong Food Trading Co, Ltd (上海佳农食品有限公司) is a major supplier of imported fruits to hypermarket and supermarket operators such as Carrefour and Tesco. Partnering with fruit suppliers in Chile, Peru, South Africa and the U.S., Jia Nong operates wholesale markets in several cities across the country.

Shenzhen Xin Rong Mao (深圳鑫荣懋农产品股份有限公司) is a supplier of fruits to hypermarkets and supermarkets. Xin Rong Mao operates procurement centers in several countries such as the U.S., Vietnam, South Africa, Chile, Australia, New Zealand and Thailand, and has set up 50 fruit plantation demonstration hubs in the country. Nationwide, Xin Rong Mao partners with over 2000 retail outlets.

Hangzhou Din Shi Trading Co., Ltd (杭州鼎世贸易有限公司) operates imported wine and food business. The company sells wines from France, Chile, Spain, Italy, South Africa, the U.S. and Australia, with operations spanning across 200 cities. Partnering hypermarkets include Carrefour, Walmart, Darunfa, Auchan and Tesco.