

# Overview of Hubei

## Location

Hubei Province lies in the middle reach of the Yangtze River with an area of 186,000 square kilometers. Situated 108'21"-116'07" east longitude and 29'05"-33'20" north latitude, it got its name from being in the north of the Dongting Lake. The terrain of Hubei Province is high in the west and low in the east and wide open to the south, the Jiangnan Plain.

The province is surrounded on three sides (east, west and north) by mountains. Its low and flat middle part is a piece of incomplete basin slightly open towards south. Of the gross area, there are 56% mountains, 24% hills and 20% lowland lake area.

As to mountains, they are divided into four parts in the province. Northwestern mountains are area extending to the east by Qinling and east section of Daba Mountain. Area extending to the east by Qinling is called Wudang mountain chain, going from northwest to southeast, with lots of mountains. Altitude of ridge of mountains is generally above 1000m, and the highest is Tianzhu Peak of Wudang Mountain with altitude of 1621m. East section of Daba Mountain consists of Shennongjia, Jingshan Mountain and Wushan Mountain, with thick forests and deep river valleys. Peak of Shennongjia is Shennongding with altitude of 3105m, always known as "The First Peak in Central China".

## Climate

Situated in South-central China, Hubei Province features a subtropical monsoon climate. The average temperature for a year is about 15° C (59° F). The Province has distinct four seasons with burning hot summer (June, July and August) and chilly winter (December, January and February). The hottest month, July, averaging 27-30°C and the coldest month, January, 1-5°C.

Wuhan, the capital city in Hubei Province, is known as one of the 'four stoves' in China because the torrid climate in summer (there are more than 20 days with the temperature above 35° C or 95° F). The mountainous districts of western Hubei, in particular Shennongjia, with their cooler summers, attract numerous visitors from Wuhan and other lowland cities.

The annual rainfall in Hubei Province is between 800-1600mm on average. Summer is the wettest month in Hubei with 300-700mm in average. Hubei's driest season is Winter, with average rainfall at 30-190mm. The period from mid-June to mid-July is called the plum rain season in Hubei as the rainfall in this time reaches the peak in the year.

## **Mineral**

The mineral resources in Hubei are very rich. There are 136 kinds of minerals discovered in Hubei (excluding inferior minerals), accounting for 81 percent of total kinds of minerals discovered in China; Resource extent of 87 minerals has been detected, accounting for 56 percent of minerals with detected resource extent; 49 minerals are discovered, but their resource extent isn't detected. 80 minerals are listed in Hubei Minerals Reserve List (excluding petroleum, natural gas, geothermal heat, uranium, thorium, underground water, mineral water, etc). 956 mine fields and 1287 orefields are listed in Hubei Minerals Reserve List. Most orefields have such minerals as coal, iron, phosphorus, limestone, copper, gold, troilite, silver, mine salt, niobium, tantalum, glauber salt, dolomite, clay, stone coal and so on. Among 1287 orefields, 90 percent of them are small and medium orefields. Only 6.9 percent of them are large orefields. The minerals such as phosphorus, mine salt, glauber salt, gypsum, iron, copper, gold, silver and dolomite are advantageous minerals in Hubei. Peridotite, iodine, bromine, garnet, rectorite clay for use in fertilizer and diabase for use in construction ranks the first throughout the whole country. There are 57 minerals with recoverable resource extent topping first ten in China.

## **Population**

Hubei had a total resident population of 57.58 million in 2011, in which male population were 29.56 million while female population were 27.02 million, representing 51.43 percent and 48.66 percent respectively. Among all the resident population, those between the age of 0-14 were 7.99 million, which account for 13.88 percent. There were 44.33 million population were between the age of 15-64, holding a big share of the population pool with 77 percent. The elder citizens, who were above the age of 65 were 5.25 million, representing 9.12 percent of the total resident population.

## **Economy**

In 2011, the Gross Domestic Products (GDP) of Hubei province amounted to 1.96 trillion yuan, up 13.8 percent over the previous year. It ranked top ten nationwide. Local public budget revenues reached 147 billion yuan with an increase of 45.4 percent and are among the top in the country. The fixed asset investment of the whole society rose by 28.7 percent and private investments grew 42.1 percent, accounting for 57.6 percent of the total investment in the province. The number of new projects worth over 100 million yuan stood at 1,427 with an increase of 405. The total social retail goods were valued at 792.78 billion yuan, an increase of 18 percent.

The above-scaled industrial added value grew by 20.5 percent to 856.56 billion yuan. Both profits and tax revenues surpassed one hundred billion yuan, reinforcing Hubei's dominant position in the industry. Emerging strategic industries saw growth this year, with eight industries valued at over 10 billion yuan. The operating revenue for the automotive industry stood at over 350 billion yuan, and that of the food, steel, and petrochemical industry reached over 300 billion yuan.

The Development zones and high-tech zones lead the rapid industrial growth, and the output value of the high-tech industry was up to over 230 billion yuan, an increase of more than 23 percent. Technical contract turnovers rose by 31 percent to 11.9 billion yuan.

Finance, e-commerce, outsourcing, and other modern services developed quickly and the tourism revenue reached 198.7 billion yuan, an increase of 36 percent. Loans from financial institutions in the province rose by 254.2 billion yuan, up 18.2 percent. Bank of Hubei and the Yangtze River Property Insurance Company opened. The back-office service centers of 22 financial institutions settled in the Optics Valley Financial Harbour. There were ten new listed companies (one overseas company), financing 21.8 billion yuan and 1.5 billion Hong Kong dollars. Five provincial financing platform companies made investments of 60.6 billion yuan, leading to a total social investment of 201.2 billion.

Note: the exchange rate 1 USD = 6.\*\* RMB yuan

## **Agriculture**

### **Agriculture structure in Hubei province**

Hubei Province is situated at the central China and the middle reaches of the Changjiang River. Provided with rich agricultural resources, it is an important production base for primary products in China. Hubei came to be known as “a land flowing with milk and honey” all along.

It is an important production base for commodity grain, cotton and oil and the biggest production base for freshwater products. The output of rapeseed and freshwater fish has ranked No.1 for years in China, and the output of cotton and paddy rice also come out top. The production and processing of agricultural and sideline products is endowed with great potential.

In a word, Hubei Province is provided with prominent strength which brings about large production scale, good product quality and high commodity rate. Hubei Province is endowed with advantageous light, heat and water and rich agricultural resources, abounding in dominant crops such as paddy rice, cotton, vegetable, rapeseed, gingili, peanut, wheat, corn, potato, grain legumes and so on; cash crops including ambary hemp, jute, ramie, tobacco leaf, tea leaf, mulberry, mandarin orange, peach, pear, ginkgo, evil hands, mushroom, agarics, Chinese traditional medicinal crops are also playing an important role in China.

The animal industry gives priority to pigs, cattle, sheep, chicken, ducks and geese, and the fishery industry puts the freshwater fish, tortoise, turtle, shrimp, crabs in the leading place. The well-known Wuchang Fish is abundant in Liangzi Lake in Hubei. Hubei came to be known as “A Province with Thousands of Lakes, A Land Flowing with Milk and Honey” all along.

It is abundant in aquatic resources provided with 176 varieties of freshwater fish and the

freshwater fishery ranks first in China. The output amounts to 2,340,000 tons, the total value of productions from the fresh water taking in the first place in China. The productions such as river crabs, terrapins, blue shrimps, mandarin fishes and white baits are sold domestic and abroad. There are 18 honey products and shelled fresh shrimps processing enterprises which obtained the qualification certificate of European Community.

## **Powerful Industry**

Hubei, the birthplace of modern industry in China, is one of the important old industrial bases and one of the three largest steel bases in our country. It is also the largest production base of medium, heavy, sheet plates and special steel, the second largest production base of automobiles and the largest production base of medium trucks, the largest production base of heavy machine tools and packaging machinery, the biggest hydraulic power base, and the largest production base of Joint-alkali, agricultural chemicals, phosphorus, salt chemical industry and striate gypsum. It is also a national photoelectron information industrial base in China and one of modernized traditional Chinese medicine bases and important textile bases. It has established a distinctive industrial system, forming a pattern with automobile, steel and photoelectron information as advantaged industry.

### **(I) Automobile Industry**

With the construction and development over 50 years, the mechanism and automobile industry in Hubei province has established the industrial foundation with “one leading industry and two belts”. “One leading industry” refers to take the automobile industry as the leading role, building a wide range of 13 industries with rich strength such as machine tools, electrical appliances, instruments and meters, general petrochemical machinery, heavy mining machinery, food packaging machinery, general basic parts, engineering machinery, agricultural machinery, internal combustion engine, cultural office equipment, civil machinery and so on. “Two belts” refers to the two centralized belts, including an automobile industry belts based on the Dongfeng Motor Company in Shiyan, Xiangfan and Wuhan and a large technical equipment belt based on Yichang, Jinzhou, Wuhan and Huangshi, which brought about an industry pattern supported by a large number of big corporations and companies such as Dongfeng Motor Corporation, Dongfeng Peugeot Automobile Company, Tri-ring Group Corporation, Wuhan Kaidi Electric Power Co., Ltd, Wuhan Boiler Co., Ltd, China Chang Jiang Energy Corp.(Group), China Shipbuilding Industry Corporation Wuchang Shipyard and so on. Dongfeng Motor Corporation has realized multinational reorganization with Nissan Motor Co., Ltd, enhanced operation with PSA Peugeot Citroen and expanded operation with Honda, which marked that Dongfeng Motor Corporation has stepped into the queue of international big companies; after reorganization with the automobile corporations in Hubei province, Tri-ring Group Corporation has further enhanced its strength. As one of the three big production bases for manufacturing automobile components and parts, Hubei Province has achieved a productivity of 800,000 entire vehicles. On the whole, it has formed a product structure which pays equal attention to “limousine, heavy, medium, light and special” and the wide range of vehicle type. Due to the rapid development of entire vehicles,

the components and parts industry in Hubei has strengthened day by day. At present, there are more than 700 components and parts enterprises in Hubei (of which there are more than 310 enterprises above the scale), and the annual capacity to provide the auxiliary items exceeds 600,000 vehicles. The industrial output accomplished by the top 10 big companies in this industry take up more than 60% of the total industrial output accomplished by the mechanism and automobile industry in Hubei.

## (II) Information Industry

The information industry in Hubei Province maintained comprehensive, rapid and effective development. The scale of manufacturing industry grew in duplication. The government affairs, enterprises and social informatization have been push forward in an all round way. The informatization level has improved remarkably, and the wireless infrastructure construction is highly effective. Supervision competence is strengthened time and again. The function and status of information industry in the national economy and social development has been reinforced at large, which lays a solid foundation for the sustainable development of “10th Five-year Plan”. As a result of the construction and development, the information industry in Hubei Province has formed a development pattern featuring optical communication, mobile communication, laser, display, chemosynthetic foil electronic material and software industry. The scale of optical fibers and cables industry is in the first place at home and the third place in the world, and the research and development as well as the production scale of the optical communication come out at the top in China; the output of micro-midi broadcasting station and mobile base station antenna system is on top at home, the same with the production scale of laser; production of mobile phone, display and air condition respectively has formed a scale of 10,000,000 sets; the production scale of chemosynthetic foil electronic material is also on top at home with an output of 50,000,000 square meters; by the same token, the software industry provided with domestic considerable foundation and strength is in full flourish. As to the industry structure of the information industry in Hubei Province, it has changed from the single manufacturing industry in the past to the modern information industry integrated by manufacturing industry, software industry and information service industry. The product structure with dominant investment class products in the past has entered into an amenable environment in which the products of investment class, consumption class and foundation class are developed side by side. By means of developing the photoelectron information and organizing and optimizing some essential elements including industry, qualified personnel and resources, Optical Valley of China (Wuhan) has rapidly developed into the biggest photoelectron information industry base in China.

## (III) Light Industry

Hubei Province, one of the largest provinces in China in respect of light industry, has established a self-contained light industry system with a wide range of products, including 22 categories and more than 40 industries such as subsidiary foodstuff processing, foodstuff manufacturing, drink, crude salt, leather, cabinetmaking, paper making and paper products, stationery and sporting goods, chemical industry concerned with products for daily use, plastics, household electrical appliances, illuminating electrical appliances, articles of artistic industry and so on. The major

light industries in Hubei Province, including foodstuff and drink, household electrical appliances, paper making, plastics, crude salt and so on, which is playing an important role at home and provided with relatively strong comparative advantage. The subsidiary foodstuff processing industry ranks the 10th place in China the foodstuff manufacturing industry ranks 12th, drink manufacturing ranks 8th, paper making and paper products industry ranks 10th, plastics industry ranks 11th, and household electrical appliances manufacturing industry ranks 10th. Moreover, there are many national renowned native enterprises concerning light industry in Hubei, such as Jingshan Light Machinery Group Co., Ltd., Angel Yeast Co., Ltd., Kaile Science and Technology Co., Ltd., Hubei Yuli Abrasive Belt Co., Ltd., Hubei Baiyunbian Wine Co. Ltd., Zhijiang Wine Co., Ltd, Jing Brand Co. Ltd. and so on. Meanwhile, Hubei Province is provided with a large number of Chinese well-known brand products, including “Kinglong” Beer, “SLEK” cosmetics, “Dongbei” refrigerator compressor, “President” juice, “Jinhuang” jewelry, “Lianle” mattress, “Daqiao” chicken essence, “Jinchen” toothbrush, “Jinlan” jewelry and so on. With more open up to the outside world and improvement on the investment environment, a large number of national and international renowned enterprises concerning light industry have settled in Hubei, including Coca-Cola, Pepsi, Philips, Budweiser, Red Bull Drink, Hair, Little Swan, China Resources Power, Tsingtao Brewery, Wahaha, Huiyuan, TCL, Nongfu-shanquan and so on, which have further strengthened the Hubei light industry.

#### (IV) Medical Industry

The medical industry, the new point of growth for the economic development in Hubei Province, has formed a medical industry system with a wide range of products including bio-medicine, chemosynthetic pharmaceutical products and preparations, Chinese patent medicines, traditional Chinese medicines prepared in ready-to-use forms, healthful materials, medical appliances, medicament-making devices, medicine packaging and so on, and it is provided with strong strength on manufacture, study and research and collaborative development on traditional medicine, modern biotechnology and new medicine. At present, it is growing into the important pillar industry concerning the new pattern industrialization in Hubei. In recent years, the medicine manufacturing enterprises in Hubei developed rapidly with large quantities of products and process engineering being ahead in China, and the output and export quantum of vitamin B complex separately takes up 60% and 50% of the country. Among which: the manufacturing technique for VB1 has achieved the national advanced level; the process engineering for new fungus VB2 has reached the international advanced level, its output takes up 98% of the country and productivity ranks No.1 in China and No.3 in the world; the amino acid series are provided with 16 classes of products, among which 3 products can be substitutes for imported goods and has supplied a gap for the country; productivity of Brufen ranks No.1 in china and No.4 in the world. At present, the number of fruits of the underway project and preparative industrialization on biotechnology and new medicine have exceeded 200; among which there are 65 registered number of approval for bio-medical products, including 1 kind of the national class I new medicines, 5 kinds of the national class II new medicines, and 20 kinds of national class III and IV new medicines; researches on some fields such as functional gene, artificial growth factor, biological for human and animals, thrombolysis enzyme TPA and bio-engineering bacterin has achieved the national and international advanced level. In addition, a medicine industry base

involving four classes, namely, unadulterated traditional Chinese medicinal materials planting, medicine manufacturing, medicine manufacturing for special purpose and medical research has been formed to a large extent.

#### (V) Petrochemical Industry

Petrochemical Industry, one of the pillar industries among the industries in Hubei Province, after the development over years, has formed a manufacturing and construction system with large and middle scale enterprises as its backbone, petroleum extraction, petroleum refining, chemical industry for agricultural use, basic chemical raw materials and rubber processing as the leading role, and chemical industry research, education, design, geological exploration and installation and construction as the supporting role. At present, there are more than 600 oil enterprises, petrochemical enterprises and chemical engineering enterprises above the scale, including 25 large-scaled enterprises and 50 enterprises in middle-scale. Petrochemical industry has formed numbers of characteristic enterprises after reconstructing the traditional industries by high and new-technology industries: Sinopec Wuhan Co., Ltd and Sinopec Jinmen Co., Ltd are the leading enterprises concerning crude processing in the central area in China; Sinopec Jiangnan petroleum administration is the only enterprise for petroleum extraction in the central area in China; Hubei Shuanghuan Chemical Group Co., Ltd. is the largest enterprise for producing Joint-alkali in Asia; Hubei Yichang Chemical Group Co., Ltd. is an important comprehensive enterprise concerning phosphorus industry, salt industry and fertilizer manufacturing; Sinopec Hubei Fertilizer Co., Ltd. is among the enterprises taking the lead in utilizing the introduced technique to establish large scale enterprises concerning fertilizer manufacturing at home; Shalongda Co. Ltd. is the largest enterprise for manufacturing agricultural chemicals in China; Hubei Chuyuan Fine Chemical Industry Group Co. Ltd. is the largest enterprise for producing dyestuff and dyestuff intermediates in China; Wuhan Gehua Group Co. Ltd. is one of the earliest large scale enterprises for manufacturing chlorine alkali and polyvinyl chloride in China; Yichang Xingfa Group Co. Ltd. is the largest enterprise for producing yellow phosphorus and phosphorus products in China; Hubei Yangfeng Group Co. Ltd. is one of the largest enterprises for manufacturing phosphate and compound fertilizer; Wuhan Youji Industrial Co., Ltd. is the biggest enterprise for producing food additive such as benzyl chloride and sodium benzoate in Asia. Some other distinctive enterprises with large industrial scale in our province are also included.

#### (VI) Textile Industry

The textile industry, a traditional pillar industry in Hubei Province, is also an important base for Chinese textile industry. At present, it has formed a relatively complete industry system including cotton textile, wool textile, gunny textile, dyeing and finishing, knitting, color weave, silk, chemical fiber, clothes, shoes and caps and textile machinery. The textile industry in Hubei has achieved a spinning productivity of 6,330,000 spindles, the weaving capacity for manufacturing fabric machine achieved 66,300 sets and the capacity for making clothes achieved 1.5 billion pieces (suits). The gross industrial output value accomplished by the enterprises above the scale has achieved RMB 43.252 billion, and the output of main products including yarn, cloth and clothes has respectively achieved 817,800 tons, 1.869 billion meters and 0.171 billion pieces. By

the end of 2011, the textile industry in Hubei will realize a productivity of 500,000 tons with chemical fiber and 10,000,000 spindles with cotton textile including 7,500,000 spindles with advanced spinning equipment; fabric machine exceeding 100,000 sets including 40,000 sets with shuttleless loom; 0.6 billion meters with dyeing and finishing outside material in medium and top grade; 80,000 tons with cotton knitwear consumption in yarn; 2.5 billion pieces/suits with clothes. The proportion of advanced equipment in the all industries will exceed 60%. At the same time, sales revenue will achieve RMB 100 billion and the added value will touch RMB 28 billion. The earned foreign currency by exporting goods will achieve 1.5 billion dollar and the profit payments and tax turnover will touch RMB 5 billion.