

# News Release

6 November 2017

## **SHENZHEN LEADS INNOVATION IN CHINA, NEW REPORT SHOWS**

***Shenzhen-based companies have the highest average scores for innovative power  
Pearl River Delta, Shanghai and Beijing are top Chinese bases for innovative companies  
Coastal regions lead in innovation but some industrial, inland provinces gaining ground***

Driven by China's ambitions to transform its economy into one driven by technology, services and consumers, local corporates have made huge advances in their innovation capabilities in recent years, according to the *Chinese Corporate Innovation Report 2017* presented by HSBC.

Shenzhen-based corporates had the highest average score for "innovative power" among the top 100 companies, indicating that the city at the heart of Guangdong's Pearl River Delta region has emerged as a leader in innovation. The Pearl River Delta's nine cities are gaining a reputation as China's creative and game-changing "Silicon Delta" as companies there transition from traditional manufacturing sectors to the new economy and a new generation of start-ups emerges.

Frank Fang, HSBC's Head of Commercial Banking for China, said: "It isn't just hi-tech companies in China that invest in innovation, but also those in traditional industries such as beverages and textiles, and in particular privately owned companies and small and medium enterprises. This report offers valuable insights into how Chinese corporates are increasingly using innovation to achieve a competitive edge as China transforms its economy. We will continue to support our customers so that they can adapt to these changes and thrive."

The report analyses over 1,200 domestically listed companies and their "innovative power," which includes the scale of their Research & Development investment and number of patents filed, as well as their "innovative efficiency," which is based on factors such as how well their R&D investment translated into sales and the novelty of their business models.

The Pearl River Delta also has among the most companies making it into the report's overall top 100 companies, combining both innovative power and efficiency scores. Ten of the region's companies, based in Shenzhen, Foshan, and Zhuhai, are on the list – equivalent to Shanghai and second only to the 14 companies based in Beijing.

Regions along China's coast such as Guangdong, Beijing, Shanghai, and Zhejiang lead the way in innovation, according to the report, helped by abundant infrastructure and resources.

This information is issued by

**HSBC Bank (China) Company Limited**

Registered Office and Head Office:  
37th Floor, HSBC Building, Shanghai ifc  
8 Century Avenue, Pudong, Shanghai  
Web: [www.hsbc.com.cn](http://www.hsbc.com.cn)

*Incorporated in the People's Republic of China with limited liability.*



However, the report also found that some inland or industrial provinces are catching up amid efforts to shift from traditional industries to those in the new economy. For instance, coming from a lower base, central Shanxi province and Liaoning in north China have seen their innovative power scores surge 34 per cent and 29 per cent respectively in 2016, compared with a 13 per cent gain in the capital Beijing.

The “Chinese Corporate Innovation Report 2017” is produced by Yicai Media Group and presented by HSBC China. Zhejiang University’s School of Management assisted with collection and analysis of data, which studied 1,264 domestically-listed Chinese companies in industries ranging from manufacturing to software and information technology services.

*ends/more*

**Media enquiries:**

Diana Mao (Shanghai)	+86 21 3888 1251	dianayqmao@hsbc.com.cn
Adam Harper (Hong Kong)	+852 2822 4940	adamharper@hsbc.com.hk

**Note to editors:**

**HSBC Bank (China) Company Limited**

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China’s network currently comprises over 170 outlets across more than 50 major cities. HSBC China’s head office is based in Pudong, Shanghai.

*ends/all*

