China's third major telecommunications city

By HUANG ZHILING

China's information and communication businesses have leapfrogged their way to the front of their respective fields, thanks in a large part to the reforms and opening up that began in the late 1970s, and have even become internationally recognized competitors.

In the north, Beijing, as the country's political and cultural center, is home to a large number of enterprises in these sectors, from different parts of the world. In the south, the coastal city, Shenzhen, in Guangdong province, has always been at the forefront of the reforms and opening up, and has two industry leaders, Huawei and ZTE.

However, Chengdu, the capital of Sichuan province, has managed to become a sort of third leg of this information and communication transformation.

Chengdu has a large pool of talent for research and development. In the 1950s, China's State Council decided to set the city up as a communications technology R&D base to meet national defense demands. Then, in 1956 it established the Chengdu University of Electronic Science and Technology to provide a large pool of qualified communications technology personnel for research and development.

By now, Chengdu has more than 70 research institutes, 30-plus enterprise technology centers, 50-plus state-level research labs, and around 40 institutes of higher education, which provide IT related programs.

These include Chengdu University of Electronic Science and Technology, Sichuan University, Southwest Jiaotong University, and Chengdu University of Information Technology.

According to the latest statistics, there are 2.27 million technicians and engineers working in the city, 220,000 of which work in the software industry. Chengdu's labor market is stable and has turnover rate of only 8 percent, much lower than for similar cities in China.

"Go West", an IT industry trend

When the financial crisis hit the global IT industry in 2008, a series of transfers began to take place. Chengdu, with its sound infrastructure, preferential policies, low operating costs, plenty of human resources, and good services, became one focus of this global IT industrial transfer. As of November 2011, it had 207 Fortune Global 500 firms, including IBM, Alcatel, Siemens, GE, Cisco, Ericsson, SAP, and Accenture. Of the world's top 20 software firms, 11 had a presence there.

In October 2010, the US' Forbes magazine put Chengdu at the top of its list of The World's Fastest-growing Cities over the next decade. In July of this year, Fortune magazine called Chengdu one of the best emerging business cities in the world.

A senior economist from the Asian Development Bank has noted that inland cities, such as Chengdu, have the conditions to attract firms from coastal metropolises who are trying to escape high land, production and traffic costs.

Chengdu has a large number of world-class enterprises, mainly in three areas of the communication industry. By November of this year, some of the world's major communications equipment manufacturers — Ericsson, Huawei, Nokia, Siemens, Alcatel-Lucent, and ZTE — had research institutes there.

The Huawei Research Institute is expected to pull in more than 10,000 engineers, focusing on TD-LTE research and development, in line with China's 4G standard. In the communications chip field, Freescale, Fujitsu, MediaTek, and Marvell have a presence.

In mobile terminals, it has Foxconn, Dell, Lenovo and TCL. Meanwhile, 50 percent of all laptop computer chips are tested in Chengdu, while 20 percent of all computers worldwide, and 70 percent of Apple iPads will be made here.

For the purpose of sharing technological innovations in mobile communication and provide a place for industrial information exchanges, as well as to discover future market opportunities, the Chengdu hi-tech zone organized two editions of the Connected World Form, in December 2010 and 2011.
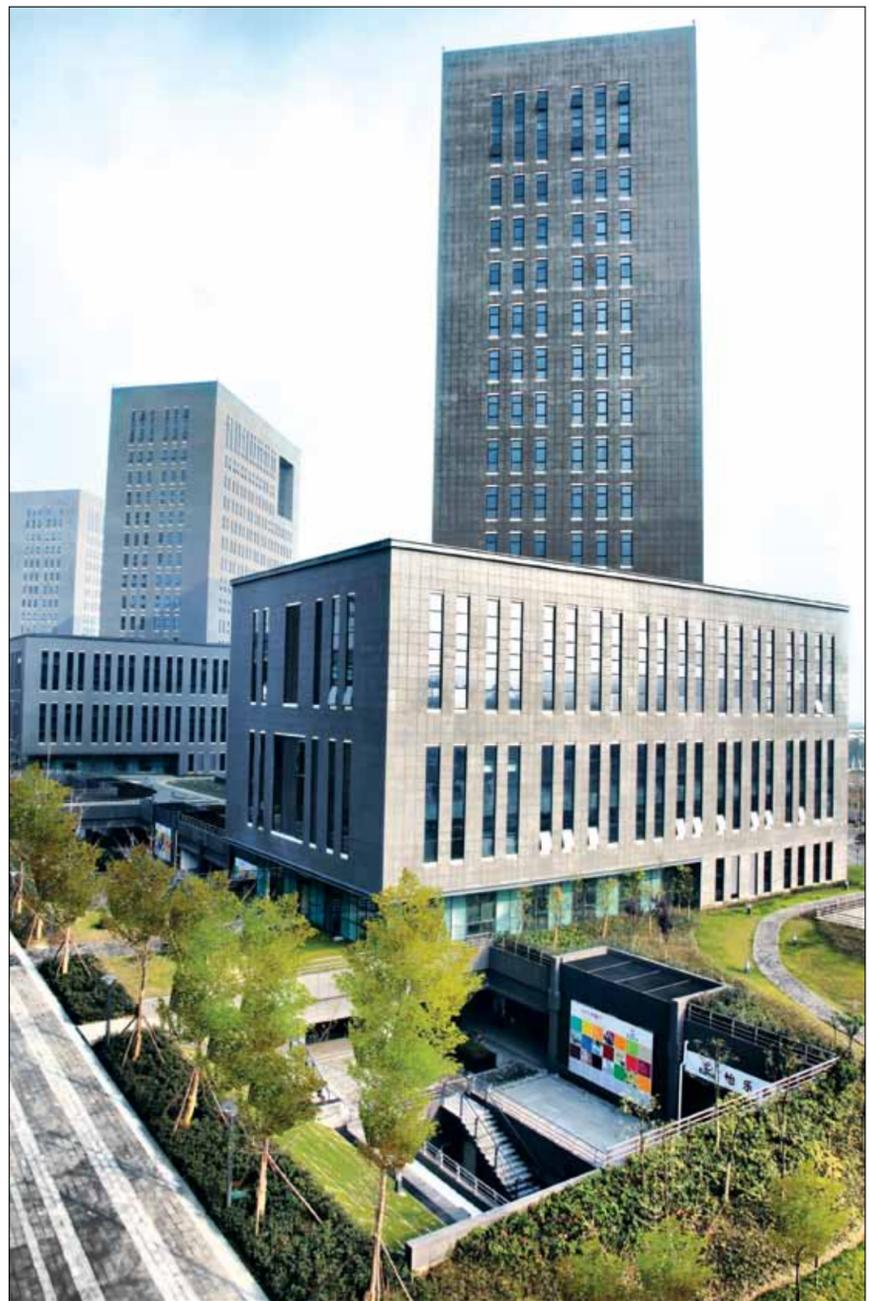
They focused solely on next-generation mobile communications technology and business trends, and attracted major telecommunications personnel from China Telecom, China Mobile, China Unicom, Deutsche Telekom, NTT Docomo, and Korea Telecom.

The ideas that were generated in these submits have helped propel the development of the next generation of the mobile communications industry.

Chengdu is clearly emerging as a mobile communications center with a large pool of talent and a thriving industrial environment, and has in fact become China's third city in the telecommunications industry.

The world's major mobile communications companies have a presence in Chengdu Tianfu Software Park, Asia's largest professional software park and one of China's 10 largest software industry bases.

Zone D, at the Chengdu Tianfu Software Park