

# HANGZHOU

Our guide to the city hosting this year's G20

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# Welcome to Sinopolis

In a recent article Jonathan Woetzel of McKinsey complained to the Financial Times that foreigners often see China as one undifferentiated mass. This, he said, was wrong, noting that the differences between places like Harbin and Hainan were as great as those between Helsinki and Athens. China's "mega cities are starting to become economically like little countries," he added.

The editorial team at Week in China has shared this view for quite some time, and early last year we began planning a new product explicitly designed to offer deeper insights on these individual cities. We decided to call it Sinopolis, a play both on the term for the original Greek city states and the term 'Sino' (i.e. China).

Knowledge of Beijing and Shanghai is already quite strong, so our goal was to create a series of individual guides about China's other, less well-known major cities. No one would be stupid enough to claim to understand America if the only two cities they knew about were New York and Los Angeles. By the same token, there is far more to China than Beijing and Shanghai.

Our first Sinopolis is on Hangzhou, a city with an ancient heritage, but which is also home to one of China's most dynamic companies: Alibaba. We selected Hangzhou for a number of reasons. To name just a couple: it is the capital of China's most entrepreneurial province and its iconic scenery has made it a cultural hub for millennia.

Our choice was inadvertently lucky. When we were almost done with our research it was announced by Chinese President Xi Jinping that Hangzhou would be the host city for this year's G20 meeting of international leaders. That obviously makes it a destination of even more interest to Week in China readers.

We have set out to produce a city guide that is of interest to a businessperson. Inevitably there are aspects of what we have done which would overlap with more traditional tourist guide books, particularly in the first two sections on orientating your way round.

However, the latter five sections of this Sinopolis guide seek to give an overview of the key industries and companies that generate Hangzhou's GDP, as well as a sense of how the local economy is doing (for example, how busy were the shopping malls we visited). Likewise our section on the property market – the knowledge of which is critical to understanding any Chinese city's economy – offers some case studies on how much bang for their buck homebuyers enjoy in Hangzhou.

We hope you find this edition of Sinopolis of interest, and not just if you have a trip to Hangzhou already planned. And if a Hangzhou visit wasn't on your agenda, we hope after reading this it's something you at least tag onto your next Shanghai visit (we include a suggested itinerary for a day trip in the Tourism section).

**"China's mega cities are starting to become economically like little countries"**



# Contents

<b>A brief history</b>	5
<b>Visitor information</b>	15
<b>Tourism:</b> Seeing the sights	35
<b>Industry:</b> An online revolution	49
<b>Property:</b> China's 6th priciest market	61
<b>Retail:</b> The view from the shop floor	71
<b>Education:</b> Steeped in learning	83
<b>Useful phrases</b>	93



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# Ancient city, modern city





# A brief history of Hangzhou

**T**he city of Hangzhou sits on China's east coast, about 200 kilometres southwest of Shanghai. During China's fractured past it has served as the capital of a kingdom, the capital of a dynasty, and now it is the capital of Zhejiang province. Although the city's name and identity have evolved over the centuries, its place as an indispensable feature of Chinese heritage has been ensured by its natural beauty, immortalised in the Chinese language itself through the idiom “上有天堂下有苏杭” (Paradise in Heaven, Hangzhou on Earth).

The traditional phrase sometimes couples Hangzhou with Suzhou declaring: “Above there is heaven, below there is Suzhou and Hangzhou”. That perhaps accounts for why many Chinese tour groups will visit both cities on a single trip.

The reputation of the city's landscape perhaps first came to popular attention during the Tang Dynasty (618-907) – a period renowned for its appreciation of aesthetics and literature. In the middle of this era, the poet Bai Juyi served as governor of Hangzhou, which at the time was already important economically owing to its position as

“

**The Chinese have  
an idiom that  
says: Paradise in  
Heaven,  
Hangzhou on  
Earth**

”

the southern terminus of the Grand Canal. But he inherited a legacy of mismanagement: the lake to the west of the city had been neglected; its old dyke had fallen, allowing the lake to dry out and wreak drought upon the surrounding farmland.

Bai Juyi ordered the construction of a new dyke, which reinvigorated the lake and restored the livelihoods of the farmers. Next he had a causeway built across the lake, so that people could enjoy walking over its waters and between its scenic areas. In this way the lake not only served the agricultural economy but also drew tourists in from far afield. Bai called it the West Lake and today it remains at the heart of Hangzhou's tourism industry.

Following the collapse of the Tang Dynasty, Hangzhou was consumed by



**Hangzhou played a key role in the development of China's silk industry, for centuries one of the country's most famed and prized exports**



REUTERS



“Today, making money is very simple. But making sustainable money while being responsible to society and improving the world is very difficult”

**Jack Ma, Alibaba boss and Hangzhou's most famous resident**

the Wuyue Kingdom (907-978) which spread across modern Zhejiang, Shanghai, and the southern portion of Jiangsu. Hangzhou – then named Xifu – was taken as the kingdom's capital. The kings of Wuyue followed the practice of Bai Juyi and harnessed the city's water resources to bring prosperity to the region. But rather than merely focus on Hangzhou's rivers and lakes they exploited the ancient capital's position as a coastal city and encouraged foreign trade and relations. If you ask people in Hangzhou today they will tell you that it was this early role as an international port that has left them so welcoming to foreign ideas.

The last king of Wuyue submitted the kingdom to the mightier Song without resistance, sparing the area from the pillages of war and placing it in good favour with the new rulers. Thus the Wuyue Kingdom dissolved into the Song Dynasty (960-1279).

It wasn't until invading armies from the north forced the Song court southwards – and into the period known as the Southern Song Dynasty (1127-1279) – that Hangzhou was named the capital. Initially this new status was intended as temporary, but when prospects of recapturing the north seemed bleak, the city was further developed to better suit the imperial court.

During this time, Hangzhou became the centre of Chinese commerce and culture. Its population surged,

purportedly creating the largest city in the world; arts and trade flourished, education excelled, tourism thrived and the economy boomed, resulting in the world's first production of government-issued paper money around the year 1120 (according to the Cambridge Illustrated History of China).

Eventually the Southern Song fell to the Mongolian hordes and became part of the Yuan Dynasty (1271-1368). China's capital was moved to Beijing, but Hangzhou remained one of the nation's largest and richest cities, serving as a popular holiday destination for emperors through to the end of the Qing Dynasty (1644-1912).

In 1949, when the Chinese Communist Party won control of China, Hangzhou was initially prized by the new government as a rich agricultural centre.

But in 1953 AC Maxim, a Soviet advisor, attended a Hangzhou city planning meeting whereupon he grasped why the city had impressed China's emperors. He proposed that Hangzhou be developed as a centre for tourism, culture, recreation and international conferences. Maxim dubbed Hangzhou: 'The Geneva of the East'.

Hangzhou's assumption of this 'Eastern Geneva' role had little chance to be realised, as the People's Republic slowly became more and more secluded from the world. But when China began reopening its doors and welcomed President Nixon on his historic trip in 1972, Hangzhou was one of the three cities he visited (the other two were



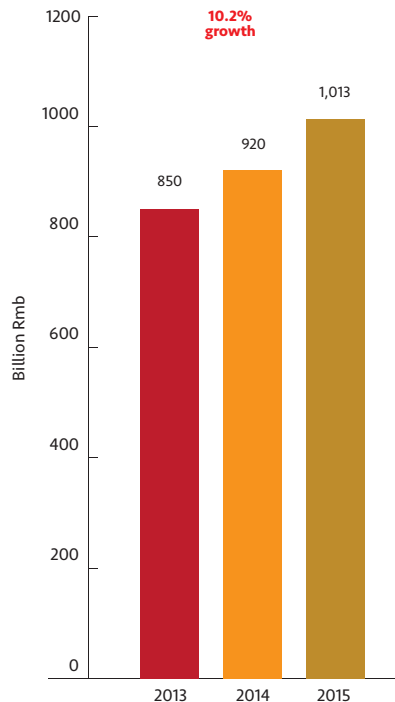
## Hangzhou's GDP

Hangzhou's economy grew 10.2% in 2015, which meant the city's total GDP increased last year by over Rmb1 trillion (\$153 billion – greater than the national GDP of Hungary or Angola).

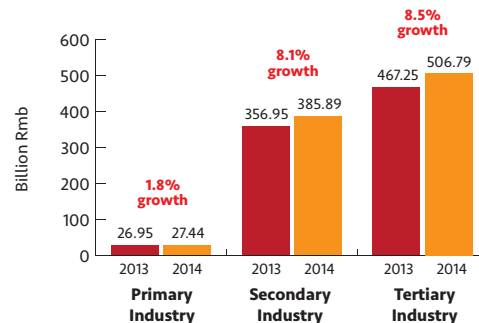
A large part of this growth was due to government spending on the tech sector beginning in Autumn 2014 under the proviso of 'Project Number 1' – a policy drive to develop a 'smart city'. Project Number 1 boosted the city's GDP by 23% in the first half of 2015.

Meanwhile the city's 2014 GDP per capita ranked 20th in the country (Shenzhen 5th, Guangzhou 9th, Wuxi 10th, Nanjing 17th).

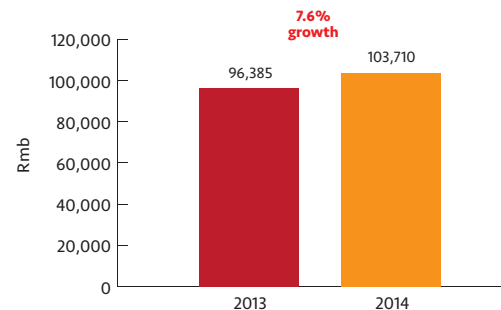
Hangzhou GDP



Hangzhou GDP by industry



GDP/capita (based on permanent population)





Hangzhou was one of the three cities President Richard Nixon visited on his historic 1972 trip to China

Beijing and Shanghai).

As China opened its doors under the guidance of Deng Xiaoping in the 1980s, Hangzhou soon took advantage of its location as a coastal city to develop a thriving manufacturing industry. Between 1978 and 2007, the city's GDP grew 45.5 times bigger from Rmb2.8 billion to Rmb410.34 billion. In 1989, Zong Qinghou founded the Hangzhou Wahaha Group, which would grow to become the largest soft drinks manufacturer in China.

The local government estimates that GDP crossed Rmb1 trillion last year, thanks to growth of 10.2% (see page 9).

In the early 1990s, the city began establishing a number of special development zones, beginning with the High-Tech Industrial Development Zone (HTIDZ) in 1991. These zones, were designed to support modern industries, and enjoyed financial aid and policy support from the local government. In 2014, the GDP of the HTIDZ reached Rmb69.28 billion (\$10.51 billion), an increase of 11.5% on the year before.

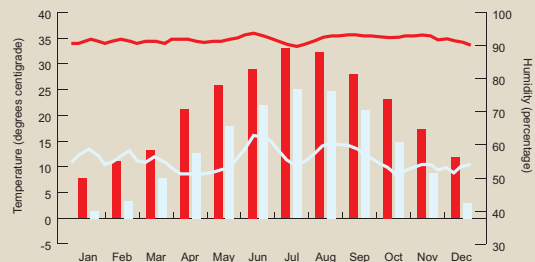
In 1999, Alibaba – now one of the world's preeminent e-commerce businesses – was founded in Hangzhou. From its humble beginnings in CEO Jack Ma's apartment, the company's 150,000 square metre headquarters opened in 2009 in the HTIDZ. The development of the HTIDZ and particularly the success of Alibaba has reinvented Hangzhou as not only a tourist hub but also as China's capital of e-

commerce. This duality is reflected in the nickname bestowed on the HTIDZ: Paradise Silicon Valley.

Today the city is finally assuming Maxim's envisaged role as the Geneva of the East – a picturesque powerhouse and a host for international conferences. It was announced late last year that Hangzhou will hold this year's G20 Summit: the first such event to be hosted by China. As China plays an ever greater role in the world it evidently wants to show its best side, and for that, President Xi Jinping has chosen to welcome 19 of the world's other leaders to Hangzhou. 🌏

## Hangzhou weather

Temperature (bars) and humidity (lines). The reds are the average monthly highs and the whites the lows





# Some key statistics

*All data is from 2014 unless otherwise stated*

## City

<b>Permanent population</b>	8.89 million (6.67 million urban residents)
<b>Area</b>	8,488km <sup>2</sup>
<b>Average disposable income</b>	Rmb39,099 (the highest in Zhejiang province, 7.1% real growth YOY)
<b>Minimum wage</b>	Highest in Zhejiang province

<b>Private enterprise (value added)</b>	Rmb550.3 billion (59.8% of GDP)
<b>Number of private enterprises</b>	276,000 (+21.9% YOY)
<b>Import-Export value</b>	\$67.9 billion (+4.5% YOY)
<b>Import</b>	\$18.83 billion (-7.2% YOY)
<b>Export</b>	\$49.17 billion (+9.8% YOY)



## Foreign Investment

<b>Enterprises with foreign investment</b>	1,095 (2014)
<b>Utilised FDI</b>	Rmb33.5 billion (2013)

## Tourism

<b>Gross revenue</b>	Rmb188.63 billion (+17.6% YOY)
<b>Number of travel agents</b>	658 (+4.1% YOY)
<b>Number of star-rated hotels</b>	199
5-star	22
4-star	46
<b>Scenic spots</b>	Three AAAAA (top grade); 32 AAAA

## Education

<b>General colleges and universities</b>	38
Students	474,700
Postgraduates	48,000
<b>Vocational colleges</b>	19
Students	128,800

## Technology

<b>Patents filed</b>	14,800 (+5.3% YOY)
<b>Patents approved</b>	5,559 (+13.1% YOY)
<b>R&amp;D funding</b>	3% of GDP



# An insider's view of Hangzhou

**"Hangzhou is a very dynamic city and in recent years has been very prosperous"**

To get a better understanding of the business situation in Hangzhou, Sinopolis spoke with William Wu, HSBC's head of corporate Eastern China, at his office in the city:

## **What are the city's main economic growth drivers?**

Generally speaking I think Hangzhou is a very dynamic city with a wealth of history and heritage. It was the capital of the Southern Song Dynasty (1127-1279) so it has traditionally been famous for its culture and tourism. In recent years, Hangzhou's economy has grown to be very prosperous, becoming well-known for its innovation and TMT (technology, media and telecommunications) industries. Founders of some of China's largest and most notable tech companies, such as Alibaba and NetEase, come from Hangzhou, which has improved its image as an innovation centre. At the same time, Hangzhou has also taken a lot of effort to upgrade its traditional industries. So some manufacturing companies – although they are still manufacturing – have been upgraded to be more high-tech.

## **What new industries are being encouraged at the moment by the local government?**

The industries that are being encouraged were actually published in the city's 12th Five-Year Plan. Currently we're preparing for the 13th Five-Year Plan, but in the city's 12th they defined several industries on which to focus, such as e-commerce, TMT, high-end



William Wu



manufacturing industries, tourism, financial industries and new energy. These industries are the ones the city has been focusing on.

I think the city has been moving in this direction over the past four to five years and we can see a tremendous amount of progress in this respect. One example of this movement is Hangzhou Steel: it used to be a fairly big steel production plant occupying a large area in a suburb of the city, but last year it was announced that the government would shut down that steel mill and convert the land for other uses. So they have moved this production capacity elsewhere, and left the city to upgrade to more modern and advanced industries.

### **What are the advantages of investing in Hangzhou?**

As I say, this city is very dynamic, so it exhibits a strong combination of modern, entrepreneurial, and also traditional cultures. Its long history has generated a refined culture and a mature educational system. Since Hangzhou is the capital of Zhejiang province all of the province's best educational resources are located in this city, such as Zhejiang University, which is among the top 10 universities in China, as well as many other higher education institutions. Thus the most promising people in the province tend to move to Hangzhou for education or for its lifestyle. This outfits the city with especially exceptional human resources.

Hangzhou is also very conveniently located in the centre of the Yangtze River Delta, making commutes to the other cities of the delta more feasible. Hangzhou is 45 minutes to Shanghai, 1.5 hours to Nanjing, and 1 hour to Ningbo by high-speed train. So it is extremely well connected to all the other hubs in the Yangtze River Delta.

Moreover, as I mentioned before, Hangzhou's TMT industry is of particular renown, thanks to Alibaba, so it has attracted a lot of key venture capital firms to support start-up companies. This has provided a solid financial foundation for the development of the city.

In total, aside from the benefits of policies favourable to foreign investment, what is perhaps of greater significance to companies thinking of investing in Hangzhou is its convenient location, its human resources and also that dynamic environment here, with an almost tangible level of entrepreneurial spirit.

### **Has the high-speed rail connection to Shanghai had much effect on Hangzhou?**

I believe it's had a huge effect. Although I am located in Hangzhou I do have a lot of need to travel to Shanghai, Nanjing and Ningbo. Previously I had to either take a low-speed train or a car, both of which are time-consuming and not a very good travel experience. But nowadays the high-speed trains are so clean, so silent and so convenient. It gives people a lot of incentive to

**"Hangzhou's high-speed trains are now always full – it is now only 45 minutes by train to Shanghai"**



**“People in this city are very well educated and have a very high entrepreneurial spirit”**

move around the region.

Also, from my personal observations, when the high-speed train first opened three to four years ago, there were often some empty seats on the train, but now it is always full. When you want to take the high-speed train you need to book three to four days in advance, especially for the weekend. So I think it is obvious that the popularity of the connection has grown.

And looking at the flow of people, there's a definite benefit to the local economy, because the ease of transport saves a lot of costs: the high-speed line is very low cost to run, very punctual, very convenient and safe. So in my view it has had a very positive effect on Hangzhou's economic development.

### **How has Hangzhou's history and culture helped shape its current economic model?**

This city has always had a view of the macro situation rather than one of the micro, because it used to be the capital of China. So it is willing to accept change.

Also, because of the long history, people pay great attention to education. Generally speaking, people in this city are very well educated, which has helped them to open up to the external world and accept new things. This in turn has created a situation in this city where people have a very high entrepreneurial spirit: they are willing to set up new companies, to try new things. I think this is very unique.

### **What is the significance of Hangzhou being chosen to host the G20?**

Everyone in Hangzhou is very excited by this news. It's exciting because it means all the top leaders of the top countries are likely to come to Hangzhou this year, so to be selected as the venue is evidence of the attention the city is receiving from China's highest level officials. Evidently they think that this is the right place to hold the meeting. I believe it will bring in a lot of positive things, because of course it will help it become a very well known city all over the world. Hangzhou is very well known in China and also to those international businessmen but once it becomes very well known to everyone, it will uplift the image of the city further.

Plus, in preparation for the meeting it is possible that Hangzhou will receive more attention from the central government, providing incentives to further develop infrastructure, construction, and a lot of other areas. So I think we will see a lot of positive things. I think all the people in the city are very excited and are looking forward to the event in September.

# Visitor information





**The West Lake is a UNESCO World Heritage site and remains the primary draw for tourists visiting Hangzhou**

## Getting your bearings...

**T**he districts of Hangzhou are somewhat hard to define, as their boundaries are loose, sprawling into one another, and sometimes stretch much further than you'd anticipate.

West Lake is undoubtedly the primary reference point for anyone new to the city. To all intents and purposes, it is the centre. This UNESCO World Heritage Site is the primary draw for tourists to Hangzhou. The West Lake district (Xihu) extends much further than the area suggested on our map, traversing the mountains to the south and west of the lake, and curving around the river bend towards the highway. Confusingly, this means you can find yourself in the West Lake district when you are nowhere near the lake.

To the north and west of the lake, but still within the Xihu area, is where the province's most prestigious university – Zhejiang University – has its main campus. A number of other higher education institutions are in this quadrant too, including the campus where students from Hong Kong's Chinese International School (CIS) complete their year overseas.

In addition to the fine educational institutions, the

upper West Lake area also hosts a number of financial services and tech companies, including the headquarters of Alibaba's Alipay.

Further off to the west of the city (but still only 5km from the lake) is the Xixi National Wetland Park and the areas surrounding it. The park itself is a multi-purpose tourist destination. Not only does it offer the splendour of its natural scenery and wildlife, its manmade elements provide accommodation and creative exhibition spaces. The area around Xixi commands some of the highest property prices in Hangzhou, ranging between Rmb30,000 and Rmb50,000 per square metre (for more, see Property section).

The primary commercial area of the city, which holds most of the major shopping malls and standalone shops, is situated on the east side of West Lake. This zone is split into the Xiacheng district and the Shangcheng district (the names mean Lower Town and Upper Town respectively, but perhaps confusingly the Lower Town is north of the Upper Town).

Yan'an Road runs north-south through the commercial district. Hangzhou Tower Shopping City, Intime

**Red: Hotels**

- 1 – Banyan Tree
- 2 – Four Seasons
- 3 – Shangri-La
- 4 – Xihu State Guesthouse
- 5 – InterContinental
- 6 – Midtown Shangri-La

**Blue: Dining**

- 1 – Xie Xiang Lou
- 2 – Lou Wai Lou
- 3 – Elochee
- 4 – Grandma's Home
- 5 – Qing Teng Teahouse



**The Binjiang area is the centre of technology development and innovation in Hangzhou, as well as a key site for foreign investment**



**The headquarters of Hangzhou's most famed firm: Alibaba**

Department Store and IN77 can all be found along this road, as can the highest rental rates for commercial units (see Retail). Hefang Street (Hefang Jie) cuts east to west in the Shangcheng district, and is the place to go for tourist souvenirs. Meanwhile Nanshan Road (Nanshan Lu), also in the Shangcheng zone, is reputed to have the best nightlife in Hangzhou. There are two good jazz bars along this road, with regular live performances from international acts, as well as a number of local watering holes too.

On the northern banks of the Qiantang River is

Qianjiang New CBD (see Property). This recent and ongoing development is the area that will host the forthcoming G20 Summit, with the visually striking Hangzhou International Conference Centre as the key venue. Alongside the conference centre, Qianjiang New CBD also contains residential property, office buildings, government administration centres and the Mix City Mall (only the second to be built in China – the first is in Shenzhen, see Retail). It is also possible in Qianjiang New CBD to see one of the world's largest tidal bore (rivalled by that of the Amazon) as it surges up the Qiantang River. The phenomenon is normally greatest around mid-October, and is more prominent some 50km north of the city: but viewing it there is also more dangerous.

Then on the south bank of the river is Binjiang: Hangzhou's High-Tech Industry Development Zone (HTIDZ). The HTIDZ is the centre of technology development and innovation in Hangzhou, as well as a key site for foreign investment. Known as the "Silicon Valley of China", it is the home of Alibaba's headquarters, as well as a number of industrial parks and SME incubators.

If you are arriving by train into the city, you will arrive in the commercial area. From there you can catch a bus, taxi or the metro to your ultimate destination. If arriving by plane you will land at Xiaoshan International Airport, which is to the west of the city. From there you can ride



buses or taxis to get to the city centre. A train line from the airport is currently under development (for more on the city's fast-growing subway system, see page 22).

## Transport

### International arrivals

Hangzhou Xiaoshan International Airport's international flight terminal is nothing special. It is close to the city – the ride downtown costing about Rmb120 (\$19) in a taxi or Rmb20 (\$3) by bus – but offers few direct flights to cities outside of Asia.

In 2014 the airport offered flights to 222 destinations, 36 of which were overseas (including Hong Kong, Macau and Taiwan), and handled 1.334 million passengers. However, it is not uncommon for international travellers to fly into Shanghai's international airport instead, and from there take the high-speed train link.

It is worth noting, if you are ever transiting internationally through Hangzhou or Shanghai, you may be eligible for six-day visa free entry. To qualify, you have to be a citizen of one of the countries included in the policy (of which there are about 50) and be transiting from one country, through Hangzhou (or Shanghai), to a third country.

REUTERS

**Flight costs**

**Hong Kong to Hangzhou**  
 Economy: HK\$1,107 (\$142)  
 Business: HK\$2,820 (\$363)

### From Shanghai to Hangzhou

"I think more and more the Yangtze River Delta has become a connected area rather than a series of individual cities, because it is so convenient to travel between them. So many people are now working across cities," observes Hangzhou-based HSBC banker William Wu.

Zhejiang's major expressways are all easily accessible from Hangzhou, connecting the city by road to the other major cities of the Yangtze River Delta, including Nanjing, Shanghai, and Ningbo. Of course the high-speed rail connection to Shanghai has been the star of Hangzhou's intercity transport service since it became operational in 2010.

The high-speed connections between Shanghai and Hangzhou run over 100 services each way every day, completing the journey in as little as 45 minutes. From

**A taxi from the airport to downtown Hangzhou will cost around Rmb120 (\$19)**



REUTERS

**Faster than a speeding bullet: the high-speed train between Shanghai and Hangzhou takes 45 minutes**

Shanghai you can board either at Shanghai Hongqiao (the airport station) or Shanghai Station, and arrive in Hangzhou East Station, Hangzhou Station, or Hangzhou Yuhang Station. A high-speed service also runs between Hangzhou and Nanjing (in Jiangsu province), making 11 stops and cutting the travel time between the two provincial capitals from around two hours to only 50 minutes.

### Going underground

The underground is a fairly recent development in Hangzhou. The city is sited on top of fertile river plains and marshes that were dredged to form the West Lake. As such, the ground was previously too soft for a metro system to be maintained. It was an advancement in technology that allowed for tunnelling to begin beneath the city to build the new metro.

Owing to its infancy, Hangzhou's metro service is limited: it currently only has three lines, none of which go west of the West Lake, but 10 more lines are in the works, due for completion between 2020 and 2050. Its relative youth has also saved it from the pitfalls that older networks face. For example, as you'd expect from a city that thrives on connectivity, both mobile data and phone reception are both available throughout the underground system.



Taxi meters start at Rmb11, or \$1.66

### Taxis and 'ride hailing' using smartphone apps

In Hangzhou, there are three taxi companies that you can flag down on the streets, but the prices are all the same. The meter starts at Rmb11 and stays there for the first three kilometres, then it begins rising Rmb2 for the next seven and eventually by increments of Rmb3.75 thereafter. Taxis are instantly recognisable from the illuminated signs affixed to their roofs, however you may be thrown at first by the odd one out: whilst the majority of the taxis are either blue or green sedans, the third option is a bright yellow compact. These little rays of sunshine run on electricity, but seem few and far between compared to the



## Getting around on the underground



### Line 1

Line 1 is currently the most important line on the metro system. It serves all of the main train stations in Hangzhou: Yuhang High-speed Railway Station, East Railway Station and Hangzhou Railway Station. East Railway Station is the city's primary railway terminus and, despite what the station names might suggest, high-speed trains can be boarded from all three main stations.

Also on Line 1 is Wulin Square, which sits at the north end of Hangzhou's primary shopping street. Exit here for Hangzhou Tower Shopping City and walk south for Intime Department Store.

West Lake Cultural Square is one option for access to the West Lake, but another is Longxiang Bridge (or Longxiangqiao) further south, which takes you closer to the luxury shops of the lakeside Hubin International Boutique Compound and Hangzhou's flagship Apple Store.

Binhe Road and Jiangling Road both leave you in Binjiang District – Hangzhou's High-Tech Industrial Development Zone.



Qiaosi is the exit of choice for shopping at IKEA (see Retail section).

### Line 2 and Line 5

When Line 2 is completed and Line 5 is built, both will run through the city centre and out to Sanba in the northwest. Sanba will likely become the main stop for Zhejiang University's main campus – Zijiang Campus.

### Line 4

Line 4 runs through Qianjiang New CBD, where Chenxing Road will leave you closest to the iconic International Exhibition Centre and InterContinental Hotel. Jiangjin Road and Qianjiang Road will both put you near to the MixC Shopping Mall (see Retail section).

### Line 7

On completion Line 7 will be the city's airport line, servicing Xiaoshan International Airport.

The Hangzhou subway system is a work in progress. By the time the underground rail system is complete there will be 10 lines. When finished the map will look like the below:





**Getting a taxi in Hangzhou can be tough if you don't use Didi Kuaidi's smartphone-based booking app**

petrol swilling alternatives.

Taxis are fairly easy to hail if you're in a good spot, but can be difficult to flag down during rush hours or when it is raining, and can be similarly difficult to secure if you are going a long distance close to four o'clock – when many of the drivers switch shifts and are less willing to go out of their way. Sometimes you might even feel that empty taxis are deliberately passing you by. If and when you do get in a taxi, you might discover why...

After you've been in a few taxis you will soon become accustomed to a woman's voice chirping the phrase "Didi Dache. Didi Dache" from the driver's phone. Many of the regular taxi drivers in Hangzhou are also registered drivers for Didi Kuaidi – the car-hailing app amalgamated from Alibaba-backed Kuaidi Dache and Tencent-supported Didi Dache. As the taxi rolls down the streets, it detects a potential customer requesting a car in the area. Often the drivers will accept a request as they approach their current customer's destination, the technology meaning the drivers are almost constantly engaged. This limits the availability of flaggable taxis on the streets

Taxi companies have no immediate reason to be bothered by their drivers two-timing in this way: the companies are paid a fixed monthly fee by their drivers, regardless of how many passengers they collect or how they get them.

Uber is a different sort of rival and the conflict between traditional taxi companies and this O2O driver app is a story everyone is familiar with. Uber is indeed another competitor in Hangzhou, but its car pool seems to be mostly filled by regular residents looking to earn some extra money or meet new people. However, not surprisingly in the home city of Alibaba, it is Didi Kuaidi that dominates: one taxi driver told Sinopolis that if he didn't use Didi Kuaidi, he wouldn't be able to find customers.

Unfortunately for foreign visitors, the Didi Kuaidi app functions in Chinese, requires a local mobile number, and the registration of a local credit card or bank account for electronic payment. That makes it a less convenient option for overseas tourists.

### **Cycling**

Bicycles are a popular choice in Hangzhou – for tourists and locals alike. In 2008 then mayor Wang Guoping launched the city bike scheme, providing bicycles for free use for an hour and then at a maximum of Rmb3 per hour after that. It was China's first technology-integrated bike sharing scheme. Today there are 2,700 'collect and return' stations across the city, servicing 66,500 bicycles, making it, says the local government, the largest public bike scheme in the world. It is as convenient a choice for



## Walking

In the more clement months, walking is the preferred means to see the city: perhaps strolling along the east bank of the West Lake, mingling with the groups of locals who have come out to dance and sing Chinese opera; or perhaps getting lost in the greater serenity of the winding, wooded paths of the western banks. In the high heat of summer, however, you may find it a sweaty exercise.

Walking the full way around the lake is not very practical, and probably not enjoyable. It's better to take one of the many buses that skirt along the water's edge, or rent a bike and go directly to your point of interest.

It's feasible to stroll down Yan'an Road, from its northern point at Hangzhou Tower Shopping City to the IN77 mall alongside Hubin Road, collecting shopping bags along the way. If you're not distracted by the shops, a walk like this might take 30 minutes. Generally, walking in the commercial district, if you're not in a hurry, is a reasonable option: many malls, restaurants and hotels are quite close to each other, and the grid layout makes it easy to navigate.

If you're in the centre and want to get to Qianjiang New CBD, the underground is the best course of action. Once you've arrived in the area, it's easy to traverse by foot.

A taxi is the best option for getting to Binjiang, where the Alibaba campus is located. That's because only the edge of the area is currently serviced by the metro.

If you're going from the centre to the west – Zhejiang University, for example – taxi is once again the best mode of transport. It is too far to walk, and currently there is no underground service on that side of Hangzhou. Buses do run there, but they're definitely slower, more infrequent and less convenient.



**The way most locals now get a taxi is using the Didi Kuaidi booking app, but unfortunately it is not a convenient option for visitors as it requires a Chinese mobile phone number**

travelling between the office and client meetings as it is for taking a scenic ride around the West Lake.

Hangzhou is also a relatively safe city for cycling, certainly on paper, where it is reported that 84% of the main and secondary roads have segregated lanes for motorised and non-motorised vehicles. In reality, some motorists seem to mistake the cycle lanes for parking spaces, or use them for overtaking. (On the subject of road safety, Hangzhou is also the only city in China where motorists are legally required to let pedestrians pass at pedestrian crossings.)

To rent the city's public bikes you need to have a transportation card (IC*ka*, see next section) and then specifically activate it for use with the bikes. This can be done at the service machines located next to the collection/return stations – however the instructions are often only in Chinese so it may be necessary to ask for assistance. Some stations are manned, and might be of more help. Your card will need to have at least Rmb200 to activate the bicycle rental service: this credit is deducted from your account to keep as a deposit against bike rentals.

Apart from the city bikes, other bike rental services are available, particularly from small shops you'll find round the West Lake area. These bikes should cost as little as Rmb20 for the day.



One of the 2,700 bike collection points in Hangzhou

REUTERS



## Cycling Tours

With such a multitude of bike rental stations and a backdrop of impressive scenery, there are numerous options for cycling in Hangzhou. Some of the more adventurous routes might take you along the Grand Canal, or into the mountains of Longjing village. But for a simple and idyllic tour, take a turn around West Lake.

There are plenty of pick-up/return points around the lake, so you can spend as much time exploring the sites as you like.

The route around West Lake is roughly 12km and mostly flat, so it should be easy for most.

Pick up your bike on the road outside Lonxiangqiao Station (Metro Line 1) and head west towards the lake, along Pinghai Road. Turn north and pedal through the Hubin Gardens (top right on the map), following the lake around to the Bai Causeway. Head along the causeway to the poetically named spot Autumn Moon over the Calm Lake, as well Solitary Hill and Zhejiang Museum. Continue past Su Causeway and turn south on Yanggongdi Road, which will wind you past gardens, inlets and forests to the southern tip of the lake.

En route you can detour to Longjing Village, or stay on track and continue around the bend to finish at the West Lake Museum.



Many people associate China with bicycles and Hangzhou operates the largest public bike rental scheme in the world

### Buses and Transport Cards

If you're going to be staying a while in Hangzhou, it's definitely worth investing in a transport card (ICKa). These can be bought from the ticket offices at the city's underground stations. Similar to London's Oyster card or Hong Kong's Octopus card, they can be picked up for a small deposit (Rmb20), which is refundable if and when you return the card.

From there you can load on credit and go. The cards can be used with Hangzhou's metro, buses, bicycle rental scheme and theoretically with its taxis (although many taxis don't have the means to accept this payment method).

There are a number of bus and trolley bus lines that run across the city, with low fares generally ranging from Rmb2-3. The fare is dependent upon the bus line itself rather than how far you travel. Change isn't given on the buses: another good reason to invest in a transport card. Passengers deposit their fare into a collection point at the front if paying in cash, or tap their cards to a censor (which also rewards them with a small discount). The blue EvJoy buses that seem to constitute the majority of the fleet are symbolic of Hangzhou's environmental aspirations: they are clean; they run on eco-friendly electric engines and they provide free Wi-Fi for their passengers.

Y-line buses will be most useful to tourists as these



One of Hangzhou's electric-powered buses

routes stop at all the main tourist attractions and transport hubs. Confusingly, if you look at the buses themselves you'll see their line numbers are preceded by the letter Y but if you're searching through the listings at a bus stop you'll see the Chinese character *you* (游) instead of the Y, e.g. Y2 will be 游2 (*you* being the character for 'tour').

REUTERS



## Hotels

### Four Seasons

Overlooking the West Lake, offering everything from luxury rooms to private villas. Room rates: Rmb2,800-4,900 per night (\$434-761)

### Xihu State Guesthouse

Tucked away, nursing its own water gardens, this is the hotel where top-level officials have stayed, and past guests have included former leaders such as Mao Zedong. Room rates: Rmb1,289-3,048 per night (\$200-473)

### Shangri-La

Housed in forty acres of gardens next to the West Lake and only five minutes from the city's shopping centre. Room rates: Rmb1,100-1,900 per night (\$170-295)

### InterContinental

Enveloped by the landmark 'sun complex' in Qianjiang New CBD, and looking across the Qiantang River. Room rates: Rmb863-1,580 per night (\$134-245). Note: these rates will likely rise markedly during the G20 Summit.

### Banyan Tree Hotel

A combination of traditional architecture and modern

## Internet access

Despite its image as a leading centre in China for information technology, the city is no less constrained by the Great Firewall of China than any other. This can create a few logistical problems for international visitors accustomed to full online access.

Google services likely won't be available, so if you rely on Google Maps for directions or Gmail for communication, it's best to prepare an alternative. Apple Maps functions perfectly in China (apparently with greater clarity of

information than it provides in most other countries), meanwhile Baidu, China's alternative to Google, provides its own mapping app, which is useful if you're working in Chinese characters.

Facebook and Twitter are two other popular services that aren't an option in Hangzhou. If you're going to be in China for a while, consider investing in a VPN service before you arrive.





**Luxury is on offer at the Four Seasons; history at the Xihu State Guesthouse; but the most convenient place to stay during the G20 is the Intercontinental**

comfort on the boundary of Xixi National Wetland Park. Room rates: Rmb2,380-2,800 per night (\$369-434)

### **Staying for the G20**

Hangzhou International Conference Centre will be the primary venue for the G20 summit, to be held in Hangzhou this year. The International Conference Centre is situated to the east of the city, in Qianjiang New CBD, overlooking the Qiantang River, and is housed in the same building as the Hangzhou InterContinental. As such, it's a decent bet that a large number of rooms will be booked-out at the InterContinental in the days surrounding the summit, which is scheduled to run from September 4 to September 5.

World leaders and their immediate entourages might stay at the Xihu State Guesthouse during their visit – much like President Nixon did in 1972, during the first state visit of an American president to the People's Republic of China. If state officials from around the world, or even just from China, are staying in the Xihu State Guesthouse, it's unlikely that rooms will be bookable for the general public.

Another popular choice for G20 attendees will be the new Midtown Shangri-La, scheduled for completion in the first quarter of 2016. The hotel will sit on Yan'an Road – the primary shopping street – as part of the newly developed



**Located by Hangzhou's Convention Centre is the InterContinental**

Kerry Central: a mixed-use property complex, hosting shops, offices and the Shangri-La Hotel.

## **Food**

### **Hangzhou's best-known dishes**

#### **West Lake Carp (西湖醋鱼)**

According to legend, two brothers were living near West Lake during the Song Dynasty. A despotic official coveted the older brother's wife and so plotted his death and framed the younger brother for the murder. On learning the truth, the elder brother's widow urged the younger sibling to flee. Before he left, she cooked him a fish caught from the lake, seasoning it with sugar and vinegar to symbolise the sweetness and bitterness of life. Years passed and the young man eventually returned. One day, he was served West Lake Carp at dinner and it tasted exactly like

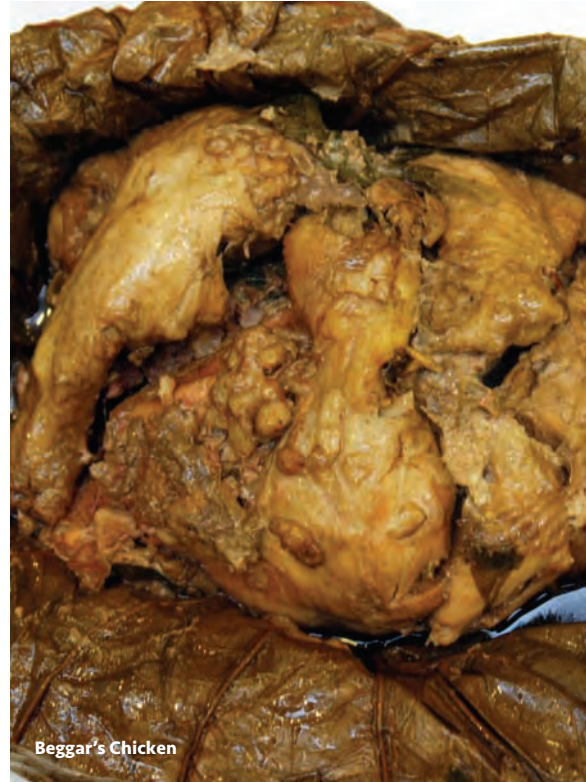
the dish his sister-in-law had prepared before. He asked to meet the chef and it was her. The two quickly reunited.

How is it prepared today? Fresh carp is first starved for a day so that it spits out dirt and rids itself of its muddy flavour. It's then sliced at such an angle so that the sauces can get inside the fish while still keeping it whole. It's poached and then simmered in a mixture of Shaoxing wine, vinegar, sugar, soy sauce, ginger and onion for three minutes. The light seasoning accentuates the sweetness of the fish. But be careful if you are not skilled in spitting out fish bones (as most Hangzhouers are).

### **Beggar's Chicken (叫化鸡)**

According to popular folklore, a beggar stole a chicken from a farm. As he began to build a fire he heard the sound of horses approaching. Fearing capture, he wrapped the bird in lotus leaves and buried it in the mud near the fire. When he finally unearthed it hours later, he was delighted to discover he had cooked up a delicious dish.

Today's preparation of Beggar's Chicken is a little more refined. The chicken is plucked, stuffed (with minced pork, diced ham, mushroom, dry scallops, onion, ginger, garlic, pepper corns, salt), wrapped in a lotus leaf, soaked in Shaoxing wine and encased in mud, then it is roasted for two to three hours. It leaves the oven with a radiant golden sheen and a sweet floral fragrance.



Beggar's Chicken

**Beggar's Chicken is one of those dishes that tastes better than it looks**

### **Dongpo Pork (东坡肉)**

Dongpo Pork is a simple but luxurious dish, seasoning pork belly with soy sauce, sherry, and spices. It is simmered twice, braised, sauteed and steamed. After this, the meat is so tender that you can easily take it apart with chopsticks.

The dish is named after the distinguished scholar and poet Su Shi, who took the pen name Dongpo. According to popular folklore, one day while Su was cooking pork, a friend dropped by and the two began playing chess. He was so engrossed with the game he forgot about his dish. When he finally remembered and rushed back to the kitchen, the additional hours of simmering had induced a wonderful fragrance from the pork, and the meat was tender and flavourful.

### **Where to eat**

#### **Louwailou (楼外楼)**

Most of Hangzhou's local delicacies can be enjoyed at Louwailou, on Gushan Road, by the West Lake. The restaurant boasts over 160 years of history as well as beautiful views over the water. It is perhaps the most famous restaurant in Hangzhou, and has played host to guests like Sun Yat-sen, Premier Zhou Enlai and the





writer Lu Xun. However, since it has been run as a state-owned firm for the past 60 years, the decor and service are not fancy. It's also full of tourists due to its fame and location.

*Louwailou, 30 Gushan Road (楼外楼, 孤山路30号)*

### **Grandma's Home (外婆家)**

For a slightly more modern feel, it's worth checking out the popular chain restaurant Grandma's Home (originally The Grandma's). Founded in Hangzhou in 1998, Grandma's Home has spread across China with 80 locations in cities including Beijing, Shenzhen and Shanghai. In addition to the local fare, Grandma's Home offers cuisine from other provinces at reasonable prices (below Rmb100 per person on average without alcohol) and with a comfortable atmosphere.

*The Grandma's, 3 Hubin Road (外婆家, 湖滨路3号)*

### **Xie Xiang Lou (解香楼)**

Hidden behind the tranquil hillside of Zixuan Resort, Xie Xiang Lou is a high-end restaurant with the potential to win Michelin stars should their inspectors wander into Hangzhou. Nestled inside a two-storey Chinese style house and with an elegant interior, Xie Xiang Lou has many innovative and beautifully-presented dishes such as minced Malantou (a type of vegetable that's popular

in the Yangtze River Delta) wrapped in a sheet of dry tofu; shrimp salad in golden nests; slow-cooked tender beef; red wine foie gras; braised crab; and curried prawns. The service is first class as well, as is the price, though it is still cheaper than eating at five-star hotels.

*Xie Xiang Lou, 1 Bapanling Road (解香楼, 八盘岭路1号)*

### **Elochee (e路吃)**

Stepping even further into modernity, you arrive at Elochee. Founded in 2015, the restaurant has ambitious plans to open in 20 cities over the next three years. Unlike other chain restaurants, which might take the same menu wherever they go, Elochee focuses on regional delicacies.

Says its founder: "Our menu has three parts: local specialities – because wherever you go you're definitely going to want to eat the genuine cuisine; special dishes from the provincial area; and dishes we've created for ourselves."

The restaurant boss adds that Elochee combines "a common person's price, great taste, a good atmosphere and warm-hearted service". But what makes the restaurant truly modern is its emphasis on online service: customers can view the menu, order their food, and even pay their bill through the restaurant's Tencent WeChat account.

The restaurant has sought to make life convenient for travellers, by providing a one-stop shop for local delicacies

**Louwailou is perhaps the most famous restaurant in Hangzhou**



**No trip to Hangzhou is complete without a visit to a teahouse to sample the famed local Longjing tea**

and products. At your table you can sample the delicacy Shelled Shrimps with Dragon Well Tea, and you can buy a tin of the tea – an important cultural export of Hangzhou – to take home too.

*Elochee, 120-3 Wushan Road (e路吃, 吴山路120-3号)*

### **Qing Teng Teahouse (青藤茶馆)**

On Nanshan Road, this soothing, Qing Dynasty-style teahouse is a great place to sample the famous local Longjing tea, either nestled in one of the wooden booths or secluded behind the canvas screens of their private dining rooms. The price may seem steep – Rmb80-100 per cup (\$12-15) – but it includes an all-you-can-eat buffet, a hot broth, a main dish, and a dessert. Plus, tucked next to each booth is a jar of water, kept warm by a small stove, so you can refill your teapot as many times as you want.

*Qing Teng Teahouse, 278 Nanshan Road (青藤茶馆, 南山路278号元华广场)*

For those who wish to remain in a hotel environment, the Jin Sha restaurant in the Four Seasons also comes highly recommended. 🍵



# Tourism





# Seeing the sights

Since its early days, the beauty of Hangzhou has drawn visitors to the shores of its lake, the banks of the Grand Canal, the tranquility of its mountains, and the fragrance of its tea fields. The de facto patron saint of Western travellers in China, Marco Polo, is even said to have recounted its beauty, calling it “The City of Heaven”. Polo also remarked on the abundant trade in the city: “The number and wealth of the merchants, and the amount of goods that passed through their hands, was so enormous that no man could form a just estimate thereof.” Hangzhou’s renown as a ‘Heaven on Earth’ remains, but if Marco were still alive he might marvel all the more at the volume of goods traded by the digital merchants of the city today.

Hangzhou exerts a great pull on tourists. In 2014, the city welcomed 3.26 million foreign and 106.6 million domestic visitors. In 2012, Hangzhou’s service sector accounted for the majority of the city’s GDP for the first time on record, with the tourism and leisure industry a key component, generating Rmb139.2 billion (\$21 billion). At that time, the average tourist stayed for approximately three days and spent roughly Rmb1,500 (\$230). Of the

**The de facto patron saint of Western travellers in China, Marco Polo, is even said to have recounted its beauty, calling it “The City of Heaven”**

Rmb139.2 billion generated by these tourists, star-rated hotels took Rmb14.9 billion – however the more luxurious hotels have been faring less well since Xi Jinping’s crackdown on corruption began. Unofficial figures claim there were 217 star-rated hotels in 2012; official figures for 2014 list just 199.

The significance of tourism to Hangzhou goes beyond the value that it generates in the local economy and extends to the actions taken by the government to maintain the city’s image. This manifests itself first and foremost in a variety of policies aimed at lowering the levels of air and water pollution in the city. Many industrial factories have been closed or moved to the outskirts of the city, whilst economic incentives have been made available for industries using or

**106 million**

**Number of domestic visitors in 2014**



Former residence of Hu Xueyan, a Qing Dynasty merchant



## West Lake

The West Lake is synonymous with Hangzhou and unquestionably is the city's biggest tourist draw. But it is not a completely natural feature: its scale and shape have been changed over the centuries as rulers of successive dynasties ordered its depths dredged and bridges built to maintain the lake as a source of water, income and inspiration. During the Southern Song Dynasty (1127-1279), which made Hangzhou its capital, the West Lake became increasingly known to the outside world, as foreign envoys made their route to the imperial court. As word of its beauty spread, so did imitations of its landscape, inspiring garden design across Japan and the Korean peninsula. When China once again began opening itself to the outside world in recent decades, the West Lake's contributions to landscape design received international recognition. Accordingly, it was designated a UNESCO World Heritage Site in 2011.

Today, as in its storied past, cultural and material wealth literally line the perimeter of the lake. Strolling along the shaded boulevards of the affluent Hubin region to the lake's east, pedestrians pass Hermès, Gucci and Louis Vuitton boutiques before later reaching the dealerships of Porsche, Aston Martin and Lamborghini. Further around the lake lie a plethora of historical relics, such as the Su Causeway and the Bai Causeway – named for two old poets-cum-governors of Hangzhou, who both possessed a great appreciation of the lake's aesthetic and practical value.

Today, its economic value is still patently clear. "Tourism is not all about charging tourists for visiting sightseeing spots," says the Hangzhou government on its website. "Anything related to catering, accommodation, transportation, shopping and entertainment are parts of the tourism industry, and reflect the development condition of a city's tourism industry." All of the above surround the iconic location.

Many areas around the West Lake are free to access but there are still some locations that require a fee, such as the scenic area around Lingyin Temple – founded in 328 by a travelling Indian monk, who came to stay in Hangzhou. But for the most part, Hangzhou would rather use its popularity as a tourist destination to drive revenue into other sectors – such as hospitality and entertainment – rather than capitalise on its scenery directly. Solitary Hill rises on the north of the water, taking its name from the scholars and poets who sought isolation on its slopes in pursuit of inspiration most notably the poet Lin Bu. This "hermit culture" was greatly revered by members of the literati, both in China and beyond. Nowadays Hangzhou is a city geared instead towards online connectivity.

**West Lake was  
designated a  
UNESCO World  
Heritage Site in  
2011**



Sunset on the West Lake draws the crowds





## For those who love tea: Longjing village

Tea was first discovered in China in the southwestern jungles of Sichuan province, some 3,000 years ago (and some 1,000 miles away from Hangzhou). As China expanded and improved its waterways, tea was transported and traded across the Middle Kingdom, infusing itself in the nation's culture and history. Tea became an intrinsic ingredient within Chinese medicine, a precious treasure worthy of an emperor, and an important commodity to be traded at home and abroad.

Of all the tea produced in China, green tea accounts for 63.7% of volumes sold, and within that none is more revered nor more valuable than the green tea of Hangzhou's Longjing village.

Tea bushes were initially planted in the region around Lingyin Temple during the Tang Dynasty (618-907) but weren't known as Longjing tea until the Southern Song (1127-1279). The origin of the tea's name is steeped in legend. Most simply, Longjing tea derives its name from the village where it was first grown – Longjing village – which in turn is named for the well from which the villagers drew their water – Longjing, which translates literally as Dragon Well.

Today it is a recognised brand throughout China, and the importance of its identity is evident from the efforts taken to protect the village and the surrounding area. In Longjing, no buildings are allowed to rise above two storeys. This preserves the landscape, but has not entirely restrained development. A luxury clubhouse is currently being built in the village, to offer wealthy city dwellers the chance to escape to the country and 'experience' farm life – a trend growing in popularity across China.

Opposite the clubhouse is a centre developed early in 2015 at the behest of the Village Committee. Its purpose is not only to educate tourists on the special qualities of the local brew, but also to help local farmers sell their pickings. You can buy Longjing tea from the centre for roughly Rmb200 per 500g (\$30.66). You can also taste the tea and learn about the production process – for free.

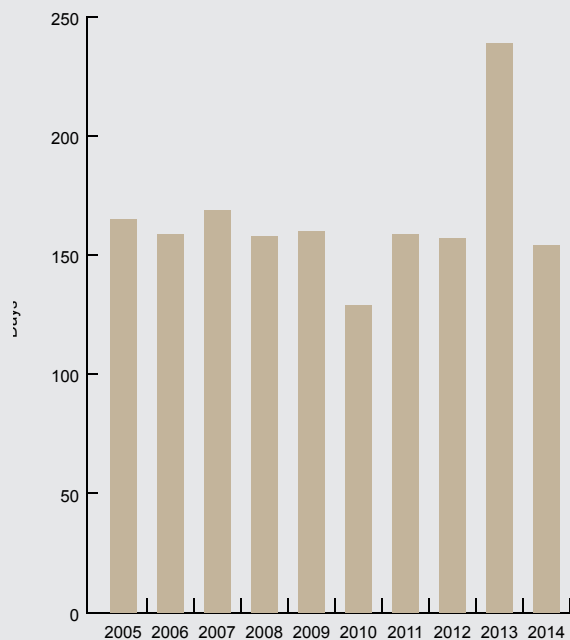
Drinking high quality tea can be a meditative process with each successive pour seeing the leaf evolve in the teapot. Locals also advise leaning over the teapot, so the steam from the Longjing tea bathes the eyes. It is claimed this is good for tired eyes and can improve vision.

A number of city buses travel to the Longjing area. One option is to take a bus to the Fenghuang Shan stop, from which you can easily access the National Tea Museum and the villages themselves. The village is very close to the city (about 13 minutes by bus) just on the west side of West Lake. Many people, however, choose to cycle there or take a taxi.

**Tea bushes were initially planted in the region around Lingyin Temple during the Tang Dynasty (618-907)**

## Hangzhou smog

Number of polluted days





## Museums

Hangzhou has a variety of museums covering topics ranging from cuisine to finance and taxation. If you don't have time to see them all, here are some recommendations.

**National Tea Museum:** As earlier mentioned, Hangzhou is home to China's most revered tea leaves – those of Longjing. The National Tea Museum is a beautiful museum situated in the heartland of the Longjing tea plantations. Oddly, it says very little about Longjing tea, but does give a great history about the cultural significance of tea to the Chinese.

*88 Longjing Road (中国茶叶博物馆, 龙井路88号)*

**National Silk Museum:** Hangzhou is also the home of silk, as well as what is described as the largest silk museum in the world. It not only gives an overview of the history of silk and its production but also untangles some of the history of the ancient Silk Road.

*73-1 Yuhuangshan Road (中国丝绸博物馆, 玉皇山路73-1号)*

**West Lake Museum:** Situated on the edge of Hangzhou's most recognised landmark, the West Lake Museum provides a rich and thorough account of its namesake's past and present significance. In the entrance to the museum there is a large diorama of the lake area and the city around it, which is useful for getting yourself orientated too.

*89 Nanshan Road (西湖博物馆, 南山路89号)*

**National Sigillography Museum:** This fairly niche area of study is the historic investigation of Chinese chops/seals (used for documents). As the only national seal museum, it is worth a visit to see the intricately carved imperial seals that have left their mark on Chinese history.

*10 Gushan Houshan Road (中国印学博物馆, 孤山后山路10号)*



National Tea Museum



**Car numbers are regulated, to help reduce both pollution and congestion**

developing 'green energy' technology. These policies serve the dual purpose of protecting the environment – so vital for the tourism industry – as well as promoting high-end manufacturing and service sector industries.

Tourism also finds a natural complement in the city's focus on connectivity, both in the online and offline sense of the word. WiFi is largely available throughout the city, through the networks iHangzhou and iZhejiang, and where that fails 4G offers wide coverage too (although a Chinese SIM is required for WiFi access). Car usage is regulated, to help reduce both pollution and congestion, and the underground metro system is currently being expanded, a move which will further reduce traffic. (Hangzhou is often listed as the second-most congested city in China, and exhaust fumes account for roughly 40% of the city's air pollution; factories meanwhile

## Tea off: A unique golf experience

A scenic golf course should enhance the exhilaration of a good game as much as it reduces the frustration of a bad one. In Hangzhou, the sheer serenity of the golf course at Fuchun Resort does just that.

Weaving within the tea fields that straddle the hillsides encircling the resort, the course allows golfers the unique opportunity of experiencing Hangzhou's picturesque landscape whilst teeing off amidst the city's most prestigious export – Longjing tea.

The resort is an hour away from the international airport, in Fuyang District, south of the city centre. During the spring, summer and autumn, the course is reserved exclusively on weekends for hotel guests, but is open to all during the week.

If you're in Hangzhou simply for pleasure – and that pleasure includes golfing – consider staying at the resort. The 110-room complex took seven years to design and build, and was inspired by a painting of the surrounding landscape by famed master Huang Gongwang (1269-1354)

Room rates begin at Rmb3,500/night (\$537). The green fee, which starts at Rmb1,280 (\$196) for resort guests, includes the fees for cart hire and caddies.

*Reservations can be made on (+86) 0571 63419500 or at: [reservations@fuchunresort.com](mailto:reservations@fuchunresort.com)*



FUCHUN RESORT



**Tourism revenues are forecast to reach Rmb300 billion (\$45.49 billion) by 2017**

only account for 8% of the problem.)

“The city lacks beach resorts, snow and ice projects,” notes the Hangzhou government on its website. “To upgrade its tourist products is something the city must face and consider.”

Even though Hangzhou is attempting to develop itself as a centre of technological innovation and smart manufacturing, it still has hopes for its tourism industry to play a larger role in its economy. The Hangzhou Tourism Development Committee aims to see the industry’s gross income surpass Rmb300 billion (\$45.49 billion) in 2017 and account for 7% of the city’s GDP, up from 6.6% in 2014.

Although the local tourism industry has primarily relied upon Hangzhou’s history and natural beauty, the municipal government is looking to its future and how to develop a new model of tourism. Perhaps with the 2020 Asian Games due to be held in Hangzhou and the increasing popularity of recreational fitness amongst China’s growing middle class, sport offers new possibilities for the city, both as a venue for major events and a place to play them (see box on golf).

Indeed, a report published in 2015 through the Hangzhou tourism office lamented how 66% of tourist spending went towards ‘basic’ items, such as accommodation, food and transport. It wants more tourist

spending on retail and entertainment. Moreover the report showed a keen interest in developing Hangzhou as an international tourist city: it advocated improving English-language tourist information resources. Specifically, it suggested developing Facebook, Google+, Twitter, Pinterest and Tripadvisor accounts, all of which except Tripadvisor are banned in China.

This Sinopolis reporter found himself enlisted by a group of trainee police officers in Hangzhou, whose homework assignment was to find examples of poor English translations throughout the city, ostensibly to improve their own English so that they can help foreign tourists.

Clearly Hangzhou is preparing for a long-term increase of foreign tourism, rather than a brief influx around the G20. 🍷



## Suggested itinerary for a day trip

Thanks to the high-speed train line, you can reach Hangzhou in as little as 45 minutes from Shanghai. With up to 100 trains running between the two cities each day, day tripping to Hangzhou is an easy feat. Here's Sinopolis' suggested itinerary:

- 0815** Catch the high-speed train from Shanghai Hongqiao to arrive in Hangzhou East at 0900
- 0910** Ride the underground from Hangzhou East to Longxiangqiao, where you can either pick up a city bike or simply walk to the lake and hire one there
- 0940** Cycle south along the lake and head out to China National Tea Museum in the Longjing tea fields
- 1020** Enjoy touring the museum and wandering the fields. Take lunch nearby at Xie Xiang Lou (our restaurant recommendations)
- 1300** Return to town and take the underground to Qianjiang Road (Line 4) to gaze at the striking architecture of the exhibition centre and to browse the shops at Mix City Mall
- 1530** Take a taxi to the old-style Hefang Street to pick up a souvenir and walk up to the City God Pavilion for a view across the city and a glimpse of the sunset
- 1800** Enjoy dinner next to the West Lake then round off the day at one of the jazz bars on Nanshan Road

## When to go

Hangzhou is a major tourist destination for domestic visitors. Unfortunately this means that when there is a national holiday, many Chinese have very similar ideas about where to go, and the city can become extremely crowded.

During the National Day holiday of 2015 – a week-long holiday in October – Hangzhou received 13.06 million guests. That's more than a tenth of the number of domestic tourists it welcomed in 2014 as a whole.

From March to May is also a popular time to visit Hangzhou, because the weather is warm but less humid, and because the blossom trees begin to flower. Summer has a similar appeal for domestic tourists despite the weather: the heat and humidity of summer encourages the water lilies to bloom.

Spring and autumn are the recommended times to visit, because the weather is comfortable and the changing foliage of each adds to the scenery. If you don't want to become too caught in the crowds, just try to avoid the national holidays.

Chinese New Year:	Falls between late January and early February
Labour Day:	May 1 (3 days)
National Day:	October 1 (week-long)
Mid-Autumn Festival:	Between mid-September and early October (3 days)



# Industry





# Hangzhou's online revolution

**Rmb100  
billion**

**Hangzhou's  
e-commerce  
revenue for  
2015**

Anyone interested in Chinese business will know of the Silk Road – either in its historical form, or the modern incarnation promulgated by President Xi Jinping (which focuses on Chinese investment along the ancient route). But while many may know of the Silk Road as a byword for trade flows in and out of China, fewer know that the silk for which it is named has its origins in Hangzhou.

Silk holds great historical and cultural significance to the city that first manufactured it, and Hangzhou grew to be an important textile hub. But that stage of the city's development is now tapering off, with many low-tech manufacturing industries, not just textiles but steel, being forced to close and move out of the city.

Although some traditional components are still present in Hangzhou's five pillar industries (electronics and information; medical and chemical engineering; mechanical manufacturing; textile and garments; food and beverages) high-tech, high-end and online industries have become the priorities.

In the city's 12th Five-Year Plan, the local government

“  
**The city is very dynamic. It offers a vibrant combination of traditional culture and modern entrepreneurship**  
”

decided that its key areas of focus would include technology, media and communications (TMT) as well as e-commerce, high-end manufacturing and the financial industry. The emphasis on these sectors has opened new opportunities for foreign investment. In 2011 the local government announced that it would award financial support as well as provide favourable tax incentives and land policies to foreign investment projects across a range of fields, including many of those listed above. Already, 120 Fortune 500 companies have invested in Hangzhou, including Mitsubishi, Novartis and Coca-Cola.

Focusing on e-commerce seems particularly pertinent given that Hangzhou is often referred to as China's “capital of e-commerce”. In 2015, China's first national cross-



**Thanks to Alibaba,  
Hangzhou is already  
known as the 'capital of  
e-commerce'**

Alibaba warehouse

REUTERS



**“The potential for Hangzhou’s innovation industry was already here, but Jack Ma was the spark that ignited it”**

## Hangzhou’s pride: Alibaba

Alibaba began as an online platform for B2B (business-to-business) trade, but soon expanded into B2C (business-to-consumer). It now covers sectors including travel, transport, finance and payments. The company’s 2014 listing raised \$25 billion, making it the largest IPO in the world. This record breaking company has its humble origins in Hangzhou.

Founded in 1999 by Jack Ma, a local English teacher, Alibaba has grown to have a profound impact throughout China, but perhaps no where more markedly than in its hometown. In the circles of entrepreneurs and innovators, Jack Ma is respected as a pioneer and revered as a legend. “The potential for Hangzhou’s innovation industry was already here, but Jack Ma was the spark that ignited it,” says the Hangzhou-based CEO of LetsFun Tang Yuying .

While some might draw inspiration from the man and his status in the city, others are more directly influenced by the company and its presence. There is a phenomenon in Hangzhou known as the “Alibaba spillover”. This is the process by which promising graduates enter Alibaba, gain experience, learn the tricks of the trade, make contacts, and then leave to start their own business. Thus the various Alibaba offices dotted throughout the city are in a sense incubators of their own: nurturing budding entrepreneurs.

In addition to fostering talent, Alibaba appears to have the Midas Touch, bringing wealth wherever it goes. In the property market, house prices rise whenever Alibaba breaks ground on a nearby office. Moreover, although the company is listed in New York, its taxes still come through Hangzhou. In 2014 its tax contributions reached Rmb10.9 billion (\$1.76 billion) – making it China’s highest tax-paying internet firm.



border e-commerce zone was established in Hangzhou. The pilot zone introduced initiatives to simplify the procedure of importing and exporting goods – primarily streamlining customs processes so that rather than reporting to several offices, companies need only report online. According to Xinhua, international e-commerce transactions were boosted 30% in 2015. Now in 2016, the central government is seeking to replicate the e-commerce initiatives of Hangzhou across other major cities.

A recent national policy geared towards maximising the utilisation of information networks, dubbed “Internet+”, has also been particularly effective in Hangzhou. The initiative seeks to mobilise the internet as a means to modernise and advance traditional sectors of the economy – such as using mobile payment methods for taxi rides.

Examples of start-ups merging the modern with the traditional can be found across Hangzhou.

One such company, LetsFun, is a healthcare firm that combines traditional Chinese medicine (TCM) with O2O and big data services. This start-up – based in Binjiang, the site of Hangzhou’s High-Tech Industrial Development Zone (HTIDZ) – prescribes TCM treatments as well as fitness programmes; It then uses WeChat to connect groups of clients prescribed the same health regime, so that they can support each other in their progress; lastly,



**“In the city’s 12th Five Year Plan they defined several industries on which to focus. TMT, e-commerce, high-end manufacturing industries, tourism, financial industries and new energy. These industries are the ones the city has been focusing on”**  
**William Wu,**  
**HSBC**



it uses the data collected from these groups to assist healthcare companies in target marketing.

Returning to silk: Wensli, China’s largest silk producing company by output, is seeking to expand its surprisingly limited fortunes. Despite being silk’s homeland, China’s manufacturers have laboured at the low end of the value chain. Li Jianhua, president of Wensli,



“You should learn from your competitor, but never copy. Copy and you die”

**Jack Ma,**  
**Alibaba boss**  
**and Hangzhou’s**  
**most famous**  
**resident**



## Second-generation entrepreneurs

Across China you might encounter talk of *fuerdai* – the second-generation rich – or *guanerdai* – second-generation officials – but in Hangzhou there is a class known as *chuangerdai*: second-generation entrepreneurs.

The first-generation of entrepreneurs emerged after the 'Reform and Opening Up' of the early eighties. During this time, thousands of Chinese opened their own businesses and many struck it rich, later giving rise to the *fuerdai*. Many *fuerdai* seem happy to live comfortably – or even showily – off their inheritance, but in Hangzhou, many want to outdo their parents' commercial achievements.

**"They're not frivolous with money, and they don't want to simply live off their parents' money, or enter their parents' business: they want to start a business for themselves."**

*- Wang Xiaohao, deputy head of the government's Hangzhou Youth Employment and Entrepreneurship department*

**The Economist magazine has called Zhejiang province the most entrepreneurial place in China and Hangzhou is the province's capital**

believes that as new technology propels China forward, it will carry traditional culture with it, and bring silk – this bastion of Chinese history – into the modern market.

Wensli's global expansion strategy is underway. In 2013 the company bought French silk manufacturer Marc Rozier, and in 2014 appointed the former head of Hermès Textile Holdings Patrick Bonnefond as CEO of its subsidiary in charge of global promotion, which now includes the Marc Rozier brand.

In addition to laying claim to the title of China's e-commerce capital, Hangzhou is proudly one of the most entrepreneurial cities in China. Many residents seem to think that this is linked to the provincial capital's long and illustrious history: that people from Zhejiang are inherently more suited to enterprise than those from anywhere else in the country (a trend The Economist noted last year when it described Zhejiang province as "the most entrepreneurial place in China"). Indeed Week In China's latest edition of its book *China's Tycoons* mentioned that 18 of the nation's leading entrepreneurs came from Zhejiang – more than from any other province in the book's list.

In testament to Hangzhou's entrepreneurial verve, in 2015 alone over 120 "incubators" were opened across the city. In addition to these smaller centres, the High Tech Industrial Development Zone in Binjiang plays host to



**He has topped China's rich list twice, but the man is infamously frugal, saying himself that his only hobbies are "smoking and drinking tea"**



Zong Qinghou

REUTERS

## From teacher to tycoon: Wahaha

Wahaha has its origins in the late eighties and early nineties when CEO Zong Qinghou – a former teacher in Hangzhou, like Jack Ma – raised enough capital to launch a health drink for children. Since then, he has topped China's rich list twice, but the man is infamously frugal, saying that his only hobbies are "smoking and drinking tea". The rest of Zong's hours are spent managing Wahaha.

Zong, a famously autocratic businessman, belongs to the original band of Hangzhou entrepreneurs that emerged on the back of strong government incentives and support for new enterprises. Before it took form as a drinks company, Wahaha operated as a shop in an elementary school, selling ice creams and milk. When it received a government loan to purchase a drinks processing plant as part of the national sell-off of state firms it began its climb to become the nation's largest beverage company.

The man who founded Wahaha likes to say it took him 11 years of hard work to make it the biggest beverage company in China. The company has also diversified its portfolio to include medicine, food, clothing, shopping malls and electric motors. In 2013 the gross profit for the company's beverage division alone reached Rmb13.9 billion (\$2.09 billion).

Looking to the conglomerate's future, it is anticipated that Zong's only child, Zong (Kelly) Fuli, will one day take over. Mind you, Zong himself seems to think that his daughter (who already works with the company) is not yet ready for the role, which could be due to their disagreements over how the business should be run.

Kelly Zong believes in delegation more than her autocratic father. Another difference between them is undeniably their gender: Kelly has told reporters that despite representing the might of Wahaha at meetings, her input is often ignored because she is a woman.

Kelly's views on company management and gender equality offer a telling insight into the changes likely to transpire in the world of Chinese business as a younger generation of entrepreneurs and executives emerge – many more of whom are women than before.

In her own words: "People of my generation will never be like my father's generation."



**In a testament to Hangzhou's entrepreneurial verve, in 2015 alone over 120 "incubators" were opened across the city**

incubators of larger scale, housing hundreds of start-up industries.

A key feature behind Hangzhou's development as a hub for innovators has been the government. Adding to the policies for foreign investment listed above, the government has also provided cash assistance to local start-ups, and linked entrepreneurs with its top-tier educational establishments. Professors of local universities are allowed to apply for two years paid leave in order to establish an enterprise. (The link between entrepreneurs and educators has precedent in Hangzhou: two of the city's most prodigious sons are former teachers. See boxes on Alibaba and Wahaha.) Policies such as this demonstrate the city's goal to be the location of choice for budding entrepreneurs.

But the government also has some more commonplace initiatives. Like elsewhere in China, Hangzhou's government is hoping to reduce labour costs and boost efficiency by promoting the mechanisation of production lines. By 2020 the local authorities hope to have completed 3,000 "mechanisation reforms" to introduce robots to the workforce. 🤖

*"We started supporting entrepreneurs in 2011. From the second half of 2013 to today, entrepreneurship – incorporating investment organisations and entrepreneurs – has developed incredibly quickly."*

– Wang Xiaohao, deputy head of the government's Hangzhou Youth Employment and Entrepreneurship department



## Hangzhou's 10 wealthiest tycoons

Name	Company	Wealth (\$ millions)
Jack Ma	Alibaba	27,000
Zong Qinghou	Wahaha	20,500
Lu Guanqiu	Wanxiang	6,100
Huang Wei & Li Peng	XinHu	5,600
Gong Hongjia & Chen Chunmei	Hikvision Digital Technology	3,600
Li Shufu & Li Xingxing	Geely	3,100
Dou Zhenggang	Jinjiang	2,000
Li Shuirong	RongSheng Holdings	2,000
Fu Liquan & Zhang Hong	Dahua Technology	1,900
Lou Zhongfu	First PV Materials	1,900

*Data: Hurun Global Chinese Rich List, August 2015*





## International Institute of Entrepreneurship

This year, Cyzone (the Chinese franchisee of Entrepreneur Magazine) ranked Hangzhou as China's fourth most enterprising city, behind Beijing, Shanghai and Shenzhen. As such, Sinopolis spoke to vice-president Andy Lee and office manager Jenny Yao from one Hangzhou organisation hoping to foster that entrepreneurial spirit: the International Institute of Entrepreneurship (IIE).

### **Why was the institution founded?**

This year, President Xi Jinping and Premier Li Keqiang suggested there should be a new wave of innovation and entrepreneurship. The state leaders have encouraged the people to go out and innovate, to be entrepreneurial; they've issued policies supporting innovation and entrepreneurship. So the IIE was established against the backdrop of this surging innovative, entrepreneurial wave. So because this new wave has emerged, it has been necessary to establish many institutions like ourselves, as well as incubators and entrepreneurial colleges. This is a structure designed to manage the requirements of this new band of entrepreneurs.

### **Why do they need support?**

Because the body of innovators and entrepreneurs is fairly large, but their success rate is pretty low: in China the success rate of these new companies is perhaps 2-3%. But in America – Stanford or Silicon Valley – the success rate can be as high as 15%. So here our purpose is to help the body of innovators increase its levels of success.

### **How do you help?**

There are a few key sections to our offering. The first is research, which we obtain via our association with Zhejiang University. The second is education, which is what we do here. Some of our students are still at university and others are start-up founders. After going through "education" there's a third section for those whose performance was particularly strong: this is one-on-one mentorship. We nurture them, give them good resources and that sort of thing. Then there's a final section where we help professors at university achieve an international certification to teach entrepreneurship.



### Do you offer access to investment too?

We see what they lack and then give them what they need. So if they lack a partnership we can help them find a partnership; if they lack skills or technology we have a high tech college that can arrange assistance with that; if they need capital, then we can help them find that too. We have plans to set up an investment fund, but haven't yet. So after we set one up then we can offer investment ourselves.

### What does your education service entail?

Our education system is split into two parts: online and offline. Online we've developed an education system and launched some software to create a way of attending class online, then after the class there are a number of exercises to complete – we extend this service to university students through the institution.

We've also launched some services which are simulation exercises for budding businesses: the entrepreneurs are grouped together and we simulate the process of running a business. At these occasions, and at our business networking events, we might arrange a lecture where we invite someone to present on a topic related to enterprise.

Additionally, for traditional industries that are already established, if perhaps they want to transform their business we

could arrange an action plan for them and then help them carry out internal training. Transformation, after all, is a sort of internal enterprise.

### Being an international institution, do you provide opportunity for foreigners to come to Hangzhou?

Yes, we have lots of international interaction, such as people coming here from Oxford, or people from here going to Stanford. Sometimes they're visiting companies. We can't help them come here to work, but to visit, study and experience. We'll probably have a few dozen foreigners come over each year. Last year we had a more; we had different universities send people over. The number from Oxford was particularly high – probably 70 or more. There were about 30 from Sweden, and over 20 from Denmark. But Oxford's was especially large: it was their MBA group.

*IIE is an international institution that was born from Zhejiang University's global enterprise research centre in partnership with Stanford, Harvard, Oxford, Cambridge and Kingston universities with academic research as its foundation and education at its core, to nurture and support entrepreneurs.*



Yao and Lee

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**Week in China**

# Property





# China's 6th priciest real estate market

**I**n 2014 newspapers reported Hangzhou's property market was cooling, forcing developers to discount their prices, and even offer deals with zero downpayments. The real estate agent representing the properties profiled in this edition of Sinopolis was conversely (though perhaps predictably) more bullish on the market, bragging that five years previously there had been no property in the sites surrounding those we visited but that now it was all residential – which of course, could be as suggestive of a supply glut as a demand spike.

At the end of 2014, Hangzhou had 144,430 available property units, including 93,216 residential properties, marking an overall increase of 37.5% on the year before. Residential supply rose 28%. The property stockpile set a new record.

Meanwhile, the average residential property price fell 6.3% to Rmb15,518 per square metre in 2014. The Zhejiang News Real Estate Research Institute found that consumers were less willing at that time to buy new flats as they doubted the future strength of the market.

In 2015, figures from the city government's website

## AT A GLANCE

Average property price (per sq m): Rmb17,545

Annual new property supply (units): 93,216

Annual total property sales (units): 131,645

Key Districts: Xihu; Binjiang; Zhijiang

*Figures for 2015*

indicated investment from property developers rose 13.1% in the period from January to October over the year before – which, while an increase, was 14.3 percentage points less than the 2014 growth rate. Similarly, property sales grew 39.1%, but this too was lower than the previous year's rate, by 13.7 points. Evidently, while growth in investment and sales continues, it is doing so at a 'new normal' rate.

Figures released by the National Bureau of Statistics show the average property price in Hangzhou stood at Rmb17,545 per square metre in November 2015. In the areas surrounding Qianjiang New CBD, the Xixi National

**39.1%**

**Growth in  
Hangzhou  
property  
sales in 2015**



REUTERS

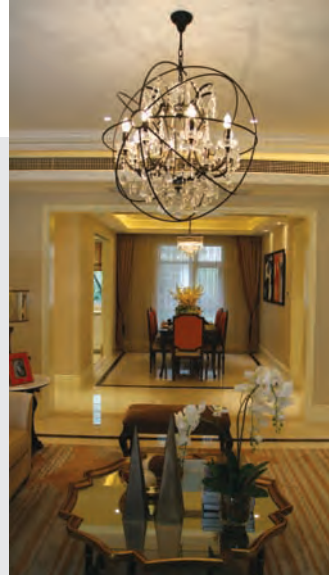
## What can you get for Rmb4m?

The first property – Zhongtian Zhijiang Chengpin (see point 1 on map on page 65) – sits close to the G320 highway, which weaves from Shanghai, through Hangzhou and 2,296 miles beyond, to the border with Myanmar in southwest Yunnan Province. Although that might sound unwelcome, the highway serves as a convenient connector to the larger expressway, which carries the bulk of intercity traffic. The area immediately surrounding the apartment complex – where lower floor duplexes go by the name Monroe's Garden – is also under development. Of the 800 apartments billed for construction on this complex, 100 had already been sold by November 2015, in advance of completion. Sales began in July.

The apartments are designed for those who already have a decent income and savings – in other words they are not starter homes. Modelled on the aesthetics of an English townhouse, built in brown brick, the ground floor level offers a set of duplexes: five bedrooms, four bathrooms, two living rooms, studies, walk-in closets, a kitchen, separate dining room, and a garden.

The upper floor is 169 square metres, the lower 180 square metres, and the garden 120 square metres: in total costing Rmb4.3 million (\$673,000) for the bare-bones; furnishing, painting, and flooring can cost an additional Rmb2 million, which the buyer can choose to take on themselves or have the developer complete for them.

Along the highway and closer to the river is a second development site – just across the bridge from Binjiang (the city's tech hub). Zhongtian Jiuxi Chengpin (see point 2 on map on page 65) offers 11 floors with



mountain views, according to its marketing literature, but seems to be aimed at a younger demographic of executives looking to start a family. Here an unfitted 90 square metre apartment with two bedrooms, two bathrooms, a kitchen, living room, and a dining room sells for around Rmb1.8 million. At Rmb20,000 per square metre that is just above the city's average price. Similar to the first property, as many rooms as possible are designed to be south-

facing. The sales agents were keen to point out the other features of the neighbourhood that will boost values. Line 6 of the metro is due to break ground nearby, running from across the river. A number of schools and a youth centre are planned for construction too.

Both of these properties are in Hangzhou's Zhijiang district: south of the mountains and west of the river. Once construction of the subway is completed, the area will be connected directly to the HTIDZ (see section on Industry) as well as neatly connected to Qianjiang New CBD with just one change. Without the subway, driving to the HTIDZ takes roughly 20 minutes, while driving to the designer shops along Yan'an Road will take about 30 minutes. Thanks to the area's highway connections, driving to Zhejiang University's main campus on the far side of the hills also only takes half an hour.



Wetland Park, and Wulin Square average price is considerably higher: between Rmb35,000 and Rmb50,000 per square metre.

The reasons why these three areas command higher prices vary: housing around Xixi Wetland offers good scenery as well as proximity to some of Hangzhou's more outstanding schools; Wulin Square is at the heart of Hangzhou's shopping district; and Qianjiang New CBD is primed to be the new central business district.

Demand for property in these areas is perhaps more sustainable than in some the imitation towns that have developed in Hangzhou's suburbs. China has a particular penchant for replicating European cities within its own borders. But the novelty of these towns is often short-lived.

In the far north of Hangzhou is Tianducheng: a town designed to mimic Paris, complete with its own Eiffel Tower (a third the size of the original). It was designed to house 10,000 people, but reportedly has only sold 2,000 lots. The faux French town's lack of appeal may be in part due to its inconvenient location – situated far from anything but farmland. But in the Xiaoshan district of Hangzhou, just beyond the end of metro Line 1, Hangzhou's imitation Venice (called Venice Waterside Town) doesn't appear to be faring much better.

Songcheng Real Estate Group, a subsidiary of Hangzhou-based Songcheng Group, which specialises in

“

**In Binjiang, the cost per square metre of land is Rmb15,000. That's without having built an apartment, just the floor cost: Rmb15,000. Then after you've built an apartment, the cost is about Rmb30,000**

”



world city-themed residences, developed this Venetian imitation. Its portfolio also includes Mediterranean Villas, Holland Waterside Town and Zurich Mountain Villas. The Swiss-themed location, approximately 300 metres from 'Venice', actually offers some charming villas dotted along the



"If you don't do it, nothing is possible. If you do it, at least you have hope there is a chance"

**Jack Ma,  
Alibaba boss  
and Hangzhou's  
most famous  
resident**



**In 2014 Binjiang was the most expensive rental district in Hangzhou**

hillside, in a quiet gated community. At roughly Rmb26,000 per square metre, a short walk from the main metro line, and close to Xianghu Lake (known as the West Lake's sister), Zurich Town is seeking to appeal to buyers looking to avoid the high and mid-rise apartments that dominate Hangzhou's residential scene.

Zurich Town's early access to the underground system is certainly one of its selling points. Suburbs of Hangzhou which are not yet fortunate enough to have their own metro connections might see their prospects change as the development of the underground system moves into its third stage. Plans for the metro have been accelerated so that new lines open in time for the Asian Games – due to be held in 2020. Properties in the areas near the new lines are more likely to see an increase in value.

Line 3 is anticipated to be an especially important development. It will help connect currently remote places such as Ningqiao (where an average property is priced at Rmb10,000 per square metre) to the city centre, as well as sites in the western districts, such as Xixi National Wetland Park and Zhejiang University. Other areas to watch are those that the Airport Express line (Line 7) will run through. The line will connect the airport to the city via Binjiang, terminating near Hefang Street – a favourite shopping destination for tourists.

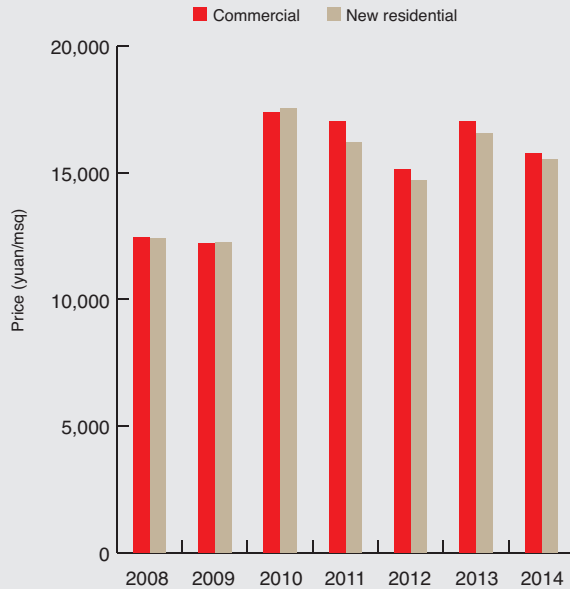
## Renting

A large percentage of the rental market is occupied by Hangzhou's 'floating population' – migrant workers and students from outside of town. Overseas residents account for a portion of that crowd, and there are a number of online letting agencies that specialise in assisting foreign clients. Through these agents it is possible to find fully furnished apartments in Binjiang ranging from Rmb3,500-25,000 (\$547 to \$3,900) per month in sizes between 40 square metres and 280 square metres.

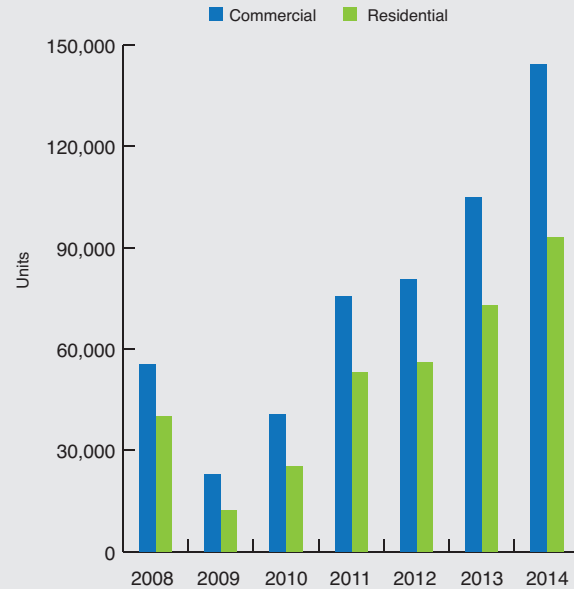
Binjiang, as it happens, was the most expensive district to rent a flat during 2014, with prices averaging Rmb3,416 per month, according to zzhz.com.cn. 📍



**Average prices  
Commercial vs New residential**



**Number of available new properties  
Commercial vs Residential**



REUTERS



## Qianjiang New CBD

Development of Qianjiang New CBD (also known as Qianjiang New Town or Qianjiang New City) is currently in its second stage, the first stage having been completed in 2008. It is intended to be the new financial epicentre of Hangzhou, featuring a gargantuan shopping mall, an iconic international exhibition centre, hotels, as well as residential and office properties. (Hangzhou has a general development plan that seeks to foster business in the east and nurture tourism in the west.)

Despite remaining higher than the city average, property prices in Qianjiang declined sharply at the beginning of 2015, with reports of many landlords “panic selling”. Prices of new properties in the area appeared to have stabilised somewhat by the end of 2015. According to the head of marketing at I Love My Home – a Hangzhou-based real estate agency – hopes for the area have become less bullish. A high number of office spaces remain empty and the area has failed to develop a “residential atmosphere”, lacking conveniences such as supermarkets. Business at the landmark Mix City Mall has failed to meet expectations as well.

**“The property bubble in Qianjiang CBD was blown too big to begin with, and the reality today is a high rate of office vacancy and an insufficiency of amenities. People’s expectations for the area have softened, and so landlords who were anxious to sell their properties have begun to lower expectations as well”**

- Zhou Baojun, specialist in secondary market sales and marketing director at I Love My Home, Hangzhou

## Greentown

Greentown China Holdings is the largest property developer in Zhejiang Province and consistently ranks amongst the 10 strongest property companies in China. It was founded in 1995 by Song Weiping, a graduate of Hangzhou University, and its offices are headquartered in the city still.

According to the company’s website, its land bank held 33.24 million square metres across 17 provinces in June 2015, with 13.3% of that land in Hangzhou alone. Its profits before tax in 2014 were Rmb5.9 billion – a sharp fall from Rmb9.1 billion the year before.





## Taohuayuan – a paradise in heaven

*Taohuayuan* is often translated as 'The Land of Peach Blossoms'. Nowadays it is a real place found in Hunan province, but first and foremost it is the name of an idyllic idea: a utopia of complete peace and harmony.

The paradise of Taohuayuan was first described by the Jin Dynasty (265-240 BC) poet Tao Yuanming in his work *The Peach Blossom Spring*. The story follows a fisherman who sails upstream through a forest of blossoming peach trees to the river's source. Upon reaching the riverhead, he finds that its origin flows from inside a small grotto. He wanders through the passages of the grotto and emerges on the other side in a land of bliss.

In Hangzhou, Greentown Property Group has built its own tranquil paradise hidden through the trees and named it Taohuayuan.

Greentown Hangzhou Taohuayuan (to give it its full name) is hidden in the Yuhang district, amongst the wooded slopes of the Fenghuang hills, roughly 18 kilometres from the centre of the city and almost directly west of West Lake. This garden of luxury mansions is recognised as one of China's least crowded villa estates, dotting some 680 manors over 2,700 *mu* of land (around 445 acres).

The individual Western-style villas offer seclusion and respite, at prices between Rmb22-27 million for properties sized at around 800 square metres. It is rumoured that Jack Ma has a property in the estate, although speculation of this sort is common. In fact, although everyone knows where Jack Ma was living when he founded Alibaba (an apartment in Lakeside Gardens), since his company shot to international fame his place of residence has become a subject of conjecture among Hangzhouers.

Although Hangzhou Taohuayuan offers the sort of comfort and seclusion that big money can afford, its distance from the heart of Hangzhou would be a drawback for the man in charge of an e-commerce empire. It's a 40-minute drive to Binjiang (the site of Alibaba's headquarters); 40-minutes in the other direction to reach Zhejiang University's main campus (close to Alibaba's Alipay offices); and 50-minutes to Qianjiang New CBD.



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# Retail

GUCCI

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JIMMY CHOO



# The view from the shop floor

Standing on the steps looking across the parking lot towards the Zhejiang Exhibition Centre, the doorman of Hangzhou Tower Shopping City points to the idle cars and says, "Look at the registration plates. Most of them are from outside Hangzhou."

Hangzhou Tower is one of the city's largest and most high-end shopping destinations, showcasing international labels such as Louis Vuitton, Cartier and Armani, as well as domestic luxury brands like Shanghai's Yifei and Inner Mongolia's Erdos, which specialise in silk *qipaos* (traditional figure-hugging Chinese dresses) and cashmere clothing respectively. Louis Vuitton opened its boutique in the city in 2004, turning over Rmb400,000 (\$62,500) in its first four hours, and pioneering the way for other luxury brands to follow suit.

However, sales haven't maintained that initial pace. Luxury labels have been suffering weaker sales across China, spurred by the slowdown in economic growth and the crackdown on corruption. In 2015 Louis Vuitton closed three stores: in Guangzhou, Harbin and Urumqi. But the brand evidently has faith in Hangzhou: it opened a new

“

Shoppers in Hangzhou used to be 'crazy', but now they've become more rational in their purchasing habits – so business has slowed a little, but it still seems good

”

store in the city shortly before the closures elsewhere.

It's clear that a large portion of luxury sales in Hangzhou are now driven by the *tuhao* (a Chinese term for nouveau riche) travelling in from nearby towns and cities – where factory owners and their kin get rich and flaunt it. But as traditional manufacturing is declining, the *tuhao* are becoming more frugal. Meanwhile Hangzhou's local shoppers are becoming more discerning. As a staffer at Hangzhou Tower told us: "Shoppers in Hangzhou used to be 'crazy', but now they've become more rational in their habits – so business has slowed a little, but it still seems good."

Hangzhou Tower actually consists of four towers connected by footbridges so that it straddles the

800,000

Size in square metres of Hangzhou's high-end Mix City mall which opened in 2010



## Two Apple Stores

Hangzhou's flagship Apple Store was opened on Pinghai Road in January 2015, as one of five Apple Stores that the San Cupertino-based firm had pledged to open in China before the Spring Festival rolled around that year. The grand opening received much-appreciated attention from Apple CEO Tim Cooke, who made a big deal of the event by tweeting, "Starting Something New in Hangzhou, China!"

Before its opening, the glass storefront was covered in paper, bearing a calligraphic rendering of the poem "Praising West Lake in the Rain" by the poet Su Shi (1037 – 1101). The calligraphy was performed by local master Wang Dongling, who says the piece reflects the city's duality: "Hangzhou is a traditional city that has preserved the essence of ancient Chinese culture, but is also a modern city open to new ideas."

Certainly Apple thinks Hangzhou is a healthy market, being one of the three launch cities in China for its premium Apple Watch – designed in partnership with Hermès. The company promptly opened a second Hangzhou store last April. The second is located in the Mix City Mall.

### Praising West Lake in the Rain

*Shimmering water on sunny days,  
Blurred mountains through rainy haze;  
West Lake is like the beauty Xizi:  
With makeup heavy or light, she is always beautiful.*

(Xizi, also known as Xi Shi, is one of the Four Beauties of ancient China, and she lived in Zhejiang province. The West Lake is said to be an incarnation of her beauty, and sometimes will be called by her name.)



## The leading malls in Hangzhou

### Hangzhou Tower Shopping City (杭州大厦购物城)

- Opened: 1988
- Size: 140,000 square metres
- Location: Wulin District, Wulin Square
- Demographic: High-end
- International stores: Louis Vuitton, Dior, Armani, Cartier, Gucci

### Mix City/MixC Mall 万象城

- Opened: 2010
- Size: 800,000 square metres
- Location: Qianjiang New CBD
- Demographic: High-end
- International stores: Prada, Hollister, Fendi, Louis Vuitton

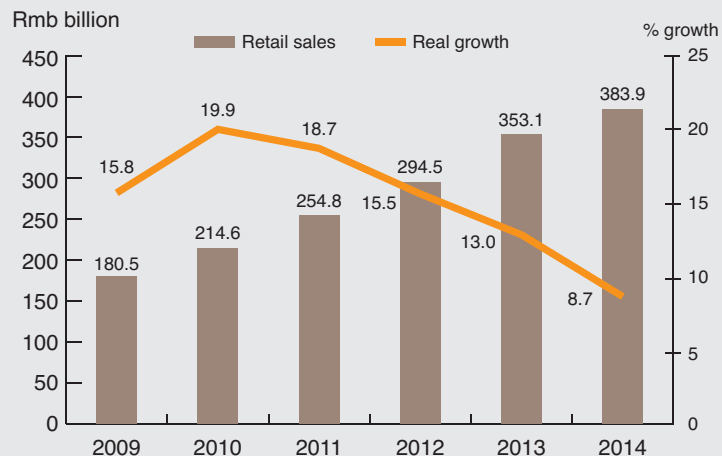
### INtime Department Store 银泰大厦

- Opened: 1998
- Size: 51,000 square metres
- Location: Wulin District, Yan'an Road
- Demographic: Mid-high end
- International stores: H&M, Clarks

### IN77/Hubin 湖滨银泰

- Opened: 2005
- Location: Hubin District, Pinghai Road
- Demographic: Mid-high end
- International : Gap, Forever 21, Gucci, Prada

## Retail sales of consumer goods





North Ring Road. Walking between the shops in the towers – which are all tenanted though quiet – the constant competition between Hangzhou's malls is apparent. Sinopolis is there just after Singles' Day – the single largest discount shopping event in the world – and whilst the stores in Hangzhou Tower weren't offering promotional sales to mark the day, many advertised a discount period from November 12 (the day after Singles' Day) to November 16. A shop assistant explained why: "This isn't because of Singles' Day, this is because the INtime Department Store is celebrating its birthday, and so we have to compete."

INtime Department Store (also named Yintai Mall) has its main complex on Yan'an Road, which runs north to Hangzhou Tower and is the street purportedly with the highest retail rents. Similar to the towers, INtime Department Store is divided into several, multi-storey buildings, each with a specific target demographic – men, women and children. This mall is somewhat less high-end than its competitor to the north, featuring brands such as H&M, Clarks and Mango. Understandably, perhaps, it appears busier.

However it is not this INtime mall which is celebrating its birthday. That is the INtime Mall at West Lake, further to the south, which opened in November 2014. Compared with its predecessor on Yan'an Road, the West Lake mall

**Singles' Day – the single largest shopping event in the world – was commercialised in Hangzhou**

caters to a broader range of desires, with 40% of its free space given over to food, drink, and entertainment (the top floor of this mall houses a cinema, which INtime boasts is the closest cinema to the West Lake).

Similar tenant diversity characterises the Mix City Mall (MixC) – the second location this mall brand has chosen in China after success in Shenzhen. Opened in 2010, this gigantic complex only allots 40% of its occupied space to traditional shops: the rest is split between dining, entertainment, sporting facilities and other services. MixC houses an Olympic size ice-rink, which welcomed Olympians Shen Xue and Zhao Hongbo for the mall's lavish opening ceremony. However MixC's performance has been less stellar. Revenue declined 12.5% in 2013 and 20% for the Spring Festival period in 2015. During that period in 2015, for example, Hangzhou Tower found the going as



"I got my story, my dream from America. The hero I had was Forrest Gump. I've watched that movie about 10 times. Every time I get frustrated I watch that movie"

***Jack Ma, the boss of Alibaba and Hangzhou's most famous resident***

**Treasury Wine Estates' Jack Wu says Hangzhou already has an entrenched middle class open to drinking foreign wines**

## A growing wine market

Treasury Wine Estates' China sales director for its wholesale division, Jack Wu, says the Australian wine giant began working with a new distributor in Hangzhou about six months ago. "That distributor has delivered exciting results," says Wu, adding that Hangzhou is the headquarters for all sales in Zhejiang province.

He describes Hangzhou as a "wealthy market" and says thanks to e-commerce and a strong private sector, there is already a very entrenched middle class. He adds that the people of Hangzhou tend to be smart and well-educated as well as discerning spenders. And because so many of its citizens have relatives that live or study abroad, he believes there is widespread interest in foreign brands.

Among the 10 local Chinese markets in which Treasury has distributors, Wu forecasts the Hangzhou/Zhejiang partner will be one of the top performing within the next two years. Part of the reason is the company's strategy of pushing more affordable wines from its portfolio to target middle class consumers and newer wine drinkers. Treasury's pricier wines include Penfold's Grange and Stag's Leap, but the product set to see the strongest sales may be Penfold's Bin 28, which is



now being heavily promoted at a price-point just below Rmb300 (or \$45.62, which Wu says is a watershed for categorising a wine as luxury or affordable). His distributors, he says, are making much of the fact that the number 28 sounds in Mandarin like 'love' and so this is also a perfect choice for celebratory dinners.

Wu's upbeat view on wine sales in Hangzhou offers a proxy of sorts for the city's overall retail market. It indicates that while the luxury end of the market may face tougher times, brands that target the growing middle class with affordable, high quality products are best placed.



## Online or offline?

Hangzhou is commonly considered as China's capital of e-commerce, in part due to its status as the home of Alibaba Group. Amongst other things, Alibaba is the mastermind behind the commodification of Singles' Day – celebrated on November 11. Last year on Singles' Day, the e-commerce giant logged a record Rmb19.2 billion (\$14.3 billion) in sales revenue.

But as the Alibaba empire has grown, it has not only brought more shoppers online, it has also drawn more capital into its hometown, helping raise disposable income (Rmb39,099 per capita in 2014) and fuel the consumer market. Retail sales have seen strong growth in Hangzhou, rising 8.7% year-on-year in 2014 to a total of Rmb383.9 billion (according to Savills World Research). But although sales are increasing, the rate of increase appears to be in decline: 2014's 8.7% growth was 4.3 percentage points lower than the year before.

Nevertheless, development of commercial districts in the city is also set to continue. Qianjiang New CBD will see the opening of Raffles City, another shopping mall, and the Binjiang district – currently the heart of Hangzhou's tech industry – will soon house its first large retail complexes.

Yet even in the physical world of bricks and mortar there is room for Alibaba. Alibaba Group operates a mobile payment service called Alipay, which is used widely throughout China and most heavily in Hangzhou. The service can be used for purchases online as well as in stores, restaurants and other outlets (using a smartphone).

Data from Alipay shows that in 2014 Hangzhou's per capita expenditure on Alipay reached Rmb44,197 (\$6,721) – the highest level in



China. Approximately 40% of that figure was spent on retail. (The remainder is composed of expenses such as bill payments, loan repayments and investments.) Further research from Savills found that 2014 online consumption in Hangzhou was up 38.5% on the year before, peaking at Rmb90 billion: much higher growth but still a lower total than in-store bricks and mortar sales.

Meanwhile Savills found that vacancy rates across Hangzhou's shopping malls in 2014 grew by 4 percentage points to 8.7% (a slump which it primarily attributes to the vacancy created by the closure of the Central Department Store in Mix City Mall).



**Thanks to a decade long boom in car sales Hangzhou has the unenviable title of China's second most congested city**

tough as MixC, and only INtime Department Store saw an increase in sales. Like so much success in Hangzhou, INtime's is undoubtedly linked to its affiliation with Alibaba – the e-commerce giant owns a 32.8% holding in Intime Retail Group, and the mall utilises Alibaba's Tmall to provide O2O services (such as picking up products bought online).

INtime's own luxury retail complex is Hubin INtime Mall. The first stage of this plaza (Hubin International Boutique Compound) was opened in 2005 and welcomed the likes of Gucci, Dolce & Gabbana, and Cartier – all of which still operate boutiques there, and have been joined by the likes of Louis Vuitton (its third store in the city), Prada, and Yves St Laurent. The staying power of the boutiques that initially opened in the mall 10 years ago is intriguing, as the atrium of this upmarket venue appeared perpetually empty during visits by Sinopolis in November 2015.

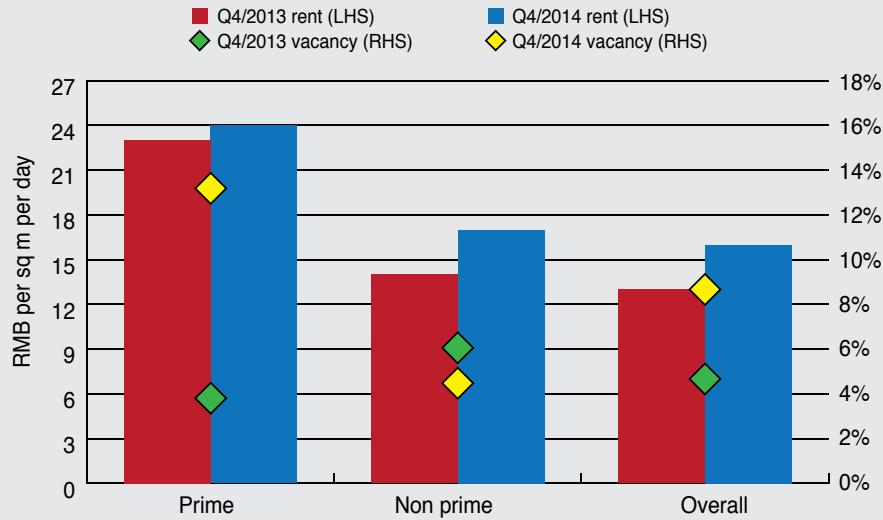
Hangzhou Hubin INtime has recently gone through two more stages of development and a rebranding to expand its coverage and its appeal. It now goes by the name IN77, and additions to the original mall now include high-street brands Forever 21 and Gap, as well as Hangzhou's flagship Apple Store. The greater popularity of this section of the mall – versus the original areas catering to luxury buyers – speaks of the retail sector's changing emphasis.

## Car sales stall

Hangzhou lays claim to the unenviable title of China's second most congested city. In addition to congestion, the number of cars contributes significantly towards the city's air pollution (exhaust emissions account for 40% of it). In a bid to tackle both of these problems, Hangzhou was the sixth city in China to implement "registration restrictions". These restrictions include a range of policies but most notably consist of the following: firstly, a curfew or a complete moratorium of usage on cars according to their registration numbers (cars with an even number will be restricted from the roads one day, then cars of odd numbers the next); secondly, the reduction in the number of new registration plates sold annually, which limits the number of new vehicles on the road.

When Hangzhou announced the latter policy in 2014, it did so a few hours before it was due to take effect. The result was a last-minute surge in buying activity, as citizens rushed to purchase new cars and the all-important licence plate. A report from Xinhua claims that over 70,000 vehicles were ordered that single day. Under the revised system, only 80,000 licence plates are issued each year in Hangzhou: 80% through a lottery system (like in Beijing) and 20% through an auctioning process (like Shanghai). The auction prices start at roughly Rmb10,000 (\$1,628).

Prime rents and vacancy rates, Q4/2013 vs Q4/2014



## IKEA's patience pays off

IKEA is the salvation of many a home decorator on a budget, and the Swedish icon fares well in China where it is not only a popular shopping destination, but even a dating spot for silver-haired singletons (or as a choice for a midday nap).

In the year ending August 2015, sales growth in China was 19% – IKEA's fastest growing market – and three new stores were opened nationwide. Last June, Hangzhou welcomed one of those three: China's 17th IKEA store.

**Sales growth in China was 19% – IKEA's fastest growing market**

The shop is located in the Yuhang district, 30 minutes away from the city centre by Metro Line 1 (stop at Qiaosi). It is larger than IKEA's Shanghai outlet, housing 60 showrooms exhibiting over 8,000 items, as well as a restaurant that can seat over 600 diners, and of course a play area for the children.

The Hangzhou outlet had been long anticipated. Planning for the store began in 2008, with construction finally commencing in 2013. Perhaps the long wait has encouraged the high volume of shoppers: in the first six months of its opening, IKEA's Hangzhou store had already signed up 400,000 new members.





In 2013, the year before the ban, 276,000 new cars were sold in Hangzhou. In 2014, the official figure for the total number of registered vehicles on the city's roads was 2.7 million. According to Qianjiang Evening News (a local paper) the Hangzhou government is scrapping thousands of old and environmentally unfriendly cars each year, and had plans to dispose of at least 60,000 in 2015.

In 2015, new car sales amounted to roughly 200,000, indicating that people are still willing to purchase, even if obtaining a licence plate is more difficult. However this figure demonstrated the third year of declining new car sales in the city. Paradoxically, second-hand car sales rose to a similar level to new cars sold (at around 200,000), the first time this has happened (the second-hand car market has only recently started to develop, with most Chinese traditionally preferring to buy a new vehicle). One explanation for the rise in second-hand sales is that these cars come with a (now coveted) licence plate. 🇨🇳



Hangzhou's new car sales dropped to 200,000 in 2015

**The Hangzhou government scrapped 60,000 old and environmentally unfriendly cars in 2015**

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**Week in China**

# Education



Zhejiang University

## Steeped in learning

**N**o city guide about Oxford or Cambridge could avoid discussion of their universities. The same is true of Hangzhou, a city famed within China for its educational pedigree. There are 38 institutes of higher education in Hangzhou, and an additional 11 vocational colleges. Pride of place goes to Zhejiang University, which enjoys Ivy League status within China.

Hangzhou's vast education system draws bright people in from the surrounding areas and channels them back into the city, keeping the talent pool fresh. Many graduates choose to stay in Hangzhou, meaning local businesses have access to a steady stream of young recruits, supporting the property market with rounds of new buyers.

Hangzhou's educational excellence aside, another dimension is the willingness of young Hangzhouers to study abroad. This is often offered as an explanation for the city's "openness" to new ideas and foreign concepts.

Over 100 companies in Hangzhou specialise in providing support and assistance for students travelling overseas to study. In 2014, close to 14,000 privately-funded



students went to study abroad – 75% of them for Bachelor's or Master's degrees. This was a 10% increase on the year before, and the figure continues to grow each year.

Moreover, in recent years the city government established a fund to provide scholarships for students of local universities or colleges seeking the chance to study abroad. That said, the government is also keen on enticing overseas students back, recognising its 'sea turtles' (Chinese slang for skilled and highly educated returning nationals) as one of the major stimuli to Hangzhou's workforce.

That said, the municipal government is eager to expand the international standing of its own educational facilities, as detailed in its plan for the "globalisation of the

The year  
Zhejiang  
University  
was founded



REUTERS

A student poses for pictures near a statue of Mao Zedong at Zhejiang University



Zhejiang University has several campuses in Hangzhou, mostly situated in the West Lake district. The university is ranked highest in Zhejiang province, and one of the top 10 universities in China.

Founded in 1897 as Qiushi Academy, the university's evolution over the past century or so has been almost as tumultuous as that of China itself. The university's name has changed many times and even its location shifted twice during the war with Japan. It effectively moved to Guizhou, following the Nationalist government, which had fled to Chongqing. It returned to Hangzhou in 1946 and in 1998 Zhejiang University merged with three other institutions to increase its scale.

In 2014 Zhejiang University had 46,364 full-time students, of whom 13,952 were at a postgraduate level and 8,779 were pursuing doctorates. The majority of that year's intake, at both Bachelor's and Master's degree level, were studying science and engineering. There were an additional 5,746 international students and 49,236 students sitting adult learning courses.

The university prides itself on its research programmes, committing over Rmb3.12 billion (\$486 million) to funding research in 2014. Its dedication to the field is enshrined in the university motto: 'Seeking the Truth and Pioneering New Trails'.



education system". The 2014 plan stresses the need to promote "international exchange programmes for students and teachers; overseas training and research for professors; and incentives to attract overseas talent and collaborative institutions between Chinese and foreign partners" to name but a few of the goals.

Indeed, as early as 2011 the local authorities announced plans to allow foreign investment into local education. One interesting initiative was the decision by Chinese International School (CIS), a top Hong Kong school, to establish a campus in the city. CIS sends its students to spend a year boarding there and Hangzhou was chosen from 20 shortlisted locations in China. The headmaster of the Hangzhou campus Richard Pratt says it was "a sensationally good choice" thanks to the city's size and cultural richness (for more, see page 88).

There are also a number of other means available for people from overseas to go and study in Hangzhou. In 2014, there were 23,000 foreign students studying in the city, from 171 countries. 🌐



**Zhejiang University School of Architecture**



**Zhejiang University Medical School**



**“My favourite part about living in Hangzhou was the food”**

## My year in Hangzhou

A couple of years ago one of Hong Kong's top schools CIS (Chinese International School) opened a campus in Hangzhou, where its Year 10 students (aged around 14) now spend a year immersed in Chinese culture. CIS student Isabella Boyne writes here of her year in Hangzhou and the city's appeal.

Hangzhou was a place that honestly, I had never heard of. It's not like Shanghai or Beijing, the kind of place that people think of as soon as the word 'China' pops up, although it is in fact only a 45 minute train ride from Shanghai. Despite this, Hangzhou is still very much a culture and business hub, much like these better known cities. For example, Alibaba, an e-commerce company is based in Hangzhou, making Hangzhou home to various photo shoots that I witnessed, and the home to Taobao, a cheaper version of Amazon that ships items in a matter of days.

In terms of Hangzhou as a cultural hub, I was able to go see some of the Chinese operas that are often watched by the locals too! The two operas that I was able to see were the *Butterfly Lovers* and *Madame White Snake* at the Huanglongdong Yuanyuan Folk Park. They were both presented in the traditional Chinese Opera style in front of a small audience, and were performed multiple times a day.

Aside from the opera, the parks in the Huanglongdong area (Huang Long Cave) are full of greenery and very beautiful.

Hangzhou people are interesting and friendly. They are all willing to talk and help you get around, as well as being very open about their lives, as I discovered when having to interview Hangzhouers. I also went to a homestay, where I lived with local people of Hangzhou over multiple weekends throughout the year. I couldn't have hoped for more considerate or kind people to stay with.

I think that perhaps my personal favourite part of Hangzhou was the food. The food is so diverse, and my friends and I would always go out for Korean barbecue. However, the local food is just as delicious as the international cuisine. There are so many small local restaurants, such as the one owned by two people that I came to know as 'soup guy' and 'soup lady'. I ate there on weekends, having fried rice, egg soup, fried noodles and spicy *nian gao*, discs made



of glutinous rice, paired with meat in a spicy sauce.

The local snack that I looked forward to eating was something called *shao bing* which is a Chinese flat pancake that can either be savoury (with meat) or sweet, with white sugar. My friends and I probably ordered a lot more than we should have.

There are so many wonderful things about Hangzhou that it is often difficult to think of any problems there. I think that the main issue for foreigners travelling to Hangzhou would be that the number of people who speak English is very limited, so it may be difficult to get around. However, a quick Google search and talking to some people I knew in Hangzhou helped me easily find wherever I wanted to go.

Overall, Hangzhou is a beautiful city with so much diversity. I would definitely recommend for people to go and visit because there are so many things to do and see – from lakes to old villages – it truly is a wonderful place.





## The Leeds-Zhejiang Partnership

In 2014 the University of Leeds Business School (LUBS) in the UK and the Zhejiang University School of Management formed a partnership dedicated to research into innovation, management, and entrepreneurship. Sinopolis spoke briefly with the respective deans of the two schools, Professor Peter Moizer and Professor Wu Xiaobo:

### **What makes Zhejiang University an ideal partner for research in this field?**

Moizer: Well it's the quality of the staff and the location. In Hangzhou there's lots of entrepreneurial activity and Zhejiang University has some really high quality researchers in that area. For us, we just won Entrepreneurial University of the Year from The Times Higher Education Awards, so for Leeds to work with Zhejiang University makes a lot of sense because we're both passionate about working with entrepreneurs.

### **What are some of the projects that you're working on together?**

Wu: Actually we have already been collaborating together for

some years especially for international business and innovation studies. We saw that Leeds University is very strong in the area of international business and also of innovation, and now we see that they are leading in entrepreneurship, especially since they won this very fine award. So we saw that the two universities can have a lot of synergy. Also Leeds and Hangzhou are twin cities, and twin cities have very strong links.

Moizer: And in terms of specific projects, the university of Leeds has done work on the best place in China for UK industry to do business. Of course, Hangzhou came out as one of the best places for the British to invest.

### **What's unique about Chinese entrepreneurship and more importantly Hangzhou entrepreneurship?**

Wu: I think the basic sense of entrepreneurship is the same but entrepreneurship has a very strong contextual link. So in China, especially Hangzhou you could say 'play fast and catch up' is the model for the entrepreneurs, because now we see more and more innovators and entrepreneurs rising,



especially down in the university institutes.

**What benefits does LUBS expect its students to derive from studying in Hangzhou?**

Moizer: Well, it's the simple thing of seeing another world, another way of doing things. Also clearly China is still one of the world's fastest growing economies and entrepreneurship is at the heart of that, and so to be there and to see it gives you a different view on the world.

**What correlation does Zhejiang University see between studying abroad and entrepreneurial spirit?**

Wu: For many years we've sent our students abroad, to my university's partner universities. Especially when my students get to Leeds, they learn a lot: seeing how people in the UK are conducting business, especially in terms of start-ups. There's something different about it, so we can say that the students gain some new knowledge of entrepreneurship, and they can combine those understandings with their own enterprises in China when they come back.



**Leeds Business School**

**So this partnership has helped exchange teaching ideas between the two universities as well?**

Wu: Already several faculty members from Leeds came to my university, and did some teaching. It helped us a lot to see the difference in teaching styles. Their teaching styles are more interactive; as for us, we can say that we pay more attention to teaching contextually. So we think that if the faculty members can interact together and share their understanding and knowledge of business, it will be a mutual advantage.



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# Useful Phrases

你好

HELLO





# Point and Go

请带我去。。。  
Please take me to...

西湖博物馆（南山路）  
West Lake (West Lake Museum)

中国茶叶博物馆（龙井路）  
Longjing Village (National Tea Museum)

浙江大学紫金港校区  
Zhejiang University Zijin'gang (Main) Campus

万象城购物中心（富春路）  
Qianjiang New City (Mix City Mall)

西溪国家湿地公园（天目山路）  
Xixi National Wetland Park

富春山居（江滨东大道339号）  
Fuchun Resort (Golf course)

杭州大厦购物城（武林广场）  
Hangzhou Tower Shopping City

银泰百货大厦（延安路）  
Intime Department Store

银泰湖滨（东坡路）  
Hubin Intime Mall

延安路  
Yan'an Road

南山路  
Nanshan Road



河坊街

Hefang Street

楼外楼（孤山路30号）

Louwailou

外婆家（湖滨路3号）

Grandma's Home

解香楼（八盘岭路1号）

Xiexianglou

e路吃（吴山路120-3号）

Elochee

青藤茶馆（南山路278号元华广场）

Qing Teng Teahouse

我要。。。。

I would like to eat / drink...

叫花鸡

Beggar's Chicken

东坡肉

Dongpo Pork

西湖醋鱼

West Lake Carp

龙井茶

Longjing Tea





