

CHENGDU FORTUNE

Talent pool proves engine of success

50 universities, colleges provide strong, reliable workforce for southwestern city

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Ask Liu Jia which city he would choose if he had to relaunch his business, and his answer is unequivocal: "Chengdu, definitely Chengdu."

Liu is chief operating officer of Goodteam Studio, an APP development firm based in Chengdu, and he insists the southwest inland city is quite simply unequalled as a source of the kind of top talent he needs to remain competitive, not just in China, but globally.

Goodteam became top 10 on the Google Play store in terms of revenue in 2012, with more than 40 million downloads worldwide.

The young COO adds that even if one day he plans to open offices in other cities, its R&D team will still be based in Chengdu, because it harbors a pool of IT talent unavailable elsewhere.

As China's economy remains robust, cities across the country are thirsty for talent. Yet at the same time, they are being scorched by rising labor costs.

However, Chengdu's talent pool remains healthy, fed by more than 50 universities and colleges that provide around 150,000 graduates every year.



College graduates attend a job fair held at New International Convention & Exposition Center of Chengdu Century City in December. More than 800 companies and institutions provided more than 22,000 job opportunities at the fair.

"Businesses here enjoy relatively low labor costs as well as low turnover rates," said Liu Jianing, head of the investment sales division of Chengdu Investment Promotion Commission.

He reckons that compared with coastal cities, labor costs and turnover rates in Chengdu are a quarter to a third lower.

"We have a comprehensive talent pool, from management to skilled workers," added Liu.

Chengdu's reputation for providing the very best talent has also grown outside of China.

ThoughtWorks, a global IT consultancy headquartered in

Chicago, is a good example.

It has set up its software technology company in the city staffed by 50 recruits, 35 of whom are local IT graduates.

ThoughtWorks is well-known in the industry for intensive recruitment processes, with numerous rounds of interviews often spread over weeks.

"When we choose a city to start our business, the only thing we care about is whether there is enough talent," said Xiong Jie, ThoughtWorks' office director in Chengdu, who stresses that a lack of talent can be a real problem in the IT industry.

Xiong added that countries

including Australia, the US and many in Europe are facing a lack of talented IT staff, but China is rich with potential stars in many cities including Chengdu.

According to the 2012 Chengdu Investment Guide, produced by Chengdu Information Office, there were 58,243 IT graduates in the city, meaning one in five graduates in the city is either a programmer or a software engineer.

"Companies like us are always in hot pursuit of programmers. That's why we come here," said Xiong, a 32-year-old from Chongqing, a municipality just an hour's

train ride from Chengdu.

The city's 2012 investment guide claims that 233 of the Fortune 500 companies have a presence in Chengdu, including global giants such as Intel and IBM, which have set up research labs in cooperation with universities in Chengdu.

Companies have also built 180 training bases to better prepare their potential employees when they are still on campus, says the guide.

Besides holding onto its own local talent, the Chengdu government also goes to other big cities like Beijing and Shanghai to attract talented recruits for



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LIU JIANING
HEAD OF CHENGDU INVESTMENT PROMOTION COMMISSION'S INVESTMENT SALES DIVISION

its IT industry, added Liu Jianing, head of Chengdu Investment Promotion Commission's investment sales division.

"Sichuan province used to be known as a great source of labor, but now we are seeing the opposite trend in some of our industries," said Liu.

"Low living costs, comfortable lifestyle and weather, low stress and large job opportunities are Chengdu's great advantages in attracting talents to come here to work."

The latest list of the 10 happiest Chinese cities, based on a survey conducted by Oriental Outlook magazine and the China Association of Mayors, released in December, had Chengdu and Hangzhou at the top of the list.

According to a human resource report released in 2011 by 51job, a Chinese online jobseeker website, the turnover rate of software engineers with three-year experience in Chengdu is 8 percent, in stark contrast with Beijing's 21 per-

cent and Shenzhen's 20 percent.

While MyCOS's Fresh Graduates Employment Annual Report 2010 showed that Chengdu's retention rate of fresh graduates was 61 percent, against 28 percent for another major information technology and education hub, Wuhan.

"Low turnover rates are good for company development in the long run. Our workforce and the huge reserves of talent we have get high praise from employers," added Liu Jianing.

Qing Chuan is the manager of a drugs company, which produces sterile injection devices to American market, and he says Chengdu's dependable workforce is crucial for the business.

"Because of high living costs in big cities like Beijing and Shanghai, staff can move on quickly. The workforces there are not as stable as cities like Chengdu," he said.

Qing added that the talent pool is especially strong for engineers, a sector particularly targeted by universities in Chengdu.

Game APPs developer Liu Jia says he is proud of his Chengdu team, all of which are local to the city. As the city's APP developers continue to attract worldwide attention, Liu adds that he is getting regular enquiries from companies around the globe looking to send their staff to be trained by his company.

"Having a solid workforce means we can whole-heartedly devote ourselves to developing games.

"But in markets like Shanghai and Beijing, there are too many distractions and temptations."

Li Yu in Chengdu contributed to this story

City leading light of development in western China

Domestic, foreign companies see great potential for their businesses

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Chengdu, capital of Sichuan province, is expected to be a pillar of economic growth in western China in the coming years, analysts said.

Chengdu has a population of about 14 million, making up a sixth of Sichuan's total.

It is now the fifth-largest city measured by population in China, making it potentially one of the most important markets in the western part of the country.

To take advantage of its positioning as the economic driver and largest market in western China, the city is establishing a modern manufacturing base — high-end automotive and electronics, for example — while at the same time creating the conditions for a high-end service industry to flourish.

Chengdu has seized development

opportunities in recent years and benefited from industrial transfers from the eastern coastal provinces to the west, said Deng Lixin, a researcher with the Chengdu municipal policy research office.

Although China's economic growth may proceed at a slower pace in the coming years and the global economy may continue to be gloomy, Chengdu still has opportunities to speed up its development, Deng said.

"Strategic investment will be very important to support the economy, especially in the construction of urban railways and the development of emerging new-energy industries and new-materials and cultural projects," he said.

The central government's decision to ease its monetary policies and use fiscal stimulus may provide the right conditions for the city's growth, Deng said.

"The manufacturing sector depends on innovations in information technology

... and environmental protection measures.

"Research and development will be the main driving force of high-tech enterprises," Deng said.

Chengdu's gross domestic product in 2012 was expected to reach 800 billion yuan (\$128 billion), up at least 13 percent from the previous year.

Its foreign trade was expected to surge 25.1 percent to reach \$47.4 billion, with exports hitting \$30.4 billion, up 32.4 percent year-on-year.

Its GDP growth rate was more than 5 percentage points higher than the national rate of growth, which stood at 7.8 percent last year.

In 2012, the city's total industrial output was expected to reach 260 billion yuan, and investment in the industrial sector was expected to hit 170 billion yuan.

The value of its retail sales of consumption goods was equal to 21.2 percent of the total amount for the 11 cities in western China.

A survey from The Nielsen Co, a global consulting company, showed Chengdu scored 97 points on the consumer

confidence index in the third quarter, 2 points higher than the entire western region did during that period.

Yan Xuan, president of Nielsen Greater China, said Chengdu is the consumer market with the greatest potential among cities in central and western China.

"Both domestic and overseas retail businesses see Chengdu as a good place to develop, which means the competition here will be more fierce," Yan said.

260

billion yuan
the estimated amount of Chengdu's total industrial output in 2012

The number of retail stores in Chengdu increased by 25 percent year-on-year in the first nine months of 2012, even as the number for the country as a whole dropped by 3 percent, according to Nielsen's research.

Chengdu consumers also expressed more optimism about employment prospects in the city. A Nielsen index gauging confidence in the job market rose to 58 points in the third quarter from 51 points in the first half, the consulting

company said.

Chengdu's advanced financial market will do much to bolster the city's economy, analysts said.

"Chengdu is paying a lot of attention to the expansion of the financial industry and is setting a goal of building a financial center for western China," said Zhao Changwen, head of the enterprise research institute under the State Council's Development Research Center.

Improving Chengdu's financial system will help advance the country's western development strategy and strengthen the Chengdu-Chongqing economic zone, Zhao said.

Chengdu has a diverse financial system. One reason for that is that small commercial banks have enjoyed success in the city, which has helped add to Chengdu's financing channels and provided support to medium- and small-sized enterprises, said Liu Xiliang, head of the Southwestern University of Finance and Economics' Financial Research Center.

"At the next stage, Chengdu needs to improve international communications and continue with its opening-up strategy, which will consolidate its global influence in the field of economics," Liu said.

Foreign direct investment reached \$8.59 billion, a year-on-year increase of 31 percent.

Meanwhile, the city attracted another 26 companies from Fortune Magazine's annual ranking of the world's 500 largest companies during 2012. A total of 233 Top 500 enterprises have now set up business in the city, the most of any among western cities, according to Chengdu Investment Promotion Commission.



Visitors examine models of Tianfu Software Park at Chengdu High-Tech Industrial Development Zone.



The plant of Intel Products (Chengdu) Ltd in the capital of Sichuan province.



PROVIDED TO CHINA DAILY
A high-end residential neighborhood in Chengdu.

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