

What the Rise of the Chinese Middle Class Means for Entrepreneurs



Helen Wang
April 12, 2011

My Hometown – Hangzhou



Inspiring Speeches



Gettysburg Address

“I Have a Dream”



“This is a country of freedom...”



“...Even a bird can pick on me”

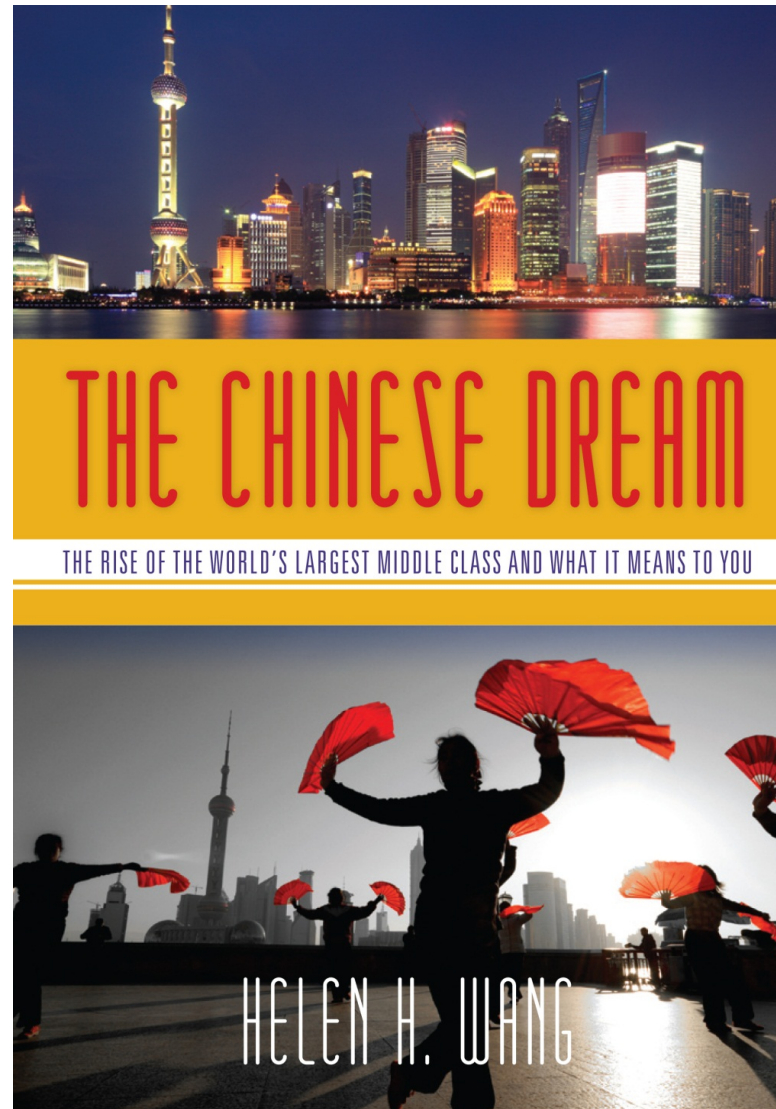
Old China



New China



The Rise of the World's Largest Middle Class and What It Means to You



Definition of Chinese Middle Class



- Annual income
\$10,000 –
\$60,000
- College educated
with stable jobs
- Mostly in large
cities

Wu Haitao – “Communist Entrepreneur”



Yi Fan – Migrant Turned Millionaire



China Presents Staggering Opportunities



- ▶ Chinese consumption will increase from US\$1.7 trillion in 2009 to US\$16 trillion in 2020

Household Incomes Increased Dramatically

- Middle class income increased by almost 100%
- Rich people's income increased even more – by 250%
- Poor people are also better off – income increased 50%



Chinese Are Saving Less



- ▶ Saving rate dropped from 26% in 2004 to 12% in 2009
- ▶ Extra spending goes to big ticket items

Greatest Growth in Tier 2 and 3 Cities

Cities	GDP per capita (US\$)
Tier 1 Cities:	
Beijing	10,360
Shanghai	11,616
Guangzhou	13,102
Tier 2 Cities:	
Wuhan (WH)	8,035
Chengdu (CD)	5,847
Tier 3 Cities:	
Xiangfan (XF)	3,246
Baoji (BOJ)	3,166
Putian (PT)	3,569

Auto Industry



- World's largest market for automobiles
- Car ownership more than doubled, from 12% in 2004 to 28% in 2009
- Car ownership is predicted to surpass 50% in urban areas by 2015

Luxury Goods

- World's 2nd largest market for luxury goods
- \$10 billion in 2009
- Predicted to reach \$27 billion in 2015



Healthcare Industry



- World's third largest pharmaceutical market
- Predicted to reach \$90 billion by 2014

E-Commerce

- Growing 60% each year
- VCs investing in new e-commerce sites

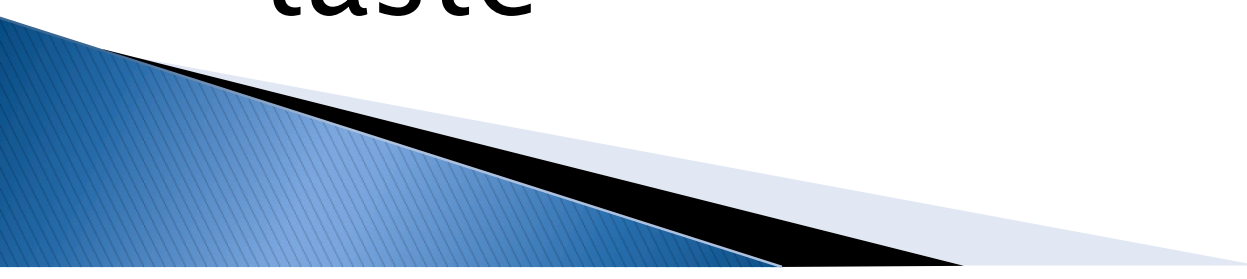


eBay–Alibaba Story

eBay



How to Succeed in China

- Realize that China is different than America
 - Hire local talent
 - Adopt to local consumers' taste
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Summary

- The Chinese Dream Is Like the American Dream
- China Presents Staggering Opportunities
- China Is Different than America

For More Information

- ▶ Sign up for my free monthly newsletter at <http://TheHelenWang.com>
- ▶ Follow me on Twitter @hhwang
- ▶ *The Chinese Dream* book is available on Amazon.com

