



Overview of Security Market

The security and safety market in China is growing steadily at an annual rate of over 20% and has three major manufacturing bases, the Pearl River Delta (PRD) in South China, the Yangtze River Delta surrounding Shanghai and the Beijing-Tianjin region. There are about 18,000 domestic Chinese enterprises engaged in the security and safety industry, these enterprises include 4,680 manufacturers (which seek new security innovations and solutions in order to upgrade their own products) and 6,330 agents and distributors, which are the main targets for U.S. companies wanting to enter the Chinese market. Industry experts estimate that by 2020 China's safety and security market will reach \$30 billion.

The PRD is the largest manufacturing base for security equipment in China, accounting for 50% of all such companies. There are approximately 4,000 security companies in Shenzhen, a city in the PRD, including 1,480 manufacturers, 1,000 agents and distributors, and 1,500 engineering and service firms. Shenzhen's gross output of security and safety products totaled over \$9 billion in 2008.

Market Opportunities and Trends

Chinese producers of security equipment focus on video surveillance systems, burglar-proof alarms, and access control and entrance communication. Local companies are mainly engaged in low to middle-end security products and cannot meet the growing demand for higher-level security technology and solutions, which must depend on imports.

With the national emphasis of building a "harmonious society", local governments are carrying out the "Safe City Plan", which aims to create safer streets, safer schools, and safer hospitals. Guangdong Province (which encompasses the PRD) had installed 1 million video surveillance detectors covering key areas in the



South China Snapshot:

Security and Safety

Major Upcoming Trade Shows:

The 13th China Public Security Expo

October 29th - November 1st, 2011

Shenzhen, China

<http://www.cpse.com.cn/EN/>

province by 2010, with 250,000 being installed in the provincial capital, Guangzhou.

Many major upcoming events and construction projects in the PRD are creating demand for not only security equipment, but also security project solutions. Such events and projects include:

- Shenzhen World University Games;
- Chaoshan International Airport; and
- PRD railways, subways, ports, and commercial and residential buildings.

Potential U.S. exporters of safety and security equipment should keep in mind that export controls may be an issue for some products. Please contact us for more information.

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