



Overview of Security Market

The security and safety market in China is growing steadily at an annual rate of over 20% and has developed into three major manufacturing bases- the Pearl River Delta (PRD) in South China, the Yangtze River Delta and the Beijing-Tianjin region. There are about 18,000 domestic enterprises engaged in the security and safety industry, generating over \$21.3 billion in sales in 2007. 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) has announced that it will install



South China Snapshot: Security and Safety

Major Upcoming Trade Shows:

The 12th China Public Security Expo

November 1-4, 2009

Shenzhen, China

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

1 million video surveillance detectors covering key areas in the province by 2010, with 250,000 to be 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:

- The Guangzhou Asian Games 2010;
- the Shenzhen World University Games;
- the 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.

For More Information Contact:

Barry Zhang & Andrew Gately

U.S. Commercial Service

American Consulate General Guangzhou

E-mail: barry.zhang@mail.doc.gov,

andrew.gately@mail.doc.gov

Phone: (86-20) 8667-4011

Fax: (86-20) 8666-6409