

APPAREL AND ACCESSORIES

## Guangdong boasts highest provincial GDP in China at \$1.7 trillion

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*With a GDP of \$1.7 trillion, Guangdong has long been China's main manufacturing hub. As such, more luxury brands have shifted production to the province. Image credit: Shutterstock*

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Earlier this month, China's National Bureau of Statistics released 2022 gross domestic product (GDP) results for each of the country's 31 provinces.

Earning a provincial GDP of \$1.7 trillion (12 trillion RMB), Guangdong emerged the victor among other provinces for the 34th year in a row.

Other provinces that reported a GDP of more than \$740 billion (5 trillion RMB) include Jiangsu, Shandong, Zhejiang, Henan, Hubei, **Sichuan** and Fujian the latter joining the ranks for the first time.

**The Jing Take:** Guangdong has long been China's main manufacturing hub.

The region became a model for China's economic development in the 1990s, where low-cost labor and factories propelled the province into being known as "the world's factory." The region's economic boom over the last few decades has led to a series of industrial upgrades, with Guangdong's manufacturing firms moving from unskilled, labor-intensive production to more innovative, skilled and technology-based manufacturing.

Currently home to nearly 3 million industrial companies from electrical appliances, to apparel and textiles, as well as electronics and pharmaceuticals Guangdong is the industrial manufacturing center for many global products.

Over the years, more luxury brands have shifted their manufacturing or sourcing focus towards Guangdong.

Consumers and fashion insiders were shocked when **news broke over a decade ago** in 2011 that Prada elected to have 20 percent of its products manufactured in China. Currently, brands such as Ralph Lauren, Calvin Klein and Adidas work with local suppliers in China to manufacture and procure their designs.

In fact, Luxottica Group, one of the world's leading global eyewear manufacturers based in Italy, **produces 25 percent** of its items in China including for Dior, Versace, Chanel, Cartier and even Bulgari.

Going forward, the Chinese government will continue to promote the Guangdong-Hong Kong-Macau Greater Bay

area as a region for smart, as well as green, manufacturing.

In 2021, China's manufacturing sector was valued at \$2.46 trillion, according to the nation's Ministry of Industry and Information Technology.

Given the government's plans for the region, it is evident that Guangdong will remain at the top of the list of manufacturing hubs as its industrial sector sees greater advancements in the years to come.

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