Abstract

As a fact, China is now losing its competitiveness in the global industrial chain as the labor and land cost are increasing while the its industrial structure remains backward. Thus, big efforts will need to be made for China to upgrade within global value chains so as to achieve a sustainable growth in the near future. According to the latest National 12th Five-Year Plan (from 2011 to 2015), it is urgent to tackle this problem by “Transformation and upgrading, enhancing the competitiveness of Industrial core”,\(^1\) and “Foster and develop strategic emerging sectors”. Chongqing is one of the four ventral government direct-controlled cities in China, which was created in 1997 and significant change has been made since that time. From 1997 to 2010, the annual average growth rate of GDP in Chongqing is more than 10% and the annual average growth rate of fixed assets is more than 20%\(^2\). Given the background of the new round of national industrial reconstructing and the critical role the city plays, it is essential to do an industrial targeting in Chongqing.

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In this paper, I used several indicators to identify (1) the local industrial and innovation strength and (2) the local knowledge infrastructure so as to find the high-technology industrial clusters and sectors that with greatest potential to develop in the future. After a set of screening process, two industrials have been identified as the development target: (1) Medical and Pharmaceutical and (2) Transportation.