

Global China Business Meeting

13 -14 October 2014, Lake Como, Italy

a Horasis leadership event

under the patronage of the Italian Ministry of
Economic Development and Lombardy Region

Report



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■ **Co-hosts:**

The European House – Ambrosetti

China Federation of Industrial Economics

Lombardy Region

■ **Co-chairs:**

Chen Desong Chairman, China New Century Holding, China

Chen Jianzhong Chairman, Yueyanning International Trade Investment Holdings, China

Carla Cico Member of the Supervisory Board, Alcatel-Lucent, France

Ding Lieming Chairman, Betta Pharmaceuticals Co., China

Raffaele Jerusalemi Chief Executive Officer, Borsa Italiana, Italy

Liu Ruiqi Chairman, Heng Yuan Xiang (Group) Co., China

Ferial Mostofi Chairman, KDD Group, Iran

Pedro Nueno President, CEIBS, China

Onajite Okoloko Chief Executive Officer, Notore Chemical Industries, Nigeria

Wang Wenbiao Chairman, Elion Group, China

Wilfred Wong Ying-Wai Chairman, Hsin Chong Construction Group, Hong Kong

Xu Heyi Chairman, Beijing Automotive Group, China

Xu Ningyue Member of the Board, Bank of Beijing, China

Michael Yeoh Chief Executive Officer, Asian Strategy & Leadership Institute, Malaysia

■ **Co-organizers:**

CCPIT Construction Industry Sub-Council

Committee 2005

Como Chamber of Commerce and Industry

Fondazione Italia Cina

International Chamber of Commerce – Hong Kong, China

Invitalia

Italian Trade Agency (ITA)

Pacific Basin Economic Council (PBEC)

■ **Knowledge Partners:**

Baker & McKenzie

CEIBS

IESE

Rothschild

TMF Group

UVET-American Express



The event gathered a collective audience of 300 entrepreneurs

continue to be the most important driver for global economic growth for many years to come. China's outward engagement in terms of trade and investment with the rest of the world continues, and it is viewed as a land of opportunities.



Mario Lucini, Mayor of Como, welcoming participants

The Chinese government has embarked on a process of rebalancing the economy, increasing consumer spending and domestic demand and reducing the roles of exports and investment in heavy industry. The Global China Business Meeting focused on the government's new policies and the related changing paradigm of the Chinese economy. Sustained structural reforms aimed at enhancing competitiveness will be necessary to bolster and boost China's economic growth and ensure the rising prosperity of its population going into the future.

The star contingent of participants has become the trademark of the Global China Business Meeting. We were honoured by the presence of some of the foremost Chinese and global companies to take a forthright look at China and the world, generating a wealth of discussions, proposals, and solutions. The gathering was joined by the following meeting co-chairs: **Chen Desong**, Chairman, China New Century Holding, China; **Chen Jianzhong**, Chairman,



Liu Ruiqi, Chairman, Heng Yuan Xiang Group

Yueyanning International Trade Investment Holdings, China; **Carla Cico**, Member of the Supervisory Board, Alcatel-Lucent, France; **Ding Lieming**, Chairman, Beta Pharmaceuticals Co., China; **Han Benyi**, Vice President, China National Aviation Fuel Group Corporation, China; **Raffaele Jerusalemi**, Chief Executive Officer, Borsa Italiana, Italy; **Liu Ruiqi**, Chairman, Heng Yuan Xiang (Group) Co., China; **Ferial Mostofi**, Chairman, KDD Group, Iran; **Pedro Nueno**, President, CEIBS, China; **Wang Wenbiao**, Chairman, Elion Group, China; **Wilfred Wong Ying-Wai**, Chairman, Hsin Chong Construction Group, Hong Kong; **Xu Heyi**, Chairman, Beijing Automotive Group, China; **Xu Ningyue**,



José Luis Guterres, Minister for Foreign Affairs and Cooperation, Timor Leste



Raffaele Jerusalmi, Chief Executive Officer, Borsa Italiana, on the opening plenary



Xu Ningyue, Member of the Board, Bank of Beijing – it is now important to avoid monetary easing



Ferial Mostofi, Chairman, KDD Group, Iran

and China still feels its impact. ‘Positive effects from Alibaba’s IPO are being felt in China,’ said **Raffaele Jerusalmi**, Chief Executive Officer, Borsa Italiana, Italy.

“Positive effects from Alibaba’s IPO are being felt in China”

Raffaele Jerusalmi, Chief Executive Officer, Borsa Italiana, Italy

Sovereign debt in China accounts for roughly 15% of GDP – far lower than in many European countries – providing stability for China. Also, China has the largest exchange reserves in the world. ‘Still, China needs to change its reliance on foreign demand, and should focus on domestic demand,’ **Chen Desong**, Chairman, China New Century Holding, China, explained.

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Chen Desong, Chairman, China New Century Holding, China

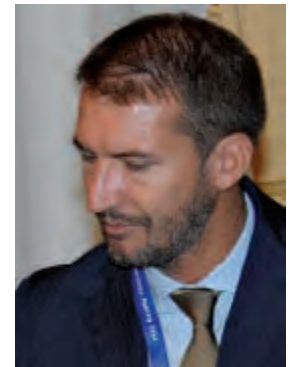
China is the world’s largest manufacturing power – the country accounts for more as a fifth of global manufacturing. But the era of cheap China may be drawing to a close – China is not a cheap country anymore.

According to **Liu Ruiqi**, Chairman, Heng Yuan Xiang (Group) Co., China, industrial productivity in China is only one-fourth to one-fifth of the productivity in Italy, which is a problem. Higher productivity rates can be achieved by improving management, innovation, and by the horizontal and vertical integration of industry.

“China will be a new source of innovation as its investment in R&D is going to continue to grow at a pace that is higher than any other major economy in the world”

Wang Wenbiao, Chairman, Elion Group, China

China’s development model will, and has to, change to meet the new realities of the world. ‘In my view, growth will be slower, but healthier. We have to work on our big problems – rapidly growing debt and a rapidly contracting real estate market. On the positive site, China will no longer just be a source of cheap labour for exports, China will be a new source of innovation as its investment in R&D is going to continue to grow at a pace that is higher than any other major economy in the world,’ explained **Wang Wenbiao**, Chairman, Elion Group, China.



Paolo Pozzi, Managing Director, A. Agrati, Italy



Lisa Zhu, President, Rare Vintage, China



Panelists reflecting on economic reforms in China



Meeting co-chair Carla Cico, Member of the Supervisory Board, Alcatel-Lucent, France

‘The longer China waits to push economic-policy changes, the bigger the long-term cost in growth could be’

Carla Cico, Member of the Supervisory Board, Alcatel-Lucent, France



Chen Jianzhong, Chairman, Yueyanning International Trade Investment Holdings

After 30 years of unprecedented growth, China is now moving into patterns of single digit growth. On a plenary panel called ‘Thriving on Single Digit Growth’, panellists explored which economic development model might allow China sustainability and inclusiveness. ‘China is certainly moving toward becoming a more consumer-driven economy,’ announced **Chen Jianzhong**, Chairman, Yueyanning International Trade Investment Holdings, China. ‘Our economic development model has to bolster this trend,’ he said. **However, ‘China’s ongoing shift away from investment and real estate toward consumption is beginning to hurt the more commodity-oriented segments of both the Chinese and the world economies,’ said Ferial Mostofi, Chairman, KDD Group, Iran.** According to **Xu Ningyue**, Member of the Board, Bank of Beijing, China, ‘it is now important to avoid strong economic stimulus or monetary easing. We need to continue our drive for economic restructuring to maintain stable economic growth.’ ‘The longer China waits to push economic-policy changes, the bigger the long-term cost in growth could be,’ said



Xu Xiaoping, Founder, ZhenFund, China

Carla Cico, Member of the Supervisory Board, Alcatel-Lucent, France. According to session host **Yang Rui**, Anchor, CCTV News, China, the ‘whole world is wondering what China’s economic rise can bring about.’

‘The whole world is wondering what China’s economic rise can bring about’

Yang Rui, Anchor, CCTV News, China

China embraced widespread reforms to make its market economy stronger. ‘The task is to turn what was once a lumbering command economy into a dynamic society of innovators and entrepreneurs,’ commen-



Yang Rui, Anchor, CCTV News, hosting the plenary ‘Thriving on Single Digit Growth’