



Boao Forum for Asia Pairs Conference Session Summary (No. 2)

Boao Forum for Asia Institute

September 15, 2017

Session 2

Promoting Trade and Investment

Time: 14:00-15:30, September 15, 2017

Venue: Scene BC, Level 0, Conference Center, Paris Marriott Rive Gauche Hotel

Moderator: Victor FUNG, Honorary Chairman, Li & Fung Limited; Group Chairman, Fung Group; Board Member of Boao Forum for Asia

Panelists:

- Justin KING, Vice Chairman and Head of Portfolio Businesses, Terra Firma
- Penelope NAAS, Senior Vice President, UPS International Public Affairs
- Jean-Charles SIMON, Managing Partner, SIMON ASSOCIES
- TU Guangshao, President, China Investment Corporation (CIC)



- Jusuf WANANDI, Senior Fellow and Co-founder, the Centre for Strategic and International Studies (CSIS)
- ZHANG Xiaoqiang, Executive Deputy Director, China Center for International Economic Exchanges (CCIEE); Director, Executive Board

Key points:

- The “Belt and Road” Initiative will provide opportunities for launching new multi-lateral trade patterns.
- A global investment promotion system should be established.
- The core difficulty of the “Belt and Road” Initiative is that the various countries in Asia and Europe have different understanding about mutuality , security and trust.
- Telecommunication infrastructure is the cornerstone for the rapid development of China’s digital technology.
- New technologies should be employed to eliminate the barriers in the SMEs’ cross-border trade.
- The role of women’s entrepreneurship in SMEs’ development should be valued.

Synopsis:

Panelists believed that the “Belt and Road” Initiative plays an important role in promoting facilitation of trade and investment between Asia and Europe. Support should be given to the establishment of a multi-lateral trade system.



A global trade-promoting system should be established with the WTO as a reference to promote the flow of global capital. In addition, more and more attention has been given to SMEs' active participation in cross-border trade activities. We should pay attention to the application of new technologies and the development of e-commerce.

The “Belt and Road” Initiative Will Launch New Multi-lateral Trade Patterns

Jusuf WANANDI pointed out that the “Belt and Road” Initiative will provide opportunities for launching new multi-lateral trade patterns, which is of paramount importance for the next five decades. RCEP can integrate with the “Belt and Road” Initiative and extend to the Belt and Road countries as a new mechanism, thus building a new multi-lateral model.

TU Guangshao said that a global consensus should be reached. More investment-promoting policies should be adopted to drive the demand for global capital. With the WTO's role in promoting world trade facilitation as a reference, we should build a global trade-promoting system through bilateral and multi-lateral efforts and adopt more incentive policies to drive the flow of global capital. All the countries and regions should be involved.

Jean-Charles SIMON noted that the core difficulty of the “Belt and Road” Initiative is that various countries in Asia and Europe have different understanding about mutuality, security and trust. In order to achieve sustainable development for the “Belt and Road” Initiative, we must



improve global governance and make rules and comprehensive agreements to cater to the cultures of various regions.

ZHANG Xiaoqiang pointed out that to promote the two-way trade between Asia and Europe , we should increase mutual exchanges so as to strengthen cooperation and devise a strategy that involves all stakeholders. We should adopt an open mind and enhance transparency in cooperation ; we should take the development of the national market as a basis to increase cooperation with and among different banking and financial institutions.

Jean-Charles SIMON said that when signing foreign investment agreements , the first thing to do is to consider legal means and find some common principles. Second , we need to take into account the resolution of trade disputes ; it is becoming more and more common for SMEs to resort to arbitration as solutions , but some difficulties remain on the implementation level.

New Technology’s Importance for SMEs’ Participation in the “Belt and Road” Initiative

Justin KING pointed out that SMEs play a very important role in economic development and their development is conducive to resolving polarity and social inequity and promoting gender equality. Incentive policies should be made to help SMEs grow. The building of some special-purpose infrastructure to break physical barriers and realize direct communications , by applying new scientific means and technologies , is a very important



precondition for promoting SMEs’ active participation in the cross-border trade.

Penelope NAAS said that many female entrepreneurs invest in their local areas and play an important role in building more resilient communities. And SMEs built by women are more involved in responding to local disasters.

TU Guangshao noted that the Internet and e-commerce facilitate SMEs’ participation in the “Belt and Road” Initiative. The “Online Belt and Road” is geared to the demand of the “Belt and Road” Initiative. Thanks to the development of Alibaba E-commerce , Zhejiang boasts the highest degree of SMEs’ involvement in international trade across China. This fully demonstrates that e-commerce plays a very important role in motivating SMEs to participate in the “Belt and Road” Initiative more conveniently and effectively.

Jusuf WANANDI pointed out that SMEs have their own characteristics and can play different roles and thus should be treated differently. Meanwhile , SMEs should note the role played by the new technologies and it is irreversible that mobile devices will replace the traditional computers.

ZHANG Xiaoqiang said that China’s state-owned enterprises and private companies invest a lot in telecommunications , such as optic fiber , broad band , and mobile network and so on. These SMEs and their talent should be the basis for the new commercial and social activities.