



Boao Forum for Asia Financial Annual Conference

Session Summary (No. 37)

Boao Forum for Asia Institute

March 25th, 2017

Luncheon 2

An Insight into Shenzhen

Time: 12:15 p.m. - 13:45 p.m., March 25th, 2017

Venue: Dongyu Island Hotel, Yiyong & Changyan Ballrooms

Moderator:

- CHEN Biao, Vice Mayor, Shenzhen

Panelists:

-Yasuo FUKUDA, Chairman, Boao Forum for Asia; Former Prime Minister of Japan

-ZENG Peiyan, Vice-Chairman, Boao Forum for Asia; Former Vice Premier, China

-Hans Georg ENGEL, Vice President, Daimler-Benz

-ZHOU Wenzhong, Secretary General, Boao Forum for Asia

-Shaukat AZIZ, Former Prime Minister, Pakistan

-GOH Chok Tong, Emeritus Senior Minister, Singapore

-Jean-Pierre RAFFARIN, Former Prime Minister, France

-Jenny SHIPLEY, Former Prime Minister, New Zealand

-LONG Yongtu, Vice Minister, China's Ministry of Foreign Trade and Economic Cooperation

-Leif JOHANSSON, Chairman, Ericsson

-Hirai Yasuhikaru, Executive Director of MITSUBISHI China

-Kang Zhenyu, Chief Executive Officer, Henry Fok Foundations, Inc.,

-Michael TRESCHOW, Former Chairman, Unilever

-XU Lirong, Chairman of the Board, China COSCO Shipping Corporation Limited



- XU Qin, Party Secretary & Mayor, Shenzhen
- Guo Yonghang, Secretary General of Shenzhen Municipal Committee
- LI Tingzhong, general secretary of the Shenzhen municipal government

Key points:

- Boao Forum for Asia and Shenzhen maintain long-term good cooperation.
- Shenzhen is China's first special economic zone and it is located at the important intersection of Guangdong, Hong Kong and Macao Bay Area and the "Belt and Road" route.
- As an innovation-based city, Shenzhen boasts perfect innovation ecosystem and developed industrial environment.
- Shenzhen is implementing a new round of innovation strategic arrangements and spending great efforts in the cutting-edge industries, such as artificial intelligence, robotics, 5G, financial technology, VR, AR and so on.
- Shenzhen welcomes global investment and is willing to work with the global community to make contributions to the sustainable and healthy development of the global economy.
- Shenzhen has upgraded from "Shenzhen speed" to "Shenzhen quality" and is implementing policies of steadily bringing in foreign investment and encouraging foreign investors to engage in cooperation.

Synopsis:

Shenzhen is China's first special economic zone. It represents China's reform and opening up. It is also an open and innovative city that benefits from globalization. Located at the important intersection of Hong Kong and Macao Bay Area and the "Belt and Road" route, Shenzhen is an important transportation hub in China. Shenzhen invites global partners to conduct exchanges and cooperation in fields such as science and technology, industry,



investment, trade, low carbon, green development, and culture so as to learn from their respective complementary advantages and achieve win-win result.

Shenzhen and Boao Forum for Asia

LONG Yongtu said that Shenzhen has been supporting Boao Forum for Asia for years. In 2004, 2005, and 2007, the Forum held International Logistics Conference, Entrepreneurs Summit and other activities in Shenzhen. Enterprises in Shenzhen are sponsors and members of the Forum, I hope the Forum will continue to cooperate with Shenzhen to promote the development of each other.

Shenzhen Is An Important Link of China's Strategic Development

XU Qin noted that Shenzhen is China's first special economic zone. It is a vivid manifestation of China's reform and opening up, as well as an open and innovative city that developed in the era of globalization. Located at the intersection of Hong Kong and Macao Bay Area and the "Belt and Road" route, Shenzhen is an important transportation hub in China. It has the world's third largest container port and Asia's largest land border.

XU Qin noted that in 2006, the container handling volume of Shenzhen was 23 million TEU, the airport throughput was about 42 million people, and the total foreign trade volume was about \$400 billion dollars. It is China's largest export city. At the same time, Qianhai Shekou in Shenzhen is an important part of China's free trade pilot zone. It is building a high level gateway & hub of opening up. Shenzhen, as China's important center economic city, always keeps to the quality-based and innovation-driven development path featuring transformation and upgrading and green and low-carbon. In 2016, the total GDP of Shenzhen was around 290 billion dollars, an increase of 9% over the same period of last year. By 2020, its GDP will exceed 400 billion dollars. Shenzhen maintains the lowest level of per unit GDP energy consumption and water consumption in mainland china. Its air quality is also among the best.



Shenzhen Has A Sound Ecosystem of Innovation And Welcomes Global Cooperation

XU Qin said that as a city of innovation, Shenzhen has a sound ecosystem for innovation and developed industrial supporting environment. In 2016, its R&D investment was more than 80 billion yuan, accounting for 4.1% of GDP. It had nearly 20,000 PCT international patent applications, accounting for about 46.6% of the total of Mainland China. The scale of Internet, new generation information technology, biotechnology and other strategic industries totals 400 billion dollars. It is home to a large number of innovative enterprises, such as HUAWEI, ZTE, and Tencent.

XU Qin noted that Shenzhen is implementing a new round of innovation strategic layouts and spending great efforts in the cutting-edge industries, such as artificial intelligence, robotics, 5G, financial technology, VR, AR and building Digital Life Institute and so on. It will also build VR Institute with HTC to develop disruptive technology and pillar industry. It will focus on innovation to develop new economy, create new momentum, and promote sustainable economic growth.

XU Qin noted that in accordance with President Xi Jinping's requirements on building a new pattern of opening up, Shenzhen Special Economic Zone is working with its surrounding cities to build Guangdong, Hong Kong and Macao Bay and accelerate the construction of international industrial innovation center of science and technology and modern international innovation-based city. Shenzhen is willing to work together with the various parts of the world, cities and investors and entrepreneurs to strengthen exchanges and cooperation in areas such as science and technology, industry, trade, investment, low carbon, green development, culture and other fields, drawing on our respective complementary advantages and achieving a win-win result. We will work together to make great contributions to the sustainable and healthy development of the global economy.

Upgrading from “Shenzhen speed” to “Shenzhen quality”



YUE Mingde said that Wal-Mart, rooted in Shenzhen, is a large backbone enterprise in Guangdong. It has opened 27 stores, with a staff of over 10,000 people. Guangdong and Shenzhen are the most important procurement markets for Wal-Mart's global supply chain, with an annual growth of 10%. In 2017, Wal-Mart China will add 30 to 40 new stores to bring differentiated experience for Chinese customers.

YUE Mingde said that the Chinese economy is gradually stabilizing. The "Belt and Road" initiative and supply side reforms add new momentum for the economy. This year, the State Council has been frequently issuing policies to attract foreign investment, and this has boosted confidence in investing in China and Shenzhen.

YUE Mingde said that Shenzhen is a city characterized by reform and innovation. As a Shenzhen enterprise, we deeply feel the open service spirit of Shenzhen Municipal Government in creating a favourable business environment for development of enterprises. Shenzhen Municipal Government has changed from pursuing "Shenzhen speed" to pursuing "Shenzhen quality", which fits in well with the development strategy of Wal-Mart and strengthened its determination to further increase its investment in Shenzhen. Wal-Mart will continue to lead the retail innovation and contribute to China's economic restructuring and the realization of China Dream.