Mr. Li’s Speech on the World Export Development Forum  
(The 4th draft 0825)

Respected Chairman, distinguished guests, friends, ladies and gentlemen,

Good afternoon!

It is my pleasure to attend the World Export Development Forum, and exchange views with trade experts around the world about developing brilliant trade supporting services and promoting export competitiveness of enterprises.

Chongqing, as one of the less developed areas in a developing country, features its dual economic structure. Even based on the highest export records in 2008 prior to the financial crisis, the city’s export dependence is only 7.6%, which shows that Chongqing is still a typical inland city with its economic development mainly driven by domestic demand. Despite all this, we always believe that, any country or region, in order to develop its economy rapidly, must integrate itself into the world economy. We have taken providing the good export support and services as the important strategy to promote the city’s economic development for a long time, in hope of achieving three targets by expanding exportation. Our first target is to help enterprises participate in international exchange and cooperation, so as to enhance the city’s international influence; our second target is to encourage enterprises to organize manufacturing in accordance with international standard, so as to enhance the city’s international competitiveness; our third target is to promote enterprises to expand their production and operation scale, so as to increase the employment of the city and raise the living standard of the citizens. To fight against the global financial crisis, we have launched 38 trade and investment facilitation measures in recent years. The export of the city in 2010 is estimated to reach USD 6.5 billion, 6.53 times the USD
0.99 billion in 2000, with an average annual growth of 65.3% to promise a GDP growth of over 17%. It proved that excellent trade services and support are very significant for export development. Now, I would like to share our experiences with everyone here.

I Relax trade controls to diversify foreign trade entities.

In 2000, we took the lead in foreign trade system reform to help private enterprises and manufacturers to obtain import-export right in order to break the monopoly of state-owned professional agents in foreign trade. In 2009, the number of enterprises with import-export right increased 13.9 times to 4201 from 302 in 2000; the ratio of private enterprises engaged in exporting has increased to 59.9%, that of the manufacturers to more than 75%. Lifan Group is one of the first private enterprises which gained the import-export right ten years ago. In that year, it saw an export of USD 52 million. It will witness an estimate export of over USD 400 million this year, 7.7 times that of 2000.

II Build port infrastructure to create sound export environment.

In recent years, we have invested USD 9.5 billion for port infrastructure construction. We now have river ports of a handling capacity of 2 million TEU and Chongqing-Shanghai “five fixed” container express liners and Chongqing-Japan, South Korea direct marine liners; Jiangbei International Airport is one of the world’s top 100 airports with 8 international passenger and freight flights. The railway container center has started the joint transport service of international container and carload and has opened the railway-marine combined transport of Chongqing-Shenzhen Yantian Port-Europe, by which you can arrive in Europe within only 27 days. We are building railway container “Euro-Asia Continental Bridge” from Chongqing, via Kazakhstan and Russia, and arrive at Rotterdam Port, the freight time to Europe will reduce to 12 days. Hewlett-Packard Company of America has also established its 2nd comprehensive computer production base in Chongqing for this
reason; we have built the sole bonded port with dual functions as water port and air port--- Cuntan Lianglu Bonded Port and the comprehensive bonded area with the largest area of China---Xiyong Comprehensive Bonded Area. The solid international logistics system covering extensive fields as water carriage, road, aviation, railway and postal service with functions has already been formed in Chongqing.

III Establish export service system by combining the efforts from four parties to provide excellent export service support.

Commission of Foreign Trade and Economic Relations and other government departments shall take charge in formulating export development strategies, promotion policies and instructions, coordinating relevant parties to provide investment and trade facilitation measures and support enterprises export; such regulators as customs, inspection and quarantine institution, national tax bureau and State Administration of Foreign Exchange shall strictly control quality security of export products, standardizing exporting order of enterprises, providing 5+2 customs clearance service; such associations as CCPIT Chongqing Branch, Chongqing Association of Engines for General purposes, and Motorcycle Association shall organize trade promotion activities and (conduct)self-regulation to maintain the industrial order and interest; such intermediary institutions as Freight Agency Association and Customs Broker shall provide excellent and professional services to form export service and support system with four statuses and one system. In Nov. 2008, USA EPA executed EPA certificate identification to production enterprises exporting to USA, therefore, the cost of each set of engine for general purpose will rise by 20%-25%, Chongqing Association of engine for general purpose organized enterprises to open Generic Technology Research of the industry, and combined with banks and security company and foreign insurance brokers to advance such service
projects as L/C Security and Foreign Security Letter Counter Guarantee, thus helped to maintain the export order of more than 100 million US dollars.

IV Establish financial support system to overcome the financing difficulty of export enterprises
The government has invested and guided to establish 62 security companies with more than RMB 50 million registered capital, such as Import and Export Security Company, Foreign Trade Financing Guaranteeing Company, to provide financing guarantee for export enterprises; established bank and trade coordination mechanism, held regular seminars between banks and enterprises, coordinated with commercial financing institutions to advance such financial products as overseas consumption credit, buyer's credit and domestic and overseas foreign exchange accounts establishment, to provide appropriate financial tools for enterprises, esp. medium and small enterprises to participate in international competition and get away from exchange rate risk; encouraged export enterprises to use export credit insurance; coordinated credit insurance institutions to perform most favorable security fee rate for export enterprises, so as to reduce export risks of the enterprises. Xingye Stainless Steel Product Company is a small sized private enterprise manufacturing stainless steel tableware. From 2006 to 2010, the company has obtained accumulatively the security loan of RMB 36.50 million from Chongqing Foreign Trade Financing Guaranteeing Company to help the company expand production scale and improve production technology, the export amount of the enterprise has increased rapidly from USD1.26 million in 2006 to expected USD 14 million in 2010, increasing by 11.1 times during 4 years period.

V Organize export promotion events to help enterprises get export orders.
Every year we hold and organize enterprises to attend 80 to 90 activities as professional exhibitions, partners pair-matching meetings and industries forums, so as to help enterprises develop the global sales channels; encourage enterprises to invest in overseas countries for building factories and commercial networks there to develop oversea market by providing financial and information support. During the short 4 days of the 13th CCISF held in 2010, more than 2800 domestic and foreign enterprises attended the meeting and conduct purchasing business talk. 980 pairs of them had entered into purchase cooperation intention, with the sales (volume) totaled about USD 600 million. On the just-ended 2010 Vietnam Hanoi International Fair, CCPIT Chongqing Branch successfully organized an entrepreneur delegation with 158 members to go to Vietnam for the Fair, conducted business talk with purchasers from countries, and pairs of them had entered into purchase cooperation intention, with the volume totaled about USD million.

VI Establish healthy export economic order to protect legal rights and interests of enterprises.

We have combined with relevant functional departments as customs, inspection and quarantine department, tax bureau, and Administration of Exchange Control to fight against the enterprises violating laws and regulations with behaviors as suspected of being involved in smuggling, infringing intellectual property rights, the Manufacturing and Selling of Counterfeit and Fake Goods and tax evasion. On the other hand, we help enterprises to acquire such information as anti-dumping, anti-subsidy and trade barrier initiated by foreigners, in accordance with the principle of “Who appeals, who benefits”, to encourage enterprising involving in such cases to
appeal and maintain legal rights and interests. In 2002, USA initiated PVA anti-dumping accusation aiming to China, Japan and Korea. We coordinated such functional departments as Administration for Industry and Commerce, Tax Bureau and Financial Department to guide enterprises to fill out questionnaires together, and established trade relief funds, supported(supporting) enterprises to appeal actively. Finally, 7 years hard appeal work makes Sichuan Vynylon Works, as to be the sole company of China attending the appeal and helps it to win a lawsuit, enjoy zero tax rate exclusively and maintain the US market successfully.

VII Hold trainings to provide export enterprises with sound intellectual support.

First, to(we) hold Foreign Trade Incubator training regularly, which provides free-toll foreign trade basic knowledge training, practice counseling service and all-arrangement type service for medium and small sized enterprises. The professional foreign trade company provide practice training, and trains the foreign trade solid service practical talented persons for enterprises; second, to conclude successful cases of excellent foreign trade enterprises, and to popularize successful experience of foreign trade development for export enterprises through holding symposiums, seminars and media hype, etc; third, to research and analyze international trade development trend and formulate export development strategies, to direct export enterprises to adopt right operation strategies and policies.

Ladies and Gentlemen,

Chongqing is now carrying out an ambitious campaign of building an open highland in inland China. The total amount of FDI will reach USD 16 billion in 2015, and total amount of f import and export will break through USD 100 billion, with an average annual growth rate of over 50%. We will strive to become the successful
example of inland cities which widen opening to the outside world. We hope to cooperate extensively with the institutions and enterprises attending) meetings and make common efforts to promote development of international trade. We sincerely welcome international enterprises to invest and start up businesses in Chongqing, and share business opportunities of rapid development of Chongqing, making our contributions for the healthy development of international investment and trade.

Thank you very much!