COMPETITIVENESS THROUGH PUBLIC-PRIVATE PARTNERSHIP: SUCCESSES AND LESSONS LEARNED

“The Role of a Chinese TPO”

A COUNTRY PAPER CONTRIBUTED BY

THE CHINESE STRATEGY TEAM
Introduction

Since 1978 when China opened to the outside world, the average annual GDP growth rate has registered 9.4% from $140 billion to $1.4 trillion in 2003. The import and export volume expanded from $20.6 billion in 1978 to $851 billion in 2003 with an average growth rate of 17%, thus ranking China the 3rd biggest exporting and the 4th biggest importing country from the 32nd place in the world. Export that contributes one or two percentage points and foreign-invested enterprises’ production together with other factors are the ones that ensure the continuous economic development in China.

China, a developing economy, which is the most populous country in the world is establishing and perfecting the market economic system. Therefore there are many institutions and organizations in China promoting international trade and introduction of foreign investment. China Council for the Promotion of International Trade (CCPIT) is the principal one with special status and promotes not only China’s export and introduction of foreign investment, but also China’s imports from the world and China’s investment overseas.

Like other ministries related to the international economic cooperation and trade, CCPIT directly reports to the Vice Premier responsible for international economic business. Furthermore, the newly revised China’s Law on Foreign Trade stipulates that the organization for the promotion of international trade in China shall, in accordance with its articles of association, engage in developing foreign trade relations, sponsoring exhibitions, providing information and advisory services and carry out other foreign trade promotion activities.

This guarantees CCPIT’s roles in promoting international trade and economic cooperation and in achieving the national development goal that is to double GDP 2000 by 2010 and double again GDP 2010 by 2020. In order to realize the target, China must achieve an annual GDP growth rate of 7%. Therefore, while continuing to do well the traditional trade promotion work, CCPIT will help those Chinese companies that are in a positions to go global to make investment in other countries and regions and compete on the international markets.

The GO GLOBAL strategy is stipulated in the national economic development program and Mme Wu Yi, Vice Premier responsible for international economic cooperation and trade writes in a written message to CCPIT that “CCPIT should make progress continuously, create courageously and make new contributions to the opening to the outside world and modernization construction by promoting through various means China’s foreign economic cooperation and trade and China’s enterprises’ going global and energetically participating in international cooperation and competition.”

CCPIT’s role in promoting China’s international economic cooperation and trade is determined by China’s economic features and development as well as national economic development program. CCPIT’s service that goes to all businesses includes but not limits to providing consultation and trade and economic information and business opportunities, organizing seminars on international markets and China’s exhibitions abroad, hosting foreign exhibitions in China, creating better business environment by transmitting businesses’ suggestions and opinions to the related governmental organizations and vice versa governmental policies or rules and regulations that are going to be effective to businesses, providing legal and arbitration as well as patent and trademark application service and so on.

International Cooperation

CCPIT makes full use of bilateral, multilateral and regional platforms to promote foreign trade and economic cooperation. After two years collaboration, CCPIT and the US Chamber of Commerce established the US China Business Dialogue and held its first Annual General Meeting. The Dialogue is aimed at strengthening exchanges and communications among key businesses in US and China and settling the trade disputes and frictions between the two countries. The related suggestions out of the Dialogue have been channelled to both governments. It is sure that business environment could be better improved through this kind of meetings. From this sense, it could be described as a success.
China is carrying out the program of revitalizing industrial bases in the North-eastern China, which will involve the importation of foreign technology and equipment. In view of this aim, CCPIT has formed a consultancy group composed of representatives of both Chinese and foreign business organizations and invited and received several foreign delegations including a 100-plus member mission from the Japan –China Economic Association and Japan Business Federation. While there, business meetings with provincial and city government officials and business leaders have been arranged and the intensive and extensive discussions on how to reinvigorate the region have been conducted.

On regional trade liberalization promotion, CCPIT together with ASEAN Chamber of Commerce have established ASEAN China Business Council in anticipation of the establishment of ASEAN-China Free Trade Area. Several council meetings have been organized and such topics as how to establish FTA, what are the difficulties, what will be the benefits to both sides, what implications it will be to the business communities of two sides and so on have been deeply and widely discussed. With such activities, businesses of both sides are better prepared and even have been benefited greatly by making full use of the EARLY HARVEST AGREEMENT to enter into each other’s market. Furthermore, CCPIT has organized dozens of big events like EU-China “Partenariat”, China Africa Cooperation forum, CEPA Promotion Week, and the 37th Pacific Basin Economic Council International General Meeting (PBEC IGM).

On November 7th and 8th 2002, an EU-China “Partenariat” was held in Beijing under the auspices of CCPIT and the European Commission. Over 2000 businessman, government officials and representatives of chambers of commerce and business associations from EU member states and from China participated in the business-matching event. Jointly financed by the Chinese Government and the European Commission, the project aimed at helping small and medium size companies (SMEs) on both sides to forge long-term cooperative partnership for the promotion of economic and technological cooperation, investment and trade on a mutual basis. The “Partenariat” covered 7 sectors: food and beverage, information technology, environmental protection, metal products, electrical mechanics and products, engineering support industry, machinery and equipment. Business meetings at the “Partenariat” centred on various forms of economic and technological cooperation, such as two way trade and investment, joint venture and joint production, technology transfer, products and service subcontracting. Unlike conventional business meetings, the EU-China “Partenariat” focused on business matching among same sectors, a total of over 4000 business meetings were arranged. The Chinese companies altogether signed more than 120 cooperation intentions, with over 500 projects of mutual interest planned to be further negotiated. This event has been the largest economic and trade exchange activity so far between China and the European Union.

Exhibition Overseas

CCPIT is actively involved in international economic and trade events aiming at expanding exchanges and cooperation. For example, CCPIT was the principal organization in successfully bidding for the World Expo 2010 in Shanghai and it now acts as the coordination organ in this regard. At the same time, CCPIT has also redoubled efforts in preparing for the China Pavilion of World Expo 2005 Aichi, Japan and wants to sum up experience of running the China Pavilion in order to have a successful world’s expo in Shanghai in 2010.

Legal Services

Legal services of CCPIT cover the following fields: arbitration, conciliation, issuing and certifying trade documents, ATA Carnet issuing, legal consultancy, average adjustment and the work of China Maritime Law Association. In 2003, the China international Economic and Trade Arbitration Commission received 737 cases, with 709 cases in trading arbitration and 28 maritime. CCPIT has actively promoted and implemented China Environmental Labelling Products, participated in the international case study and promotion of China Compulsory Certification, and worked consistently to expand the areas and scopes of commercial certificates, especially in factual certificates. This is a fresh service developed solely by CCPIT and is growing super-fast.
Bridge for Government - Business Relation

By pushing Chinese companies to actively participate in international cooperation and competition, CCPIT has been contributing to the government’s opening up efforts and modernization work. In order to implement the national strategy of “Going Global”, CCPIT keeps on encouraging Chinese companies to explore international market, cultivate capability of marketing, technical innovation and proprietary brand development, promote Chinese investment abroad and the development of Chinese multinational corporation.

Some governmental agencies of China have frequently consulted CCPIT on policy and legal issues, which puts CCPIT in a unique position in establishing CCPIT-government relationship on policy issue regarding national foreign trade and economic cooperation. CCPIT therefore provides a platform for business advocacy on behalf of the Chinese business community to have its voice heard by the governments.

Today, China is at a crucial strategic stage to build a well-off society in an all-round way. Its open economy faces both opportunities and challenges in the process of economic globalization. As a national TPO, CCPIT will continue to bring into full play of its role as bridge and linkage in the promotion of economic and trade activities, investment and the non-governmental exchanges with its foreign counterparts so as to promote mutual understanding and support from the economic and trade circles in various countries and regions worldwide.