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**EXPORT OF SERVICES: HYPE OF HIGH POTENTIAL?
IMPLICATIONS FOR STRATEGY- MAKERS**

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The Importance of a Strategic Partnership

**A paper contributed by
Mr. Zhenge Zhao
Deputy Director
China Council for the Promotion of International Trade
China**

CHINESE TPOS' LINKAGE WITH THE GOVERNMENT

China used to be a country dominated almost totally by the state. There were no enterprises, let alone TPOs. During the process of reform and opening, the market mechanism was introduced, enterprises established. Meanwhile, the state mechanism has not been given up—a new “planned and market” system is being built. However, China cannot avert those problems emerging in the name of market failure and state failure. Although both the market and the state have their positive roles in development, it is also undeniable that both of them have limits. Furthermore, the two cannot mutually eliminate their flaws completely. Hence, it is increasingly obvious in China that TPOs are inevitably needed in addition to the enterprise sector, which is profit-oriented, and the government sector, which is power-driven.

The outside demand for China to develop its TPO network is also important. For the past twenty years, increasing numbers of bilateral and multilateral economic development agencies and foreign companies have been entering China and conducting various business activities. Especially in recent years, both foreign government organizations and foreign TPOs have expressed their strong will in seeking out Chinese TPOs as their collaborators in implementation of economic development projects in China.

In China, a sound TPO network is able to promote sustainable economic development and benefit China's society in many respects.

The Chinese TPOs, most of which originate from the state system, and are created by and has a close relationship with the government. Chinese TPOs can do what both the government and enterprises cannot do, are reluctant to do, or cannot do well.

The Chinese TPOs have large membership, can play important roles in China's development and exert relatively strong influences on the process of China's policy making. Chinese TPOs can mobilize, organize, and support business people to participate in the process of national economic development.

Chinese TPOs can promote mutual understanding between government officials and business leaders, exert increasing influence on the decision making process of the government, establish relationships of cooperation with foreign counterparts, and play a more positive role in international affairs.

Chinese TPOs enjoy some major advantages to expand organizationally and institutionally. They enjoy the trust of the government and they are able to do many things which the government cannot do or do well. They can easily find suitable persons as their leaders and staff. The current administrative reform which is aimed at streamlining the Chinese government gives a strong push to the building of a sound TPO network. Chinese TPOs can expand their networks into the bottom of China's society by the assistance of administrative system of the government.

Chinese TPOs should become independent in society, but keep a close, cooperative relationship with the government. They should be friends, partners, and collaborators of the government. The TPO sector combined with the market sector and the state sector in China will play its ideographic role in China as well as in global sustainable development.

The China Council for the Promotion of International Trade, CCPIT, the largest national foreign economic, trade and investment promotion organization, provides services in economic information, exhibitions, legal affairs, training programs and intellectual property protection. CCPIT have witnessed a rapid economic development in China in the past 50 years, playing an increasingly bigger role in national export.

The aims of the CCPIT are to operate and promote foreign trade, to use foreign investment, to introduce advanced foreign technologies, to conduct activities of Sino-foreign economic and technological cooperation in various forms, to promote the development of economic and trade relations between China and other countries and regions around the world, and to promote the mutual understanding and friendship between China and peoples and economic and trade circles of all nations around the world, in line with law and government policies of the People's Republic of China.

In line with the overall planning of nation's foreign trade and economic cooperation strategy, CCPIT actively involves itself in the exchanges between the Chinese business interests with the rest of the world by organizing business events, providing macro- and micro- economic and trade information and business opportunities and acting as a bridge between Government and businesses.

CCPIT has so far established almost 20 multilateral and bilateral business councils like the Sino-US Business Dialogue, EU-China Business Summit and the Sino-Russia Entrepreneur's Council, thus providing business communities of both sides with an ideal platform for economic and trade cooperation.

In the passing year of 2004, CCPIT followed the overall plan of the national strategies for developing foreign relations, foreign trade and economic relations, made full use of its advantages and unique features, actively undertook exchanges abroad and trade promotion, and achieved significant results.

With the arrival of the post Transitional Period" of China's accession to the WTO in 2005, the country is facing new situation and challenges in its opening program and economic and social development. CCPIT is now doubling its effort in following the overall plan required by the national policy on foreign relations, trade and foreign economic relations, striving to serve the government and enterprises, promoting bilateral and multilateral economic and trade cooperation, assisting enterprises in their "Go-global" strategy, to make new contributions to China's modernization construction.