Global China Business Meeting
25-26 November 2012, Riga, Latvia

a Horasis-leadership event

Report
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- Horasis Annual Meeting  
  Zurich, Switzerland, 22-23 January 2013
- Global Russia Business Meeting  
  Limassol, Cyprus, 14-15 April 2013
- Global India Business Meeting  
  Belfast, United Kingdom, 23-24 June 2013
- Global China Business Meeting  
  The Hague, Netherlands, 10-11 November 2013
Global China Business Meeting

25-26 November 2012, Riga, Latvia

a Horasis leadership event

Co-hosts:
Government of Latvia
Municipality of Riga
China Federation of Industrial Economics

Co-chairs:
Nasir Ali Shah Bukhari  Founder Director, Evolvence Capital, United Arab Emirates
Paul Judge  President, Chartered Institute of Marketing, United Kingdom
Juris Gulbis  Chief Executive Officer, Lattelecom, Latvia
Alan Hassenfeld  Chairman, Hasbro, USA
Huang Nubo  Chairman, Zhongkun Investment Group, China
Anil Kumar  Chief Executive Officer, Ransat, United Kingdom
Lim Chow Kiat  President, GIC Asset Management, Singapore
Liu Changle  Chairman, Phoenix Satellite Television Holdings, Hong Kong SAR
Oki Matsumoto  Chairman and Chief Executive Officer, Monex Group, Japan
Mao Zhenhua  Chairman, China Chengxin Credit Management, China
Yat Siu  Chief Executive Officer, Outblaze, Hong Kong SAR
Sandra Wu  Chief Executive Officer, Japan Asia Group, Japan
Xu Weili  Chairwomen, Touping Group Corporation, China
Zhang Weixiang  President, Jianlong Holding Group Co, China
Vincent Zheng  Managing Partner, Capital First Partners, China
Levin Zhu  Chief Executive Officer, CICC, China

Co-organizers:
BTM Institute
China Entrepreneur Magazine
Freeport of Riga Authority
Freeport of Ventspils Authority

Strategic Partner:
Baker & McKenzie
The Global China Business Meeting attracted a full house

2012 Global China Business Meeting – the 8th annual Horasis meeting on China in a row
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*The 2012 Global China Business Meeting is going to start soon*
Foreword

On 25-26 November 2012, the 8th Horasis Global China Business Meeting took place in Riga, Latvia. The event gathered a collective audience of 400 entrepreneurs and government officials. The Meeting was organised by Horasis in partnership with the Government of Latvia, the City of Riga, and the China Federation of Industrial Economics. Informed by the outcomes of the reshuffle of the Chinese political leadership, the meeting engaged participants to provide a holistic and timely perspective on the future direction for China.

The Global China Business Meeting – Horasis’ flagship event on China – brings together eminent leaders – from China and beyond – for an engaging discourse on the current state of the economy, and to evolve a roadmap for leveraging entrepreneurship for growth and development. With this yearly meeting on China, we aim to present an interdisciplinary and systemic view of the major economic, societal and technological drivers currently at work in China and the world. Also, participants engage in various business-to-business meetings on the sidelines of the event.

This report – which builds on the outcome of the meeting – shall add insights on the way forward. When summing up the Global China Business Meeting, this report’s purpose is twofold: first and foremost, its aim is to document the events and debates and to provide a comprehensive overview of the conversations by the business leaders present at the meeting. Second, the report shall unveil the general mood in China and the world, embedding the Global China Business Meeting in the context of today’s most relevant debates.

‘I see China as the main source of optimism in the global economy’
Andris Berzins, President of the Republic of Latvia

The 2012 Global China Business Meeting convened as the global economy appeared to be stalled in stagnation – the global economy is as fragile as it has ever been since the economic crisis began in 2008 – we are not yet out of the danger zone. The meeting set out to highlight China’s economic future against a background of profound global challenges. China is making an important contribution to the world economy – it has been a source of dynamism in a very weak and hesitant global recovery. Europe and the US are both dealing with unprecedented
debt problems, the financial markets are flailing about wildly, austerity programs are being intensified, prices on commodities are soaring and consumers are highly scared. The sovereign debt crisis continues to spread and deflation pressure will last. Governments, which are already living beyond their means, may struggle to get back on track through extra public spending. **Andris Berzins**, President of the Republic of Latvia, said during the Opening reception of the Global China Business Meeting that ‘— with economic prospects worsening within the OECD world — I see China as the main source of optimism in the global economy.’ He also said that ‘Europe takes the rise of developing countries as an opportunity, and will cooperate closely with China and other emerging countries to meet global challenges and establish sustainable partnerships,’

We were honoured by the presence of the CEOs of some of the leading Chinese and global companies to take a forthright look at these challenges, generating a wealth of discussions, proposals, and solutions. The gathering was joined by the following meeting co-chairs: **Nasir Ali Shah Bukhari**, Founder Director, Evolvence Capital, United Arab Emirates; **Paul Judge**, President, Chartered Institute of Marketing, United Kingdom; **Juris Gulbis**, Chief Executive Officer, Lattelecom, Latvia; **Alan Hassenfeld**, Chairman, Hasbro, USA; **Huang Nubo**, Chairman, Zhongkun Investment Group, China; **Anil Kumar**, Chief
Executive Officer, Ransat, United Kingdom; **Lim Chow Kiat**, President, GIC Asset Management, Singapore; **Liu Changle**, Chairman, Phoenix Satellite Television Holdings, Hong Kong SAR; **Oki Matsumoto**, Chairman and Chief Executive Officer, Monex Group, Japan; **Mao Zhenhua**, Chairman, China Chengxin Credit Management, China; **Yat Siu**, Chief Executive Officer, Outblaze, Hong Kong SAR; **Sandra Wu**, Chief Executive Officer, Japan Asia Group, Japan; **Xu Weili**, Chairwomen, Touping Group Corporation, China; **Zhang Weixiang**, President, Jianlong Holding Group Co, China; **Vincent Zheng**, Managing Partner, Capital First Partners, China; **Levin Zhu**, Chief Executive Officer, CICC, China.

Participants reached consensus that

- China is enjoying a high rate of economic growth as policymakers responded quickly and forcefully to the global economic crisis. Still, Chinese should remain vigilant and continue pursuing a favourable economic environment to sustain scale and scope of economic growth.
- China will take innovation as the main theme and focus on transforming the economic development pattern at a faster pace. Social stability and qualitative economic growth are key.
- China and the world need to deepen policy exchanges to share expertise, to learn from one another, and to build cooperative solutions at the global level.

**Nils Usakovs**, Mayor of Riga, Latvia, welcomed participants during a lavish and colourful opening ceremony held in Riga’s famous House of Blackheads. He pointed out how Riga is engaging with China in general and with some of China’s cities in particular. He highlighted on-going projects in the area of urban planning, logistics and sustainable energy. ‘Riga is delighted to co-host this eighth Global China Business Meeting,’ he told participants. ‘Riga will serve as important base for Chinese firms to explore the Northern European market.’
Of plenary sessions and boardroom dialogue discussions were devoted to a variety of carefully identified themes, including China’s role in the new global governance system. Also on the agenda were sessions on selected industrial sectors, including logistics, financial services and energy, as well as more conceptual themes covering trade and investment, entrepreneurship, branding and technology. ‘The panels highlighted China as a new centre of globalization, and provided insights on the best practices in education, social responsibility and philanthropy,’ said Huang Nubo, Chairman, Zhongkun Investment Group, China.

At the same function, Daniels Pavluts, Minister of Economics, Latvia, stressed that ‘the Global China Business Meeting will place Latvia as an important point linking China with Northern Europe.’ On Europe’s current economic woes, the Prime Minister said that ‘our approach to restoring economic growth is based on austerity in the short-term, deep reforms to prevent any future crisis in the mid-term, and a long-term growth strategy based on open markets.’

Participants had a rare opportunity to explore China’s development from a variety of points of view. An intensive programme of plenary sessions and boardroom dialogue discussions were devoted to a variety of carefully identified themes, including China’s role in the new global governance system. Also on the agenda were sessions on selected industrial sectors, including logistics, financial services and energy, as well as more conceptual themes covering trade and investment, entrepreneurship, branding and technology. ‘The panels highlighted China as a new centre of globalization, and provided insights on the best practices in education, social responsibility and philanthropy,’ said Huang Nubo, Chairman, Zhongkun Investment Group, China.
At the packed opening plenary, Valdis Dombrovskis, Prime Minister of Latvia, said that ‘China’s development is an opportunity for the world.’ He reviewed Latvia’s economic relations with China: ‘economic and commercial relations between China and Latvia have been growing steadily. We have to find new avenues to strengthen our working relationship, we need to work together,’ he said. ‘The 21st century is a century of peace and development. And peaceful development is the only way to bring a better future for all,’ he affirmed.

Yan Heming, Chairman, China National Ship Recycling Association, China, remarked that ‘the slowing world economy has a negative effect on China’s industrial output.’ ‘The euro zone uncertainty colours the outlook for China’s growth, serving as a reminder that serious disruptions like currently in Europe are part of the operating environment. Chinese businesses have to be prepared for. Recent market volatility worldwide confirms how integrated the global economy has come,’ added Lim Chow Kiat, President, GIC Asset Management, Singapore.

Juris Gulbis, Chief Executive Officer, Lattelecom, Latvia feared that ‘the biggest risk to China is a global recession leading to a steep fall in demand for the country’s services and products.’ China may not be alone in this slowdown. ‘There is a more general worry that the grouping of emerging countries known as the BRICS nations – Brazil, Russia, India, China and South Africa – has lost some of its previous momentum,’ stressed Charles Tang, Chairman, Brazil-China Chamber of Commerce & Industry, Brazil. ‘If growth has slowed recently, this cooling is welcome, as it has helped bring inflation down to a more comfortable level,’ pinpointed Alan Hassenfeld, Chairman, Hasbro, USA.

China’s ability to resist inflation is strong. Recently, after a series of measures to
stabilize commodity prices by the State Council were released, obvious positive reactions were apparent in the market. According to Anson Chan, Chairman, Bonds Group of Companies, Hong Kong SAR, ‘domestic consumption needs now to assume an even larger role in driving growth. And that needs to happen sooner rather than later or tensions in the current growth path will become increasingly evident,’ In this context, I welcome that China’s 12th Five Year Plan emphasizes the objective of shifting toward consumption-led growth,’ said Sir Paul Judge, President, Chartered Institute of Marketing, United Kingdom.

‘It is important to recall that China’s remarkable economic transformation was not the result of happenstance. It was born out of a vision’

Mao Zhenhua, Chairman, China Chengxin Credit Management, China

John Quelch, Dean, CEIBS, China noted that although the West’s perception about
China is improving, there are still misconceptions. He urged Europe to strengthen its understanding of China as ‘an important step to reduce a deficit in understanding’ between China and Europe. ‘It is important to recall that China’s remarkable economic transformation was not the result of happenstance. It was born out of a vision – a far-sighted strategy to open up the Chinese economy, to develop deeper global trade and investment ties, and to connect with the rest of the world,’ added Mao Zhenhua, Chairman, China Chengxin Credit Management, China.

In recent years, the Chinese government has been concerned about transitioning out of the current mode of economic development, stressing that the key was to maintain fast economic development with an accelerated transition for economic development model. ‘In this way, transition and development shall promote each other,’ urged Liu Changle, Chairman, Phoenix Satellite Television Holdings, Hong Kong SAR.

The global economy has not even completely recovered from the economic crisis, yet the world must face challenges like pollution and climate change. China’s 12th Five Year Plan sets out ambitious intentions for advancing a more balanced domestic economy, dubbed by out-going Premier Wen Jiabao’s characterization of the current economic model as unstable and unsustainable. ‘Evidence of the seriousness of China’s stance includes its commitment over the plan period to substantially invest in environmental protection,’ said Michael A. Johnson, Chief Executive Officer, Kokoda Capital Group, Australia. Wang De, Chairman, Huatong New Energy Co., China, observed that ‘the decision to refocus not just on the level of growth, but on the quality of growth and on how it can benefit the entire population is the right one.’
‘Certainly there is anecdotal evidence of poor, social and environmental practice, including amongst self-declared sustainability leaders,’ revealed Wu Rongshan, Chief Executive Officer, Shengshe Sanhe Tea Industry Co., China. Highly visible cases include most recently the bad working conditions in Apple’s main supplier, Foxconn, and the case of Sanlu Dairy which sold tainted milk that killed several children and sickened thousands more. ‘China’s success, indeed very survival, depends on its will to qualitatively transform its economy,’ reckoned Wang Bingqiang, Chairman, Tianheng Chemical Fiber Co., China. State policy will be crucial in driving forward more responsible business behavior and the greening of investment and global value chains. According to Zhang Xingsheng, Managing Director, The Nature Conservancy China, China, ‘improvements on China’s sustainability records are crucial as China’s burgeoning outward investment seeks legitimacy, access and success. ‘But it will also be important domestically, as the state allows seeks to harness the forces of civil regulation,’ surmised Stacy Kenworthy, Chief Executive Officer, OptiGlobal, USA.

On currencies, participants engaged in a candid and open discussion. Anil Kumar, Chief Executive Officer, Ransat, United Kingdom, called for a stronger and more flexible exchange rate of the renminbi; Oki Matsumoto, Chairman and Chief Executive Officer, Monex Group, Japan, added that a more effective liquidity and monetary management might be useful. ‘Flexible deposit and lending rates, and finally opening up the capital account will help to tackle local and global imbalances,’ commented Maja Bacovic, Professor, University of Montenegro, Montenegro. ‘Against this backdrop, I see no reason for the renminbi not to reach the status of an international reserve currency and occupy a position on par with China’s economic size,’ concluded Maris Mancinskis, Chief Executive Officer, Swedbank Latvia, Latvia.
The Global China Business Meeting also put a spotlight on China’s dynamic private sector and the talent within, as well as the new challenges and opportunities for foreign companies operating in China. ‘Successive waves of reforms have enhanced the importance of the private sector in the Chinese economy,’ argued He Zhenhong, President, China Entrepreneur Magazine, China. In 2011, more than 75 percent of the country’s industrial profits were created by private enterprises. Boosting the private sector will be an effective way to raise the country’s manufacturing productivity,’ pondered Jason L. Ma, Founder and Chief Executive Officer, ThreeEQ, USA. ‘At a time when China is striving to shift from low-end to high-end manufacturing developing the private sector will provide a driving force for innovation,’ acknowledged Adnan Akfirat, President, TUCEM, Turkey.

As China’s rapid economic growth and mass-scale urbanization drive up labour costs, manufacturers must consider shifting production inland. Xu Xiaoping, Founder, ZhenFund, China, pointed to trends that suggest that as China’s manufacturing moves inland, coastal regions must adapt to a services industry. The rise of China’s service-sector output signals that the sector continues to offset slowing manufacturing activity,’ mentioned Roger King, Member of the Supervisory Board, Orient Overseas (Int.), Hong Kong SAR.

Participants tried to find answers to these looming questions by highlighting the crucial role played by innovation and creativity for laying the foundations for sustainable growth. Rong Jianying, Secretary General, China Federation of Industrial Economics, China, pointed out that ‘innovation at all levels of economic activity is the key element of the new Chinese growth model.’ Progress has been impressive in many areas; for example, spending on research and development (R&D) surged to nearly 2% of GDP, making China the second country in the world by total R&D spending. ‘Chinese firms have to continue their quest for innovation excellence and make innovation part of their success,’ pinpointed Henry Birdseye Weil, Professor, Sloan School of Management MIT, USA. He also urged Chinese firms to focus on attracting global talent to make this transition happen. Joachim Reidiess,
President, Dr. Wirth Group, Germany, juxtaposed that ‘China’s efforts to promote R&D need to be mirrored by the enforcement of intellectual property rights protection.’

China is now not only a key destination of foreign investment, but Chinese companies have themselves also become major international investors increasingly looking beyond Chinese borders – Chinese outbound acquisitions have steadily gained momentum in the last years. China is now the fourth largest source of international mergers and acquisitions, accounting for around 7% of the world’s total. The energy sector was the most targeted area by Chinese acquirers with a volume of close $30 billion in the first 11 months of 2012. Activity in the sector was boosted by the $18.2 billion acquisition of the Canadian oil major Nexen by CNOOC.

‘The future of outbound acquisitions looks bright for Chinese firms. With lower valuations of potential targets in North America and Europe there is great scope for Chinese firms to strike major deals,’ said Peter Chen, Chief Executive Officer, VOLK Flow Controls, USA. ‘Historically, Chinese firms looked at American companies as targets. However, the trend is fast changing with more and more European companies being approached by Chinese firms looking for established brand and quality products,’ suggested Przemyslaw Aleksander Schmidt, Chairman, Trigon.

Wayne W. Wang, Chairman, CDP Group, China, suggested that ‘Chinese executives should choose carefully among a range of organizational options from outright centralization to full localization and counter the ensuing complexity by defining key roles carefully, clustering activities in regional groups, and selectively introducing a common corporate culture.’

Key emerging economies, such as in Africa and Latin America, are becoming important destinations for Chinese firms investing abroad. ‘We have started to integrate global markets, human resources, capital, brands, technology, and raw materials into our existing operations,’ believed Wang Meng, Chairman, Liya Engineering Technology, Poland. German companies, in particular, are on the list of cash-rich firms – recent deals include Putzmeister’s acquisition by Sany Heavy Industry, a landmark acquisition. ‘I see many more deals to follow,’ said Boris Levin, Founder and Managing Partner, Stargate Capital, Germany.

Wayne W. Wang, Chairman, CDP Group, China, suggested that ‘Chinese executives should choose carefully among a range of organizational options from outright centralization to full localization and counter the ensuing complexity by defining key roles carefully, clustering activities in regional groups, and selectively introducing a common corporate culture.’

Luo Keren, Dean, Institute of Overseas Chinese Studies, Huaqiao University

‘Improvements on China’s sustainability records are crucial’ – Zhang Xingpeng, Managing Director, The Nature Conservancy China
China. ‘As Chinese firms get bigger, they need to start thinking about global positioning, and more and more, they are seeing foreign markets as more than just places to trade their products and services – they are establishing R&D facilities, manufacturing sites and hiring local talent,’ held Faisal Hoque, Founder & Chief Executive Officer, BTM Corporation, USA.

During the panel on the future of capitalism, Lulu Zhou, President, Friendship Across Frontier, China, believed that ‘Chinese companies are starting to embrace and dominate the globalization agenda.’ Yat Siu, Chief Executive Officer, Outblaze, Hong Kong SAR, stressed that ‘globalization will be China’s immediate move’, adding that China has transformed from being a centre of manufacturing to a centre of consumption. Sandra Wu, Chief Executive Officer, Japan Asia Group, Japan, believed that – relative to their global counterparts – most Chinese companies have only just begun the process of global integration. Execution has been a barrier so far – differences in language and culture are common reasons for a lack in execution. Unclear accountability and a shortage of managers with international experience can hinder execution as well. ‘Chinese business leaders have to be sensitive to their surroundings and be able to adapt and adjust,’ worried Katarzyna Nawrot, Assistant Professor, Poznan University of Economics, Poland. ‘These days many Chinese firms – private or state-owned – are increasingly staffed with smart executives with international vision. They know what they do. Many of those acquisitions are going to be successful,’ surmised Steven Feng, Managing Partner, Sapientia Capital Partners, China.

Some Chinese firms have encountered various difficulties with direct investment in the US and Europe. According to Luo Keren,
Dean, Institute of Overseas Chinese Studies, Huaqiao University, China, ‘a certain lack of political trust at the governmental level caused to treat trade as issue of geo-political importance. Some Western firms view Chinese investments with prejudice and suspicion – hence the lack of mutual understanding.’ Many Chinese firms are inexperienced on the public relations front, and their investment strategies are immature. They are relative novices in the rough and tumble market economy, not savvy enough about regulations and insufficiently aware of risk. ‘They should do their homework thoroughly and take a comprehensive approach,’ conveyed Luan Zhihao, General Manager, Buddha Water Environmental Technologies, China.

Ambitious Chinese firms want to become branded players in developed markets. Panelists reasoned what it will take to establish brand awareness overseas and how to build sustainable brands. Participants agreed that – relative to their global counterparts – most Chinese firms have only just begun the process of global integration, building widely acknowledged brands. ‘China has so far come up only with a few truly international brands,’ alleged Annie Zhan, Chief Executive Officer, SkyBridge, China. ‘What China as a country in general and Chinese firms in particular should do more is very active promotion of its business interests overseas, maybe by using events like the Global China Business Meeting, to tell the kind of good things happening in the country,’

Jacques Tourel, President, World Trade Centre Warsaw, Poland, asked for boldly.

The complexity of supply chains in China is relatively high. ‘Wherein lies the Chinese logistics sector’s Achilles heel?’ asked Anthony Chan, Executive Committee Member, International Chamber of Commerce Hong Kong, Hong Kong SAR. How can China benefit from supply chains offered by its global trading partners? And how can companies find qualified Chinese suppliers in an environment of cost-cutting and weak logistics infrastructure? As multi-
national companies expand in China and local firms scale up, a key challenge is to develop and manage a sustainable supply chain in a rapidly changing economy. Learning how to leverage global value chains will not only help Chinese firms expand abroad but will also boost their standing in the domestic market, where they compete with Multinationals,’ pinpointed Bob Li, Senior Research Fellow, China Institute of Strategy and Management Research, China. ‘Chinese firms are beginning to see that it is not just about managing operations well and reducing cost, but it also means working well with upstream and downstream partners,’ said Ho Punyu, Managing Partner, Wabash Investment, USA.

Financial services in China have reached a global level-playing field. ‘What should domestic and foreign firms do to thrive in this strategic environment?’ asked Zdzislaw Sokal, Member of the Board, National Bank of Poland, Poland. Timothy Beardson, Chairman, Albert Place Holdings, Hong Kong SAR, emphasized that the demand for banking services, especially retail banking, mortgages and investment services is expected to be strong. ‘One may expect mergers, takeovers, and asset sales,’ he said. ‘Our goal should be to ensure that China’s financial system works to support economic growth – it should be open and innovative. It should ensure that everyone has access to credit to help boost consumption, support smaller enterprises, and create jobs. Risks must be scrutinized and managed, so as not to threaten financial stability,’ maintained Jochum Haakma, Chairman, Netherlands Council for Trade Promotion, The Netherlands.

‘This meeting is a chance to know how we work here in Latvia. It is also a good opportunity for Chinese firms to get to know potential partner firms in order to establish their regional subsidiaries here,’ said Artis Kampars, Chairman, Latvia China Business Council, Latvia. The event will ‘place Riga as an important point linking China with Europe,’ summarized Leonids Loginovs,
Chief Executive Officer, Freeport of Riga, Latvia.

Announcing the 2012 Chinese Business Leaders of the Year, Horasis – together with our strategic partner Baker & McKenzie – celebrated three outstanding entrepreneurs who have been building and leading successful Chinese firms: Huang Nubo, Chairman, Zhongkun Investment Group; Liu Changle, Chairman, Phoenix Satellite Television Holdings; and Mao Zhenhua, Chairman, China Chengxin Credit Management. We recognized and honoured those business leaders as they excel in entrepreneurship, innovation and leadership. ‘The chosen leaders have decisively impacted the economic development and global integration of China,’ said Thomas Gilles, Partner, Baker & McKenzie, Germany, who announced the award winners during a special plenary.

At the close of the meeting, a panel of business leaders called for a ‘sustainable globalization’. As globalization goes deeper and deeper, the degree of interdependence between countries has grown, as has the need to cooperate for the common good. ‘As the second-largest economy in the world China is increasingly integrated into the global economy. During the process of globalization, economies will certainly affect one another,’ said Xu Weili, Chairwomen, Touping Group Corporation, China. Participants were candid about the priorities China must pursue. When reflecting on the take-away ideas from the meeting, participants called for fundamental shifts in business models to address the need for sustainable globalization. ‘This meeting is an
opportunity to celebrate China’s progress and applaud the many good policy actions behind that progress. And, as we look ahead, the actions and policies towards sustainable globalization provide the key to a more prosperous future for China,’ said Nasir Ali Shah Bukhari, Founder Director, Evolvence Capital, United Arab Emirates.

The meeting ended on a note of optimism and called for a strong collaboration between private and public sector initiatives to address China’s economic future. Cai Shiyin, Chief Executive Officer, Dialogue In the Dark, China, proposed a new type of capitalism ‘which combines state and private-sector interests.’ A key thought from the meeting was that to deliver prosperity – in China and elsewhere – capitalism must be ‘embedded in the social, environmental, political, and financial systems with which it is intertwined,’ as Lou Marinoff, Professor of Philosophy, The City College of New York, USA, put it. ‘The most important driver for taking China to its rightful place in the global community are socially responsible economic development strategies,’ said Mo Fan, Chairman, YOUIDE Energy-saving Tech Development Co., China. His statement drew a round of applause.

As with the previous editions of the Global China Business Meeting, delegates headed for a closing dinner during the evening hours. An occasion to revel in newly-forged networks and friendships, the dinner offered further debates and reflections. The dinner session was framed under the title ‘Envisioning the New Silk Road’. Trade corridors between China, Central Asia and Eastern Europe carry huge economic growth potential. Panelists examined what the prospects could be for China’s economic ambitions along the ‘New Silk Road’ and Capitalism must be embedded in the social, environmental, political, and financial systems with which it is intertwined’

Lou Marinoff, Professor of Philosophy, The City College of New York, USA
what the impact on business could be.

We at Horasis are very pleased with the results of the 2012 Global China Business Meeting and the feedback we have received from participants in the event. ‘The 2012 Global China Business Meeting delivered analysis and insights needed to address risks and opportunities and achieve durable financial stability and more even, sustainable economic growth,’ summarized Andris Ozols, Director, Investment and Development Agency of Latvia.

On behalf of Horasis, I would like to personally thank Valdis Dombrovskis, Prime Minister of Latvia who generously agreed to act as patron of the 2012 Global China Business Meeting. My thanks go also to the City of Riga, the China Federation of Industrial Economics as well as the co-chairs, co-organizers, partners from the private sector and all participants. This Global China Business Meeting was a unique experience which would not have been possible without the dedication and enthusiasm of our friends and partners.
Zhang Xiaodong, Chairman, Winhopes Investment Co., China, pinpointed that ‘Horasis has established with the Global China Business Meeting a global learning platform for Chinese firms that allows to interact and exchange experiences with global entrepreneurs. As Chinese businesses globalize and emerging markets move to centre stage, the meeting is playing a crucial role in helping firms from China and the world adapt and thrive.’ ‘This platform will enable the creation of a new group of global champions of Chinese origin which will produce innovations to benefit the world,’ concluded Hellen Song, General Manager, La China Capital, China.

It is our hope that the meeting will continue to serve as an important platform for stimulating thought and creative solutions. Horasis looks forward to welcoming you back to next year’s edition of the Global China Business Meeting which will be held in The Hague, The Netherlands, 10-11 November 2013, as announced by Henk Kool, Vice Mayor, City of The Hague and Jochum Haakma, Chairman, Netherlands Council for Trade Promotion who also gave a preview of what delegates can expect.

Horasis looks forward to your continued engagement and to welcoming you to the 2013 Global China Business Meeting. We also take great pleasure to invite you to take part in our other upcoming meetings, namely the Global Russia Business Meeting, Global India Business Meeting, Global Arab Business Meeting as well as the Horasis Annual Meeting.
Mao Yufeng,
Deputy Secretary General,
China Machine Tool & Tool Builders’ Association

The meeting opened Latvia’s attraction for investments from China

Yang Yongqi,
President, Angel Bakery Co., China

Listening to the welcome speeches

Exchanging business cards

Mirjana Perko,
Chairperson, InCon, Slovenia

Exchange of gifts

John Quelch, Dean, CEIBS, China, moderating a plenary panel
Reflections on the Horasis Global China Business Meeting

By Andris Ozols, Director, LIAA, Latvia

The Horasis Global China Business Meeting in Riga provided a wonderful opportunity for high-ranking global officials and prominent business people to get to know more about Latvia and enjoy our country’s great hospitality.

During the event, the Latvian president, prime minister, economy minister, the mayor of Riga, and other high-level Latvian officials hosted the Chinese delegation here in our city and shared their experiences, as well as participated in a full day of panel discussions.

Perhaps most importantly, the event allowed Chinese and Latvian business people to meet face-to-face and discuss collaboration possibilities. Many Chinese business people met with potential collaboration partners in Latvia and talked about how they could work together in the future.

My own organization, the Investment and Development Agency of Latvia (LIAA), had the pleasure of organizing a special side event during the meeting – Business and Investment Opportunities in Latvia – where visiting delegations could hear more about our country. Hopefully the panel discussions served as a springboard for forging new partnerships between China and Latvia!

In recent years, China has become an increasingly interesting destination for Latvian companies. Our entrepreneurs can not only benefit from the booming Chinese market, but also learn from their Chinese counterparts about how to innovate and achieve technological progress. The Horasis Global China Business Meeting provided a wonderful forum for these interactions, as well as a platform for new ideas.

In addition, the event was also the setting for fascinating discussions on many pressing issues facing the world today, from globalization and global management standards to green economic growth. Everyone in attendance could therefore share their viewpoints, open their minds to fresh new ideas, and shape their personal outlooks. The event offered a chance for all of us to improve our knowledge of the world and refine our understanding of global affairs.

I am incredibly thankful to Horasis for inspiring new ideas, providing the chance to forge these new friendships, and laying the groundwork for collaboration projects in the future. The event was a true inspiration to all who attended!

Andris Ozols, Director, Investment and Development Agency of Latvia
On the sidelines of the Global China Business Meeting

Latvisian President Andris Berzins meeting participants during the welcome reception

Qi Gengxin, Chairman, Guangfeng Real Estate Development Co.

Community building – China, Latvia and the world

Economics Minister Daniels Pavluts moderating a boardroom session

Liviu Lepadatu, President, Tornado Systems, Romania

Peter Chen, Chief Executive Officer, VOLK Flow Controls, USA, sharing a light moment

The interactive nature of the panels allowed entrepreneurs to sharing challenges they should be addresses

Valentin Romanov, Executive Director, SUN Capital Partners, Russia
Plenary panel – The Global Crisis, Reading China’s Options

Xu Diangang, President, Beijing Energy Efficiency Technical Co.

During a networking break

Debating how to unleash China’s creative potential

Liu Changle, Chairman, Phoenix and Mao Zhenhua, Chairman, Chengxin, with Frank-Jürgen Richter, Chairman, Horasis

Plenary panel – The Global Crisis, Reading China’s Options
In the recent years, the global economy has been slowly recovering from one of the most severe crises in recent history, a crisis many believe is not over, yet. Europe’s financial system is in turmoil. China, however, has been at the forefront of the recent economic rebound. China’s resilience, even in these difficult times, is in large part due to the tremendous entrepreneurial spirit of the business leaders driving its economic growth and development. A jury, led by Baker & McKenzie and Horasis, took the opportunity at this eighth Global China Business Meeting to recognize and honor three business leaders who exemplify this spirit:

**Huang Nubo** is the Chairman of Zhongkun Investment Group. Established in 1995, Zhongkun is now one of China’s most influential large-scale private enterprises in the real estate and vacation sector. Mr. Huang graduated from Peking University and got an MBA from China Europe International Business School in Shanghai. In his professional career, Mr. Huang started out in the Central Propaganda Department of the Chinese Communist Party before moving into the private sector. Apart from being a successful business man, Mr. Huang is also an accomplished poet who has published numerous anthologies. His entrepreneurial career started when he printed business cards, sold children’s toys and renovated buildings. After founding Zhongkun Investment in 1995, his first major profit were 50 Million Yuan, merely two years later. An astonishing achievement. Mr. Huang is also known to be one of the most active donors in China. He shows tremendous care for his country’s cultural heritage. With his help, Hong village in Anhui province was saved, restorated and eventually included in the UNESCO world heritage. One of his countless charity activities was the donation of 30 Million Yuan to promote the development of Chinese poetry and 900 Million yuan to his alma mater, Peking University. Apart from this, he is engaged in numerous charitable organizations.

**Liu Changle** is the Chairman of Phoenix Satellite Television Holdings. In 1996, Mr. Liu and Mr. Rupert Murdoch’s News Corporation co-founded Phoenix Satellite Television Company Limited in Hong Kong. Phoenix now operates six TV channels and has developed multiple business fronts. Its media sector has been listed on the NYSE since 2011. Mr. Liu graduated from the Beijing Broadcasting Institute, now the Communication University of China, where today he is also an visiting professor and doctoral supervisor. In 2006, he received an Honorary Doctoral Degree from the City University of Hong Kong in recognition of his significant contribution to learning and the well-being of society. Before the merger which eventually would become Phoenix Satellite Television, he went overseas in 1988 and invested in oil, infrastructure and real estate.
projects. After returning to China and founding Today’s Asia, his own TV company, he convinced Rupert Murdoch to form a joint venture with him. Phoenix’ revenues saw mind-blowing jumps in the recent years and there is no end in sight. Mr. Liu is also an active promoter of socio-cultural movements relating to the Chinese cultural heritage as well as religious and cultural research. In 2010, he was awarded the Silver Bauhinia Star by the Hong Kong government for his outstanding contribution to social undertakings.

**Mao Zhenhua** is the chairman of China Chengxin Credit Management, CCX. Founded 20 years ago, CCX was China’s first national credit rating agency and has set path for a number of other ratings companies that followed. In 2006, CCX set up a joint venture with Moody’s. This year, CCX was voted as the top 50 enterprise with most potential by Chinese Venture capitalists. Mr. Mao graduated from Wuhan University with a Doctorate in Economics and obtained a post-doctor from the China Academy of Social Science. Nowadays, he is the dean of the Institute of Economics at Renmin University in Beijing. Mr. Mao established CCX in 1992 when he was just 28 years old. He wanted to found a business that was “very popular in mature markets but little known in China” – signs of a true entrepreneur. CCX became the first licensed mainland credit ratings business to operate in Hong Kong, and Singapore is likely to be the next step. Apart from this, he is also known for his enthusiasm for education and economics. He has granted Millions of Yuan to Wuhan University, Renmin University and other tertiary institutions and has co-operated with them in macro-economic research. Their research reports constantly receive high appraisals in China.

All three award winners excel in leadership, innovation, global reach, and economic performance.
Xia Lingsheng with representatives of the World Eminence Chinese Business Association

Welcome Dinner

Arriving for the opening dinner, through the dungeon of the House of Blackheads

Taking notes

At a boardroom panel
The meeting was broadcasted by several TV-stations.

Preparing for the next panel.

A capella vocal performances by the Latvian Voices, a Latvian vocal ensemble.

The closing dinner – featuring world class performers and a spectacular scenery.

Celebrating the success of the 2012 Global China Business Meeting.

The Global China Business Meeting offered simultaneous interpretation services.