

Horasis China Meeting

7-8 November 2016, Interlaken, Switzerland

a Horasis leadership event

Co-hosts:

Bern Economic Development Agency

China Federation of Industrial Economics

Report





© Horasis

2016 – All rights reserved

The publication was prepared in cooperation with the University of Bern.

No part of this publication may be reproduced or transmitted in any form or by any means.

u^b

UNIVERSITÄT
BERN

Upcoming Horasis events:

Horasis Asia Meeting	Bangkok, Thailand, 27-28 November 2016
Horasis Global Meeting	Cascais, Portugal, 28-29 May 2017
Horasis India Meeting	Interlaken, Switzerland, 25-26 June 2017
Horasis China Meeting	Sheffield, United Kingdom, 5-6 November 2017

Horasis is a global visions community committed to enact visions for a sustainable future (<http://www.horasis.org>)

Horasis China Meeting

7-8 November 2016, Interlaken, Switzerland

a Horasis leadership event

■ Co-hosts:

Bern Economic Development Agency
China Federation of Industrial Economics

■ Partner City:

Shenzhen

■ Co-chairs:

Bo Inge Andersson	Chief Executive Officer, Bo Group Enterprises, Sweden
Han Benyi	Chairman, Shijie Huaxia Fund, China
William Haseltine	Chairman, ACCESS Health International, USA
Jiang Xirong	Chairman, Da Sheng Electronic Commerce Co., China
Eliano Lodesani	Chief Operating Officer, Intesa Sanpaolo, Italy
Lu Yuebing	Vice Chairman of China Funds, Siguler Guff, China
William Meaney	Chief Executive Officer, Iron Mountain, USA
Umberto de Pretto	Secretary General, International Road Transport Union (IRU), Switzerland
Susanne Ruoff	Chief Executive Officer, Swiss Post, Switzerland
Luca Schenk	Chief Executive Officer, BX Berne eXchange, Switzerland
Shi Yuyou	Chairman, Dianba New Energy Technology Co., China
Wu Yijian	Chairman, Ginwa Investments Holding Group, China
Xu Heyi	Chairman, Beijing Automotive Group, China
Zhang Hao	Chairman, Xinglong Zhusongmei Commercial Center, China
William Zhang	Chairman, EU-China Municipal Development Commission, China
Zhao Yiwu	Chairman, Beijing Naton Technology Group, China

■ Co-organizers:

China Council for the Promotion
of International Trade (CCPIT)
City of Interlaken
Committee 2005

Supporting Partners:

Finanz und Wirtschaft
Interlaken Tourism
Jungfrau Railways
Tada Auto Parking Co., Ltd
University of Bern
Victoria-Jungfrau Grand Hotel & Spa



The Hotel Victoria-Jungfrau – venue of the 2016 Horasis China Meeting

Table of Contents

Foreword	6
-----------------	----------

Summary	14
----------------	-----------



The 12th Horasis China Meeting took place in Interlaken

Foreword

*By Frank-Jürgen Richter,
Chairman, Horasis, Switzerland*

The 12th Horasis China Meeting took place in Interlaken, Switzerland over 7 – 8th November, 2016. **The Bern Economic Development Agency** and the **China Federation of Industrial Economics** co-hosted the event, Shenzhen acted as partner city with Vice Mayor **Liu Qingsheng** attending and leading a delegation of Shenzhen based entrepreneurs. Furthermore a group from Shanxi Province was led by **Xue Yanzhong**, Chairman, Chinese People’s Political Consultative Conference (CPPCC) to engage in discussions.

The location of this meeting rotates annually and in recent years has been held in Cascais (2015), Como (2014), The Hague (2013), Riga (2012), Valencia (2011) and Luxembourg (2010). With these meetings Horasis aims to present a systemic view of activities affecting the drivers of China’s economic success across all sectors. In Interlaken there were over 300 delegates attending to hear how the interactions of political and commercial policies combined to develop China’s present and future well-being. Within the meeting delegates from governments and CEOs of global enterprises presented their knowledge in plenaries and in panel sessions.

With the watershed Free Trade Agreement (FTA) between Switzerland and China which was finalized in 2014, bilateral cooperation between both countries has entered a new era of strategic partnership. The FTA marks a significant economic and diplomatic achievement for Switzerland, and has factored into current debates within the European Union as to whether a China free trade agreement of its own should be sought.



Geng Wenbing, Ambassador of China to Switzerland, speaking on behalf of the Chinese Government

The Swiss and Chinese negotiators understand that long drawn-out discussions that are needed to ensure fair trade and to ensure that third parties accept their bilateral logic: for example the bid for the Swiss seed and pesticide firm Syngenta by the China National Chemical Corp (ChemChina) announced last February for US\$ 43 billion. This is an important acquisition for China as it faces increasing demands to raise crop yields for its population that is increasing in the near-term. Faced with an ageing rural population China must turn more rapidly to technological solutions – not only to compensate for a lack of hands in the fields, but also to have more effective chemical and seed-stock combine with intelligent farming machinery to raise yields. The EU Commissioners’ worried about the venture’s magnitude and its potential to harm rivals or customers



Xiong Meng, Executive Vice Chairman, China Federation of Industrial Economics



Christoph Ammann, Minister of Economic Affairs, Canton of Bern, welcoming participants

placed the merger on hold. This seems not to be an impediment as on 31st October the EU commenced its standard Phase II discussions. In the meantime, in China, ChemChina is merging with Sinochem through a US\$ 100 billion deal which is not expected to delay the Syngenta acquisition since Sinochem does not sell agro-products.

Swiss firms bought by Chinese investors need not be large – the watch maker Corum bought in 2013 had only 140 employees. But it represented a new opportunity for the China Haidan Group to consolidate its investment in Swiss-made watches, having acquired Eterna in 2011. It strengthens its investment in the luxury market as a “Made in Switzerland” brand has a certain attractiveness for buyers of luxury. Other firms acquired by Chinese backers are



Liu Qingsheng, Vice Mayor, City of Shenzhen, keynoting the meeting

Swissmetal Reconvilier, Dornach, and Addax Petroleum – all offer knowledgeable staff, marketing and sales contacts, and a deep knowledge of the European markets. Skills relating to Europe are often weak in China, and acquisition represents a speedy link into the shipping, due diligence and finance systems long-established throughout Switzerland. Over 80 Chinese firms are



The Shenzhen delegation meeting the hosts from the Canton of Bern

already in Switzerland and others are interested – all persuaded by the new free trade agreement potential. This was a big discussion point in this Horasis China Meeting.

Across the world, noting the magnitude of economies from the IMF 2016 data, the US comes first with a GDP of US \$18.8 trillion; second is China 11.3; Japan 4.4; Germany 3.5 and the UK at US \$2.8 trillion is the fifth largest economy. Switzerland is at 19th place (US \$650 billion) yet it offers an attractive investment potential to global firms having a good location, infrastructures, and skilled well-educated workers.



Xue Yanzhong, Chairman, People's Political Consultative Conference (CPPCC) of Shanxi Province

The agreement last year by the IMF to include the Chinese RMB into its basket of currencies creates a more resilient investment climate. The IMF designated a new Special Drawing Right valuation basket including the RMB as a fifth currency allowing it to become a freely useable currency world-wide. With this comes new responsibilities for Chinese bankers – they must pay attention to their alleged bad debts accrued mainly by under-performing state enterprises. The Chinese highlight that their quality of growth is improving, evidenced by stable employment, robust wages... and reductions in the energy intensity of GDP. The latter is of importance as China and other nations have ratified the 2015 UN Paris Accord on Climate Change which will spawn new cleaner industries. The Chinese Government notes "... over the medium term, the authorities expect growth to remain in the range of 6-7% of GDP" which, they emphasised, was sustainable considering the potential for restructuring, upgrading and convergence in less developed regions. In parallel the China Leading Economic Index, compiled by the Chinese National Bureau of Statistics, continued to move forward, as it has done from April last. From this news we might conclude the outwards investment climate



Virtual ribbon cutting ceremony

for Chinese firms remains robust, and Switzerland might benefit.

This Horasis meeting took place while the US voted for its next president. Thus few ventured an opinion how economies might react across the globe. Politicians and financial advisors usually follow every announcement of the Federal Reserve Bank that guides the US financiers (and thus the rest of the world). Although three assessors – the IMF, the World Bank and the UN – differ slightly in their estimates of GDP they usually rank the US the first global nation, but sometimes place the EU (as a whole) first or second, with China next. Yet above all, the attitude and inclination of the next US President is of great importance. We now know that Donald Trump is the US President-elect but we will have to wait until his 20th January inauguration to find out how he will guide the nation – and how he will shape Washington’s policy towards Beijing.

We know China has become well-endowed with physical infrastructure, but it also has a massive population that is ageing and which needs new forms of support via robots, insurance, health care and education to fit its entire people for their future roles in its



Denis Grisel, President, Bern Economic Development Agency, thanking participants



'Interlaken is one of Switzerland's best known cities in China' – Urs Graf, Mayor, City of Interlaken, Switzerland



Christoph Neuhaus, Minister of Justice, Canton of Bern, on the Swiss-Chinese enhanced economic partnership



Opening Dinner – Seeking a Win-Win Partnership

society. All these topics were reflected upon in the opening plenary focussing on China and the World Economic Outlook discussed by **Cai Suping**, Deputy Chairman, Beijing Automotive, China; **Eliano Lodesani**, Chief Executive Officer, Intesa Sanpaolo, Italy; **Luca Schenk**, Chief Executive Officer, BX Berne eXchange, Switzerland; **Wu Yijian**, Chairman, Ginwa Investments Holding, China; **Zhang Hao**, Chairman, Xinglong Zhusongmei Commercial Centre, China; and **William Zhang**, Chairman, EU-China Municipal Development Commission, China. They suggested there was a need for Chinese firms to fully integrate with global firms, to be appreciative of globalisation, and to be efficient and effectively move towards their goal of *Made in China*. One of the very positive

changes in China’s external relationships was the *One Road, One Belt* initiative proposed by President Xi Jinping in 2013. This is forging ahead, and the panellists were in accord, that it represented a vast change in the stance of China and would tend to open up Central Asia as well as parts of Africa and stimulate Europe with its new trade opportunities.

‘The entrepreneurial ecosystem is a world where only the fittest will survive.’

*Wu Yijian, Chairman,
Ginwa Investments Holding Group, China*

It was opportune that the program included a panel on Mapping China’s Trade. Its members discussed the legal implications across many sectors from labour law through to international trade. In particular, two of the panellists noted the very strong global trade-enhancing links that China has agreed to. **Andrew Crosby**, Managing Director, International Centre for Trade and Sustainable Development, informed us of their E15 Initiative which was aimed at strengthening global trade and investment through the 21st century. They had brought together 375 experts, held over 80 dialogues, and formed 15 thematic Expert groups to create a broad set of plans covering global



Susanne Ruoff, Chief Executive Officer, Swiss Post
– ‘we are going to catalyze common growth’



William Meaney, Chief Executive Officer, Iron Mountain, USA, making a point

development and governance. Complementary to his summary, **Umberto de Pretto**, Secretary General, International Road Transport Union (IRU) noted the power of international agreements. He informed us of a historic ratification between China and the UN/TIR convention which will enter into force on 7th January 2017. This means, for instance, a truck laden with Swiss goods can pass unhindered by borders and customs inspections to anywhere in China. The One Belt, One Road initiative is of fundamental importance to this new accord and will allow Chinese trucks clear passage, not only into the Central Asian states, but also to Europe. Mr de Pretto was adamant that while rail or maritime links would also benefit, it is only road transport that permits the ultimate flexibility of routing from source to destination.

In parallel one panel discussed how China's diaspora might influence China's future growth; and in another session how China's youth might be directed to create a brighter future for all. This latter aspect is rather important as China's demographic future is somewhat bleak being an ageing society. Its youth must be persuaded to work smarter, its rural children must not be forgotten, and possibly the elderly persuaded to work a few years longer.



Christian Etter, Federal Council Delegate for Trade Agreements – 'the Swiss-China FTA is a success story'

Meanwhile its firms must be willing to employ the many graduates coming from their universities; otherwise they will suffer the blight of youth unemployment suffered by several European nations.

Banking and investment always create interesting discussions and herein it was natural to discuss Switzerland's dynamic investment scene and its innovations – linking both aspects to Shenzhen. This Chinese region has long been at the forefront of innovation and trade with the rest of the world. We noted how banking is changing with China becoming more open and how Shenzhen is benefiting through its links with the stock markets in Shanghai and also via bi-lateral relations with the Hong Kong bourse.

The developments supporting the Chinese One Belt, One Road Initiative was the subject of the after-lunch plenary. **Umberto de Pretto** emphasised the UN/TIR accord with China suggesting that the on-paper ratification will indeed prompt far greater Chinese trade influence across Central Asia and beyond. This point was reinforced by **William Meaney**, Chief Executive Officer, Iron Mountain, USA, who strongly supported Free Trade Agreements (noting the benefits of the



Political leaders and entrepreneurs from Shenzhen portray the cities development initiatives

Swiss-China FTA which was in operation); and **Susanne Ruoff**, Chief Executive Officer, Swiss Post, reminded us of the International Postal Union that permitted Swiss Post to be an integral part of postal systems of the world, and that the China accord with the UN/TIR system further enabled Swiss Post to do its job.

Shi Yuyou, Chairman, Dianba New Energy Technology Company, China, noted how transport has contributed to historically high pollutions levels, but that new transport vehicles and electricity generation machinery imports had benefitted China, while **Lu Yuebing**, Vice Chairman, Siguler Guff, China, suggested that swappable batteries could be the way forward, noting experiments in Berlin. **Jiang Xirong**, Chairman, Da Sheng Electronic Commerce Co, China, explained how the Internet is having a great effect almost minute by minute, but that regulation needs to be maintained as novel trades are created.

‘Postal enterprises today must act as a network in order to fulfil customer needs. With Swiss companies doubling the number of goods shipped from China to Switzerland every year, a direct connection is needed.’

Susanne Ruoff, Chief Executive Officer, Swiss Post, Switzerland

Following on, panels discussed Chinese globalisation; its increasing digitalisation moving towards the Internet of Things; inwards investment in China; and its green revolution. Such developments at scale also advance Chinese education systems, its capital markets, and the increasing propensity for Chinese brands to be bought in China and overseas – all of which boost the profitable private sectors.

Drawing these panels to a close was a plenary discussing growth, the global trade slowdown, and how the Chinese *New Normal* would consolidate Chinese progress and wealth development in the future. **Bo Inge Andersson**, Chief Executive Officer, Bo Group Enterprises, Sweden, noted how far China still has to go to reach the car ownership rate of the US, implying the need to exploit efficiency gains for engines as well as greater use of e-vehicles. **Han Benyi**, Chairman, Shijie Huaxi Fund, China recalled the New Normal and emphasised its pervasive strength with respect to creativity and innovation. Yet that future must be embraced carefully, suggested **Zhao Yiwu**, Chairman, Beijing Naton Technology Group, China. He noted that as the present Chinese GDP growth was slowing managers must watchfully consider their development plans to con-



Liu Yongli, Deputy Secretary-General, Beijing Association of Development Zones



Vincent Zheng, Managing Partner, Capital First Partners, China



Frank-Jürgen Richter, Chairman, Horasis, reflecting on the new China context

serve resources. Yet **William Haseltine**, Chairman, ACCESS Health International, USA, stressed that there was no ‘New’ normal, but only a continuum of change... we must embrace changes past and predicted. The years of the Asian Tigers had finished and now the Central Asian nations, in parallel with China, will come to the forefront.

‘There is no ‘New’ normal, but only a continuum of change... we must embrace changes past and predicted.’

William Haseltine, Chairman, ACCESS Health International, USA

This program was the 12th in a series focused on China. During the final dinner **Sir Nigel Knowles**, Chairman, Sheffield City Region, United Kingdom, announced the next Horasis China Meeting would be held in Sheffield over 5-6th November 2017.

It is our hope that the Horasis China Meeting will continue to serve as a bridge through which China will build stronger links with its global trading partners. We welcome you back to next year’s edition of the meeting.



Zhu Shunhua, President, Shenzhen Watch & Clock Association



Nigel Knowles, Chairman, Sheffield City Region, United Kingdom, announcing the 2017 Horasis China Meeting



Liu Qingsheng, Vice Mayor of Shenzhen and Christoph Ammann, Minister of Economic Affairs of Bern, exchanging gifts

Summary

By Harley Krohmer, Professor,
University of Bern, Switzerland

In the opening reception, **Christoph Ammann**, Minister of Economic Affairs and Member of the Government of the Canton of Bern in Switzerland, welcomed participants of the Horasis China Meeting. He emphasized, that the conference would lead to a better understanding and more exchange between the economies and the cultures of China and Switzerland.

Christian Etter, Federal Council Delegate for Trade Agreements in Switzerland also saw the conference as a great chance to discover new opportunities for Chinese-Swiss cooperation.

'The Horasis China Meeting will lead to a better understanding and more exchange between the economies and the cultures of China and Switzerland.'

Christoph Ammann, Minister of Economic Affairs, Canton of Bern, Switzerland

Geng Wenbing, Ambassador of China to Switzerland, emphasized that the meeting would be a great platform for strengthening the Chinese-Swiss cooperation. He highlighted that China has a large potential as a country. And he was sure that the Chinese-Swiss partnership will become better and deeper. In his opinion, every participant of the conference had something to share with others and could contribute to this partnership.

The Minister of Justice of the Canton of Bern, **Christoph Neuhaus**, welcomed the opportunity to co-host the meeting. He then gave an insight into the history of the diplomatic relationships between Switzerland and China that were first established

in 1950, and then reinforced in 2014, with the FTA (Free Trade Agreement) and the Agreement on Labour and Employment. He emphasized the importance of the relationship between China and the Canton of Bern, wishing all the success for their cooperation. He also saw the movement towards a higher standard of life as a common objective that connects both countries today and in the future.

'The strategic partnership between China and Switzerland is very important.'

Liu Qingsheng, Vice Mayor, City of Shenzhen

Liu Qingsheng, Vice Mayor of the City of Shenzhen agreed with Swiss President Johann Schneider-Ammann who visited China earlier in 2016. "The strategic partnership between China and Switzerland is very important" he said. Furthermore, **Xiong Meng**, Executive Vice Chairman of the China Federation of Industrial Economics, talked about the structural changes of the Chinese economy, highlighting the fact that trade volumes increased significantly during the last 10 years and that China "is the first largest exporting country for Switzerland in Asia, and the third largest in the world." He also emphasized that China is actively attracting foreign direct investment. Concerning energy efficiency, he emphasized that China can learn from



Hansruedi Wandfluh, President, Wandfluh AG, Switzerland



Harley Krohmer, Professor, University of Bern, Switzerland



Listening to the welcome speeches



Zhang Hao, Chairman, Xinglong Zhulongmei Commercial Center

Switzerland and mentioned his hope that the two countries will complement each other in the future.

'China can learn from Switzerland. The two countries will complement each other in the future.'

Xiong Meng, Executive Vice Chairman, China Federation of Industrial Economics

China and World Economic Outlook

The aim of the Opening Plenary was to highlight the actual risks of the global agenda as a result of increasing connectivity and external shocks. In this context, China has to play a coordinator role to positively and actively achieve balance. **Cai Suping**, Vice Chairman, Beijing Automotive Group, China, said that the national focus on renewable resources is captured in a new policy, which dictates a percentage of electric cars putting so pressurising Western competitors. Most of all, because China tries to attract the most talented people from all over the world to push forward its technology. Another example that shows China's fast technological development



Luca Schenk, Chief Executive Officer, BX Berne eXchange, Switzerland

was given by **Eliano Lodesani**, Chief Operating Officer, Intesa Sanpaolo, Italy. He mentioned that Chinese school children often did not now know what a standard phone was because they are only used to smart phones. While this story was fun he continued, noting "Chinese entrepreneurs not only have to be innovative but they need to be disruptive." This is only possible, according to **Wu Yijian**, Chairman, Ginwa Investments Holding Group, China, by the right investments sharing the knowledge of entrepreneurs from over the whole world – a world where only the fittest will survive. "The Chinese economy seems to have adapted quite well to this challenge" said **Zhang Hao**, Chairman, Xinglong Zhulongmei Commercial Center, China, adding "China will play an extensive role in the process of global exchange to improve the state of the world."

'Chinese entrepreneurs not only have to be innovative but they need to be disruptive.'

Eliano Lodesani, Chief Operating Officer, Intesa Sanpaolo, Italy



Wu Yijian, Chairman, Ginwa Investments Holding – Chinese firms to remain competitive in a very cost driven environment



Meeting co-chair Eliano Lodesani, Chief Operating Officer, Intesa Sanpaolo, Italy, about technological disruption

China’s role in Europe could be essential for the future of human mankind. Due to Europe’s famous brands there is a great possibility for cooperation. “However, to really make this happen Europe has to get closer to China and vice versa by improving logistic services” opined **William Zhang**, Chairman, EU-China Municipal Development Commission. China has to be respected and in turn respect other countries. **Luca Schenk**, Chief Executive Officer, BX Berne eXchange, Switzerland, mentioned that the Bernese stock exchange is very eager to invite Chinese companies to use their platform and emphasized that cooperation between Switzerland and China could be very fruitful.

‘China’s role in Europe could be essential for the future of human mankind.’

William Zhang, Chairman, EU-China Municipal Development Commission, China

One Belt, One Road: Catalyzing Common Growth

The One Belt, One Road initiative is a development strategy that focuses on connectivity and cooperation among countries primarily in Eurasia. Following

the “Silk Road” mind-set established over 2,000 years ago; this new initiative will allow the freer movement of capital, goods, people and ideas with the establishment of an intercontinentally connected infrastructure-network. Participants of the Horasis China Meeting discussed what Beijing is trying to achieve with this New Silk Road. They are also reflected on the potential benefits to Eurasia.

‘The national focus on renewable resources is captured in a new policy, which dictates a percentage of electric cars putting so pressurising Western competitors.’

Cai Suping, Vice Chairman, Beijing Automotive Group, China

According to **Umberto de Pretto**, Secretary General, International Road Transport Union (IRU), Switzerland, the main advantage of One Belt, One Road is that the initiative allows road transport to become more efficient with the simplification of customs legislation, thus bringing progress, prosperity and greater peace to Central Asian regions, with freight and people streams flowing from the East to the West and vice-versa. Challenging the thoughts of



Gilles Frôté, Managing Partner, Frôté & Partner, Switzerland



Iurii Seniuk, Chief Executive Officer, Global Strategy Centre, Ukraine



William Meaney in conversation with Susanne Ruoff



William Zhang, Chairman, EU-China Municipal Development Commission, speaking about China's trade with Europe

Umberto de Pretto, **William Meaney**, Chief Executive Officer, Iron Mountain, USA, warned about the negative aspects of globalization. He sees One Belt, One Road as the “Ultimate in terms of free trade”, accelerating the free movement of goods and reducing friction amongst countries. However, he fears that politicians are not prepared for the fact that the momentum might further fall towards China’s side as it produces (or should we say at present ‘assembles’) much more efficiently. With youth unemployment high in Europe, there might be a rise of populism as people feel that politicians are not honest about the impact on free trade on regular workers.



Gao Shengyuan, Governor, Futian District of Shenzhen

‘The main advantage of One Belt, One Road is that the initiative allows road transport to become more efficient with the simplification of customs legislation.’

Umberto de Pretto, Secretary General, International Road Transport Union (IRU), Switzerland



Alexander Batchvarov, Managing Director, Merrill Lynch, United Kingdom

Jiang Xirong, Chairman, Da Sheng Electronic Commerce Co., China, proposed that benefits of innovation should be shared amongst all members of the society, and all countries along the New Silk Road. With

the greater use of the Internet, knowledge and culture can be shared using business content as communication means.

According to **Shi Yuyou**, Chairman, Dianba New Energy Technology Co., China, all nations can benefit from the success of Chinese entrepreneurship.

Susanne Ruoff, Chief Executive Officer, Swiss Post, Switzerland, demonstrated that postal enterprises today must act as a network in order to fulfil customer needs. With Swiss companies doubling the number of goods shipped from China to Switzerland every year, a direct connection is needed. However, only a collaborative dialogue that includes all relevant stakeholders will guarantee the availability of an end-to-end delivery system, able to operate within a given time-frame, providing a guaranteed level of quality at a reasonable price.

Lu Yuebing, Vice Chairman of China Funds, Siguler Guff, China, gave insights into how companies can enter China and use-up excessive Chinese production capacities in order to scale up production. Position of China should be used to formulate integrative strategies to bring companies in, build up brand awareness, scale up production and thus bring down



Thomas Bohn, Managing Director, Greater Geneva Bern Area, chairing the panel 'Investing in Switzerland'



Umberto de Pretto, Secretary General, International Road Transport Union – One Belt One Road is central to global trade

costs. However, China should take the lead and innovate rather than produce.

Alexander Wan, Senior Advisor, China Daily Asia Pacific, Hong Kong, noted the historic transformation from China's planned economy to a market economy. Now, "electronic transportation systems are going to be introduced, bringing efficiency to the New Silk Road" he said.

Investing in Switzerland

Despite Europe's current economic woes, Swiss economy is expected to grow in the years to come. How does the countries investment landscape look like? How can Switzerland serve as hub for Chinese investments?

Thomas Bohn, Managing Director, Greater Geneva Bern Area, Switzerland, believed that Switzerland is one of the most innovative and competitive country in the world. Political, economic and financial systems in Switzerland are stable and therefore in future there is a good opportunity to intensify the cooperation between China and Switzerland. **Jean-Philippe Devaux**, Director, Bern Economic Development Agency, Switzerland, recognized the excellent ongoing collaboration between Switzerland and China. Switzerland has advantages over other European players owing to its different languages, its highly educated workforce and its geo-location, being embedded in the heart of Europe. **Ge Ming**, Vice Chairman, China M&A Association, predicted that food will be the medicine of the future and the society must be focused in its health system. The Swiss company Nestlé is a good example for competitive excellence in the food sector.



Jean-Philippe Devaux, Director, Bern Economic Development Agency



Shi Yuyou, Chairman, Dianba New Energy Technology Co., one of the meeting co-chairs

To be successful in global markets, as **Christoph Gisler**, Chairman, Fontavis, Switzerland, put it, corporations have to stay flexible and they have to make use of local networks, especially in China. Many Swiss companies are struggling in the Chinese market, not only because of the



Ge Ming, Vice Chairman, China M&A Association



Alexander Wan, Senior Advisor, China Daily Asia Pacific, commenting on Beijing's 'One Belt, One Road' initiative



Lu Yuebing, Vice Chairman, Siguler Guff, China, on the New Silk Road

language, but also because of differences of values. In fact, it is hard to place the right product at the right place – everything has to be improved. According to **Li Jinyan**, General Manager, Jin Shang Yi Kang Trading Co., China, about one million Chinese tourists come to Switzerland every year. Moreover half of the students in Europe are from China. Chinese people are very well educated. Switzerland could make use of their know-how. **Rudolf Minsch**, Deputy Chairman and Chief Economist, economiesuisse, further stressed that Switzerland is a good place for Chinese firms, as companies come to invest when the focus is on high quality luxury products.



Li Jinyan, General Manager, Jin Shang Yi Kang Trading Co.

Andreas Rickenbacher, Chairman, Andreas Rickenbacher Management AG, Switzerland, outlined that Switzerland doesn't have other ingredients to market than innovation, because Switzerland doesn't have possess many natural resources. Probably that's the reason why the country is rather innovative – famous Swiss brands include Nestlé, Novartis, Credit Suisse, UBS, Swatch, Richemont, and Rolex, amongst others. **Tuck Seng Low**, Member of the Executive Board, Swiss-Asian Chamber of Commerce, Switzerland, highlighted Switzerland's competitive excellence is in



Christoph Gisler, Chairman, Fontavis, Switzerland

logistics, engineering, chemistry, and food. Moreover, the country is incredibly open-minded.

Spotlight on Shenzhen

Shenzhen is one of the fastest growing cities in the world. Shenzhen's success can be attributed to a vibrant economy made possible by rapid foreign investment processes, modern industrial infrastructure, and prescient economic policies. The session about Shenzhen, chaired by **Zhu Shunhua**, President, Shenzhen Watch & Clock Association, China, focused on understanding the lessons learnt and the emerging trends in China's richest city.



Jiang Xirong, Chairman, Da Sheng Electronic Commerce Co., emphasizing the benefits of the 'One Road, One Belt' initiative



Jiao Yi, Assistant Secretary-General,
Shenzhen Association of Medical Devices



Working together to improve China's trade with the world

'While restructuring and reinvigorating traditional industries, Shanxi Province has invested in new industries. Our economy is doing very well.'

Xue Yanzhong, Chairman, Chinese People's Political Consultative Conference (CPPCC) of Shanxi Province

The discussion began with general facts and insights of Shenzhen. Shenzhen is located by the South China Sea and over three decades it had only been a small town with a small population. Nowadays, it is a metropolitan city and an economic centre, hosting one of the major hubs of China. "Shenzhen encourages young people to become entrepreneur and supports innovation, as it aims to become leading in the market" said **Bao Yu**, Founder, Green China Lab, China. Shenzhen keeps its energy consumption to the minimum compared to other Chinese cities. **Jiao Yi**, Assistant Secretary-General, Shenzhen Association of Medical Devices, China, highlighted that the exports are on the rise, especially for medical equipment and Shenzhen is a core city for medical equipment, creating many innovative products. Within Shenzhen there is the capability to make and develop medical equipment, like high-tech X-Ray machines. It has several advantages enabling medical

products which are very high-end to be updated very quickly before being exported to Europe and the US.

Florian Schmied, Chief Executive Officer, Euro Sino Invest Group, Germany, sees Shenzhen as the most innovative city not only in China but also in the world. As he is running a family company with 700 years of history, he is always seeking for innovation and ideas on which innovation will surf the next wave. Since Shenzhen profits from low costs for innovation yielding high added-value products he perceives Shenzhen as an innovation driver to consolidate supply chains. Also **Zhu Shunhua** confirmed that Shenzhen has brought a lot of opportunities even for non-Chinese firms and highlights its great potential. **Ding Lining**, Chief Executive Officer, DongGuang Lining Investment Company, China, believed that Shenzhen has a credible mix of know-how, people and opportunities. **Sun Yan Yan**, President, Shenzhen Tianmeiyuan Trading Co., China, stressed her hope for collaboration with Swiss firms to enlarge her product lines.

Liu Qingsheng, Vice Mayor, City of Shenzhen, sees it as government's responsibility to understand how the younger



Tuck Seng Low, Member of the
Executive Board, Swiss-Asian
Chamber of Commerce



Rudolf Minsch,
Deputy Chairman and Chief
Economist, economiesuisse



Tomas Casas i Klett, Professor, University of St. Gallen, on global innovation



Cai Suping, Deputy Chairman, Beijing Automotive, on China's economic outlook

generation will be enabled. Also to understand how the government can keep the entrepreneurial spirit alive to guarantee a bright future. Shenzhen depends on an open and innovative mind, driving the growth. Now Shenzhen's growth is a pilot for other Chinese cities to copy as an inspiration on how to lead.

clearly a top priority; however it is well promoted through deregulation. China has a very good program in place for innovation, which is key to stimulate growth and has parallels with Switzerland.



Andreas Rickenbacher, Chairman, Andreas Rickenbacher Management AG

Leading Global Innovation

China is investing heavily in research and development and rapidly increasing its high-tech output. How to create an ecosystem that nurtures start-ups? How to ensure that innovation increases corporate performance? China has proven that it is already innovative in many aspects. "Chinese entrepreneurs are generally very quick to adapt to new ideas. And If we want the world to grow, we need China to be innovative," said **Tomas Casas i Klett**, Professor, University of St. Gallen, Switzerland. **Stan Fung**, Managing Director, FarSight Ventures, USA, provided evidence that China has successful and very innovative companies, like Alibaba und Huawei. But the transition of old-school business to new innovative ones is a real problem. According to **Raymond Cron**, Chief Executive Officer, Switzerland Innovation, innovation is



Community building at the Horasis China Meeting



Jan Siemons, Chairman, International Trade & Investment Center, The Netherlands



Zhao Yiwu, Chairman, Beijing Naton Technology Group, about China's New Normal



Alastair Campbel, Chairman, Bridger, Hong Kong, hosting the panel on economic disruptions



Stacy Kenworthy, Chief Executive Officer, HellaStorm, USA

'In the future the Chinese should focus on the quality of life and their cultural pursuits, which would enhance a further growth of China in the next decades.'

Zhao Yiwu, Chairman, Beijing Naton Technology Group, China

Zhao Yiwu, Chairman, Beijing Naton Technology Group, China, wasn't sure that China is going to be a powerhouse of innovation. He expressed his concerns that Chinese firms will be not able to manage to commercialise products in an innovative way. China is way behind western competitors and communication and exchange of knowledge and know-how will be crucial for their growth. Without stimulation the growth it will take a long, long time.

Katharina Fromm, Vice President, Swiss



Katharina Fromm, Vice President, Swiss National Research Council

National Research Council, argued that the communication possibilities in Europe are higher than in China, which is important for innovation. Also in Europe there is the possibility to start science research projects without any goal to apply it in a commercial way. And at the end, these findings still end up being used for commercial value. **Stacy Kenworthy**, Chief Executive Officer, HellaStorm, USA, argued that China has already proven many times that they are innovative, but it also depends as what you define as innovation. Changing to different business models is happening, and if you look very closely, you even find technical innovation.



Bao Yu, Founder, Green China Lab

Preparing for the Next Disruptions

In this session, led by **Alastair Campbel**, Chairman, Bridger, Hong Kong, participants were asked to share their view on the global geopolitical and economic environment. The panellists provided their insights into challenges and opportunities arising from the ongoing disruptive changes and their impact on business and China.

Richard Li, Managing Partner, Success Mark, Hong Kong, highlighted trends in China's current investment activities. The



Florian Schmied, Chief Executive Officer, Euro Sino Invest Group, Germany



Feng Leiming, Secretary General, Tianjin Institute for International Development Studies



Edgar Bullecer, Co-Founder and Managing Trustee, The Paglas Group, Philippines



Eugen Brand, Director General (ret.), ATD Fourth World



Sun Yan Yan, President, Shenzhen Tianmeiyuan Trading Co.



Raymond Cron, Chief Executive Officer, Switzerland Innovation

direction of the flow of funds has changed; there currently is a shift in the direction of large investments, flowing from the East to the West rather than from the West to the East. This was proven by increasing investments made by Chinese companies in Switzerland and Europe. **Feng Leiming**, Secretary General, Tianjin Institute for International Development Studies, China, pointed out, that China is still a very good place for international companies to invest in, as political and legal stability is high, a good infrastructure is available, the market for investments is opening and the establishment of special trade zones is a top priority of politicians. However, this demand will likely increase the price of raw materials, land and labour with China already facing constraints imposed by the environment.

Edgar Bullecer, Co-Founder and Managing Trustee, The Paglas Group, Philippines brought up trends in smaller countries that lead to the shift of the economic centre of gravity from the United States to China and Asia. New leaders question the relationships with the West and start building up relationships with nearby partners. He has called for better relationships amongst all countries in order to sustain peace and allow each country to benefit from globalization.

Discussing the issue of extreme poverty, **Eugen Brand**, former Director General, ATD Fourth World, stated that there is a link between poverty and extreme poverty. People living in extreme poverty face total insecurity in every aspect of their life, loss of autonomy and loss of representation: it really is a downward spiral. Fearing poverty as the killer of people, innovation, ideas and potential, he called for a broad international dialogue. **Matthias Roebel**, Chief Executive Officer, Ming Labs, Germany, said, that “China is a source of ongoing disruption.” International cooperation has enabled China to benefit from a very interesting mix of cultures and this has generated endless constructive possibilities. For established companies, the rise of China has led to the need to rethink their basic business model. “However, in order to benefit even more, Chinese firms must understand the global market and barriers and borders must be broken down” as **Yuan Mingli**, Co-founder and Chief Technology Officer, Caiyunapp.com, China, put it.

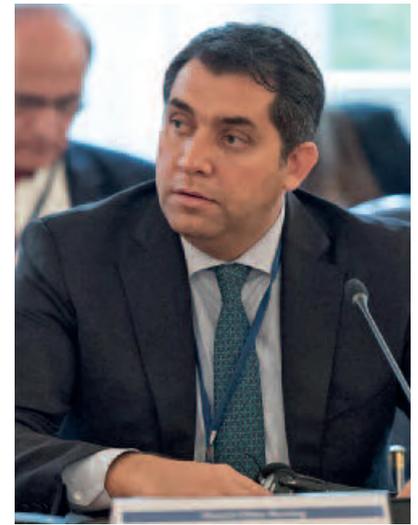
Chitra Narayanan, Associate Fellow, Geneva Centre for Security Policy, shared her views and experience on regulation and bureaucracy. Embracing and praising Digital



*Chitra Narayanan, Associate Fellow,
Geneva Centre for Security Policy*



*Peng Yuanzheng, Vice Chairman and Secretary-
General, China Petroleum Enterprise Association*



*Ali Osman Ozdilek, Member of Board of Directors,
GD Holding A.S, Turkey*

Development for the opportunities it creates to build a better world, she discussed threats arising from the potential misuse of new technologies, calling for an efficient management of digital innovation by the government. China’s ability to manage legislation in such a manner was determined as very impressive and a competitive advantage. Focusing on geopolitical changes, **Ninel Seniuk**, Professor, MGIMO University, Russia, introduced challenges and tensions that China and other large countries face today. She stated that the ongoing change from a Western-oriented “old order” to a “new order” will not be straightforward or easy. Agreeing with the other panellists, she expected the centre of gravity to move towards Asia.

Globalizing Chinese Firms

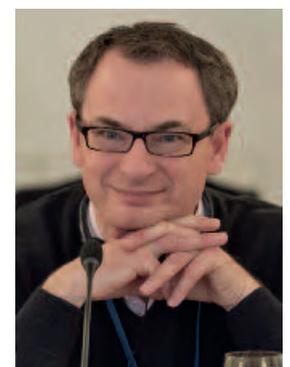
Chinese firms have been using distinct ways to advance their presence on the world map. The goal of this session, chaired by **Charles Tang**, Chairman, Brazil-China Chamber of Commerce & Industry, was to discuss best practices for Chinese Multinationals to rise to global eminence and to answer how they make sense of a world characterized by pronounced fragility and heightened uncertainty.

Ali Osman Ozdilek, Member of Board of Directors, GD Holding A.S, Turkey, described Chinese manufacturers as lacking brand awareness. In Turkey, Chinese brands have not yet established themselves. Yet Chinese firms make enormous efforts to adapt themselves to global best business practices so some have nearly completed their transition towards globalization, and some Chinese brands have already successfully established themselves, for example, Lenovo. But some say that these brands are still not real Chinese brands, but only Chinese-named brands. Nevertheless, Chinese goods and engineering prowess have become important for Turkey and exemplary power plants have been constructed through collaboration by the two parties.



*Richard Li, Managing Partner,
Success Mark, Hong Kong*

Discussing the Chinese global impact, **Peng Yuanzheng**, Vice Chairman and Secretary-General, China Petroleum Enterprise Association, said that after over 40 years of opening up, China’s economy is now fully integrated in the great wave of the world. Chinese firms going global have made great progress, as Alibaba proves. China shows a fast and great development within the last 30 years. Peng Yuanzheng perceived this trip to Berne as a necessary



*Mark Turrell, Founder and Chief
Executive Officer, Orcasci, USA*



Charles Tang, Chairman, Brazil-China Chamber of Commerce & Industry, Brazil



A debate during the Horasis China Meeting

measure as Berne is the window to the World and Switzerland one of the most innovative countries. As Berne is a big place with big influence, China and Switzerland need to cooperate together to achieve their dreams and should benefit from each other since cooperation helps achieve win-win goals.



Matthias Roebel, Chief Executive Officer and Co-founder, Ming Labs, Germany

Mark Turrell, Founder and Chief Executive Officer, Orcasci, USA, stated that many Chinese companies decide to grow global and that Lenovo has been one of the first to do so. But China needs to consider that globalization always faces challenges, as it is very difficult for a British company to decide what any overseas customer wants to buy. According to **Lin Feng**, Founder and Chief Executive Officer, DealGlobe, Chinese firms investing globally have taken new paths not trodden by their competitors. Chinese firms pursue a very long-term strategy.



Yuan Mingli, Co-founder and Chief Technology Officer, Caiyun App, China

complementary, as the Chinese can for example profit from Brazilian ideas to reduce China's pollution problems as China might profit from Brazil's ethanol program, and implement it in Beijing to reduce pollution.

Spearheading China's Digital Transformation

Digital technologies are an important driver in China's economic transformation. Delegates discussed how the new generation of Chinese technology entrepreneurs are shaping industries and business processes locally and globally. **John Cook**, Chairman, Rock Lake, Switzerland, introduced the topic by arguing that in order for disruptive innovation to happen,



Ninel Seniuk, Lecturer, MGIMO University, Russia



John Cook, Chairman, Rock Lake Associates, on China's digital transformation

the free movement of goods, people and capital is a central key for success, although this proves to be difficult. Giving an overview over the Chinese economy, **Martin Haemmig**, Visiting Professor, Renmin University, China, introduced the fact that China is the global leader of numerous industries but is not seen as an innovation leader. Currently, the US is still considered to develop most of the cutting edge technology. Despite lacking international awareness, this leadership position has had a deep social and economic impact on China. "As China leapfrogs the adoption of technological innovation, its expertise lies in producing and introducing products to the market rather than fundamental research," pinpointed **Marián Škvarek**, President, Easycore, Czech Republic.



Martin Haemmig, Visiting Professor, Renmin University, China



Smita Purushottam, Ambassador of India to Switzerland and Minister Christoph Neuhaus

Comparing India and China, **Smita Purushottam**, Ambassador of India to Switzerland, remarked, that funding for companies in India is more dependent on the government than in China. Even so, as India has many mobile internet users, chances are high that it might drive the next wave of innovation. This is also due to the different approach towards innovation. India follows an 'open space' approach, allowing all users to access the Internet any way they want. China still struggles with this part of the Internet as information is not always publicly accessible. Furthermore, it is much easier to fund companies in India as there are fewer restrictions on foreign capital.



Marián Škvarek, President, Easycore, Czech Republic

Responding to the 'open space' approach of India, **Carlos Moreira**, Chairman, WISeKey, Switzerland discussed aspects concerning Cyber Security. He argued that China's segmentation of the Internet might hold a competitive advantage concerning the Internet of Things. With an ever-growing number of devices connected to the Internet, the need to protect the "Industrial Internet" grows. This will likely allow China to benefit from the next IT-revolution – if it is able to develop the necessary software applications. Digital



Yan Junjie, General Manager, TusCity Science & Technology Co.



Fred Wang, Chairman,
Salon Films Group of Companies, Hong Kong



Chinese and Swiss entrepreneurs discussing bilateral trade and investments

transformation has massively influenced competition and competitive advantages of companies. Today, the question is not “if” but “how well” something can be implemented, suggested **Ken Hu**, President and Chief Executive Officer, HKF Technology, USA. This leads many traditional companies to overthink their business model. A growing pool of information can be analysed and discussed with professionals all over the world, for example allowing doctors remotely to treat their patients faster and more successfully.



Ken Hu, President and
Chief Executive Officer,
HKF Technology, USA

Another challenge in this more innovative and thus more complex world is to integrate business processes and digital technology, as portrayed by **Andreas Hube**, President China, SAP, Germany. Basic IT systems must be adapted to fulfil constantly changing requirements. One of the major challenges currently facing IT Service and Software providers is connecting all the different forms of connections. China, growing at an astonishing rate, has become the leader in this field as there no other nation has a similar set of ever changing requirements. However, in order to achieve the next level of connectivity, further investments will be necessary into the technology platform.



Carlos Moreira, Chairman,
WISeKey, Switzerland

Fred Wang, Chairman, Salon Films Group of Companies, Hong Kong reminded the panellists of the problem that not everybody within a company can focus on innovation. Greater external and internal threat to the security of IT systems creates the need for people who efficiently run the system. If software can be improved to create value for customers and company, there is a huge potential for future economic development. “The user experience can, and sometimes must, be adjusted in order to meet special requirements and needs of Chinese users,” added **Yan Junjie**, General Manager, TusCity Science & Technology Co., China.



Andreas Hube, Vice President, SAP, Germany



Sergey Demin, President, Rosatom Eastern Asia, Russia



Cai Xiangbo, General Manager, Solid Waste Environmental Protection Technology Co.



Harald Einsmann, Member of the Supervisory Board, Tesco, United Kingdom

Foreign Firms in China: From Investment to Endurance

Swiss and other foreign firms are looking to expand their business in China. In the last few years, we could observe a growth of foreign investments in China. **Oltmann Siemens**, Member of the International Advisory Board, International Finance Forum, raised questions about the opportunities and challenges of Foreign Direct Investment (FDI) in China and about what strategies can lead to success.

Harald Einsmann, Member of the Supervisory Board, Tesco, United Kingdom, claimed that there is deterioration in China’s investment climate. One main reason is the slowing growth of China’s overall economy – it is now more difficult for foreign investors to access the market.

Ryo Kubota, Chairman, Acucela, US suggested the opposite, claiming that that the foreign investment environment in China will continue getting better.

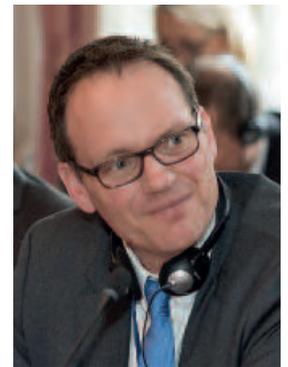
Jürgen Kracht, Chairman, Fiducia, Hong Kong, reported that the Chinese government increasingly prefers to source local products “the wind has changed” he said. **Michael Escher**, Chief Commercial Officer, Meyer Burger Technology, Switzerland, said he would like to see more control

of business habits in China, moving the me-too attitudes to real innovation. **Lu Yuebing**, Vice Chairman, Singuler Guff, China, added that China has stopped privatizing state assets so there are fewer opportunities for foreign investors. According to **Zhang Xiaodong**, Chairman, Winhopes Investment Co, China, the Chinese Market is now more relaxed and open for outsiders. Mr. Zhang Xiadong unambiguously encouraged foreign investors to enter the Chinese market.

Sergey Demin, President, Rosatom Eastern Asia, Russia, was convinced that entrance to the Chinese market is getting more expensive. He also emphasized the importance of having a local partner in China, especially if you are a middle-sized foreign company. He also mentioned that foreign investors increasingly complain about bureaucracy “investors should bring to China not only money, but also new ideas” he concluded.

Creating Ecosystems for Green Growth

China’s environmental problems are one of the drivers behind the country’s planned shift towards a greener and more sustainable model of economic development. “How can



Michael Escher, Chief Commercial Officer, Meyer Burger Technology, Switzerland



Zhang Xiaodong, Chairman, Winhopes Investment Co.



Sein-Way Tan, Chairman, Green World City Organisation, Australia, chairing the panel on green energy



Oltmann Siemens, Member International Advisory Board, International Finance Forum, China

China and its global partners join hands to create ecosystems for green growth?” asked **Sein-Way Tan**, Chairman, Green World City Organisation, Australia. **Cai Xiangbo**, General Manager, Solid Waste Environmental Protection Technology Co., China stated that the waste and pollution situation of China is alarming, especially in big cities like Beijing. Seeking for an improvement is therefore of a high importance. He was convinced that green can and should be the new engine of economic development. **Wu Wei**, Chairman, The Ambassador Club, China, claimed that the

level of pollution of large Chinese cities is alarming “we need fast and sustainable change. We want to learn from Switzerland and we promise to become a cleaner and greener country.”

Claude Béglé, Chairman, Symbioswiss, Switzerland, praised the Chinese government for developing very concrete and precise strategies, standing out even against other countries like Germany and Switzerland. Nevertheless, these strategies have yet to be fully realised by action, and therefore the insight, how Europe and especially



Ryo Kubota, Chairman, Acucela, USA



Debating how to create ecosystems that nurture start-ups



Wu Wei, Chairman, The Ambassador Club, China



Kurt Rohrbach, President, Trade & Industry Association of the Canton Bern, making a point

Switzerland did it, is very valuable. **Kurt Rohrbach**, President, Trade & Industry Association, Canton Bern, gave an insight into Swiss energy policies. Historically, Switzerland's most important source of renewable energy has been hydropower. But the renewables like solar, wood, biomass, wind, geothermal and ambient heat also play an increasingly important role in today's Swiss energy mix.

Felix Zhang, Founder and Executive Director, Envision Energy, China, shared his dream that one day energy will be free, because wind and solar are free and that is where energy should come from. It is not only China's but a global goal to ensure a system that will lead to sustainable energy future. **Zhao Mi**, Chairwomen, Jiangsu



Claude Béglé, Chairman, Symbioswiss, Switzerland



Zhao Mi, Chairwomen, Jiangsu Security Allied Investment and Development Co.

Security Allied Investment and Development Co, talked about her experience with wind farms "offshore wind farms will accelerate wind power installations along China's coast," she said.

Winning with Talent

Education systems in China are being made ready for the next wave of economic development. The session was chaired by **Zhang Ying**, Associated Dean, Rotterdam School of Management. She asked participants about their views on trends transforming the future of work "how can businesses and educational institutions collaborate to prepare today's workforce for tomorrow's jobs?" she inquired.

Anthony Chan, Chairman, New Line Capital Investment, pointed out the differences between Chinese and European primary education systems, He also mentioned, that many European employers doesn't trust the Chinese educational system, as it is often old-fashioned based on rote learning. **Martin Schneider**, Chief Executive Officer, Brainforce, Switzerland, pinpointed the need to create education systems that will allow students to be flexible and critical, as flexibility leads



Michael Jeive, Professor, University of Applied Sciences and Arts Northwestern Switzerland



Felix Zhang, Founder and Executive Director, Envision Energy



Jürgen Kracht, Chairman, Fiducia, Hong Kong SAR



Alexander Trentin, Correspondent, Finanz und Wirtschaft, Switzerland



Daniele Schilirò, Professor of Economics, University of Messina, Italy



Zhang Ying, Associated Dean, Rotterdam School of Management, chairing the education panel

to innovation. **Jackie Wong**, Founder, China Women School, added that “social education will be key in the future. We need graduates who can connect with their peers and with society.”



Martin Schneider, Chief Executive Officer, Brainforce, Switzerland

Sun Ho, Chairman, Chang Cheng Insurance Brokers, pointed out that Chinese graduates cannot be operational when they arrive for their first job. Their knowledge is usually rather narrow “we need creative graduates who can deal with complex situations” he said. In his opinion, more specialized courses should be offered. Knowledge laboratories should be set up at Chinese Universities. **Shi Yuyou**, Chairman, Dianba New Energy Technology, added that China needs more engineers, finance specialist and marketing people. Hands-on education is needed.



Anthony Chan, Chairman, New Line Capital Investment, Hong Kong

Michael Jeive, Professor, University of Applied Sciences and Arts Northwestern Switzerland, noted, that people move at a different pace with different speeds. And it is all about being innovative and making an impact on society. **Daniele Schilirò**, Professor of Economics, University of Messina, Italy, concluded that “education is the key for innovation and growth, in China and elsewhere”.

Chinese Brands Taking to the Global Stage

Consumer behaviour is changing rapidly in China. Currently ambitious Chinese firms want to become globally branded players. **Alexander Trentin**, Correspondent, Finanz und Wirtschaft, Switzerland, asked participants what it takes to gain international recognition and to successfully enter global markets.

According to **Daniel Meyer**, National Chairman, Swiss Chinese Chamber of Commerce in China, successful Chinese brands will need to position their products emphasizing quality rather than just a lower price. Of course, pricing is important, as the relationship between product and price must be reasonable. **Ren Siyi**, Founder, Herbalissimo, China, countered that as the brand identity needs to give information about aspects central to the identity of a company, Chinese companies should maintain their identity in order to sell their products in the global market.

Jennifer Lu, Executive Chairwoman, China-Africa Project Hope, stated that Chinese companies must consider brand heritage and their roots. Resonating very well with the panel, she drew a line from Chinese branding efforts to the social



Anson Chan, Chairman, Bonds Group of Companies, Hong Kong



Ren Siyi, Founder, Herbalissimo, China



Noel Akpata, Chief Executive Officer, Stratex Pro, Nigeria

responsibility of these companies. She stated that, the stronger a brand is, the bigger the responsibility must be, and that sharing is everything as these are traits that benefit the whole society.

Lots of Chinese brands do not travel well, stated **Anson Chan**, Chairman, Bonds Group of Companies, Hong Kong. The confidence of consumers in product quality and consistency are key aspects for success and the perceived lack thereof might prevent western consumers to buy the product. Generally, in a mainly western-oriented environment, Chinese design should be modernized but Chinese heritage should be maintained regarding core product

aspects. Anson Chan also pointed out that products must be authentic with regards to the culture from which they derive. His advice to Chinese companies was “not to become something that they are not” led to applause from all the panellists as well as the audience.

The panellists discussed a variety of strategies for entering foreign markets, concluding that a certain mind-set is needed before going global. Increasing pressure on margins, competitive pressure in China and risk diversification, are motivations to expand globally. Chinese companies should build up economies of scale and then move out to emerging



Jackie Wong, Founder, China Women School, China



High-level officials from China and Switzerland



Sun Ho, Chairman, Chang Cheng Insurance Brokers



Jennifer Lu, Executive Chairwoman, China-Africa Project Hope, China



Zhang Xiaoling, Chairman, Linte International, China



Gérard Wolf, Member of the Board, MEDEF International, France

markets. To some degree, this limited strategy to go global right away also rests with the Chinese consumers failing to purchase Chinese branded products. Allowing western companies to enter the Chinese market has also brought in western lifestyle and values. This forces Chinese companies to have a global strategy in order to compete as they already face western brands in their home market. Socially, Chinese brands are not considered to bring huge value. Might this be solved through better education?



Daniel Meyer, National Chairman, Swiss Chinese Chamber of Commerce in China

The session was summed up by **He Bing**, Executive Secretary, Beijing Federation of Industrial Economics, who advised Chinese companies to “do what suits them best” as everything else will naturally follow later on if companies are patient. **Jerry Zhang**, Chief Executive Officer, Neocomm Broadband, China, proposed that caring for greater virtues will carry everything and that chasing money and profit has led companies to forget humanity. **Noel Akpata**, Chief Executive Officer, Stratex Pro, Nigeria, warned companies not to become too materialistic. The panellist closed the session by opining that branding, if done successfully, will be great for the company as well as the entire country.



Jerry Zhang, Chief Executive Officer, Neocomm Broadband, China

Boosting the Private Sector

China is set for far-reaching economic reforms to ensure a greater role for the private sector. In a session on China’s private sector participants reflected on the practical steps that could be expected in the next months and “what Chinese entrepreneurs can learn from their global counterparts” as **Zhang Mei**, General Manager, Kunming Meilin Science & Technology Co., put it. **Liu Chang**, China Director, ACCESS Health International, explained that China is open to work with the private sector in the health sector. The rising Chinese middle-class is asking for better care and house-services. Regarding health care, China wants to learn from its international counterparts. For this it needs to think of more adaptive care, starting with innovative business models and including the governmental intention to cover health costs and or insurances.

Wu Jun, Chairman, Yizhao Hengji Group Co. stated that through China’s “going abroad”, China can learn also from other countries. He refers to his own experience as when he went to America and learnt much that he was able to bring back into his business in China. **Zhang Xiaoling**, Chairman, Linte International, highlighted



Lou Marinoff, Professor of Philosophy, The City College of New York, on the Chinese dream



Liu Jingyi, Editor-in-Chief, Global China Insights



Donny Huang, Founder and Managing Director, 4stones

that China’s needs to reform the state-owned sector, with the goal of promoting the private sector. **Paul Xie**, Founder, Kunpeng Online, explained that many Chinese business leaders have no confidence and are rather pessimistic towards the Chinese economy “we need more start-up capital to kick-start our economy” he said. “The private sector is crucial for future growth in China” according to **Liao Wenjian**, Chairman, Bluesource Capital, and Chinese entrepreneurs have to think and act globally. Finally, **Gérard Wolf**, Member of the Board, MEDEF International, France, proposed to engage more Chinese citizens – old and young – within entrepreneurship.

Fulfilling the Chinese dream

This session was about the perception of the Chinese dream, to what extent will China be able to preserve its values (e. g., about family and religion) and how the Chinese dream will change the world. If we compare the well-known American Dream to the Chinese Dream there is one big difference: The focus of the American Dream is the fulfilment of the individuals’ dream, but in China you have different values. It’s not only the ‘own family’ which is important, but the well-being of the whole nation. This dream is based on China’s history and religions: Confucianism, Taoism and Buddhism.



Zhang Mei, General Manager, Kunming Meilin Science & Technology Co.



Yang Xinfang, Director, CCPIT Commercial Sub-council

The session began with **Gaurav Gaur**, Managing Director, TLEX, who stressed the fact that India’s situation is not very different from what China is nowadays experiencing. The goal of everyone was to earn a lot of money. As China becomes a richer country, it needs to share more experiences and enterprise values with the rest of the world. **Donny Huang**, Founder and Managing Director of 4stones, discussed the question of how to develop trust with the western part of the world. According to Huang, the Chinese dream has significant collective values. He considers



Paul Xie, Founder, Kunpeng Online



Zhang Shunchuan, Founder, Bai Art Museum, China



Zhu Li, Director, Confucius Institute of University of Lisbon, Portugal



Pieter Perrett, Professor, University of Applied Sciences Northwestern Switzerland, hosting the youth panel

his nation as a big family and this would distinguish the Chinese dream from the American dream. According to **Liu Jingyi**, Editor-in-Chief, Global China Insights, China makes a lot of efforts to connect to the whole world and to provide infrastructure to enable this connection. The integration of the different values of the three religions mentioned above helps all to have a better comprehension. “The ultimate goal of the Chinese dream is harmony” she said. “The integration of the Chinese culture in the rest of the world can be done through the promotion of Chinese food” said **Yang Xinfang**, Director, CCPIT Commercial Sub-council, China. **Zhao Yiwu**, Chairman, Beijing Naton Technology Group, China, stressed that Chinese values should also absorb western values. **Zhang Shunchuan**, Founder, Bai Art Museum, focused his contribution on Confucianism, “Confucian pluralism and China's dream of a harmonious world go very well together” he said.

For **Vincent Zhang**, Managing Partner, Capital First Partners, China is globally underrepresented. “We need more of China in this globalized world” he said. **Lou Marinoff**, Professor of Philosophy, The City College of New York, USA, answered that China has already embedded

through Chinese thought and Chinese medicine some of its values in the western part of the world.

Leveraging China’s Global Diaspora

Zhu Li, Director, Confucius Institute of University of Lisbon, Portugal, discussed how China can benefit by reversing brain drain. **Stanley Loh**, Chief Executive Officer, One Card Limited, Canada started his intervention with a brief overview of Chinese Migration, which began in 1850 with migrants searching for gold. He underlined that advanced skills were and will always be the best way to be welcomed abroad. **Gregor Heinecke**, Chief Executive Officer, Transcontinental M&A Advisory, Germany, shared the situation of Chinese people in Germany, stating that Chinese migrants are usually very well educated. Most of them are either business people or students. **Roger King**, Member of the Supervisory Board, Orient Overseas (International), Hong Kong took these inputs to lead to the next topic, the homogeneity of Chinese people. He stated that this cliché is very untrue, as the Chinese are very diverse. While a lot of Chinese immigrants were simple labours when they arrived in the USA, there was



Wu Jun, Chairman, Yizhao Hengji Group Co.



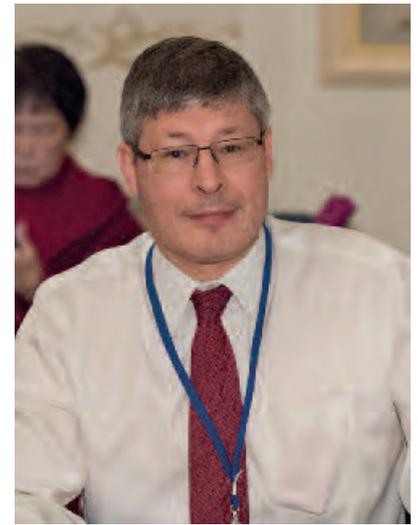
Liao Wenjian, Chairman, Bluesource Capital, China



Nathan Anderson, Co-founder, ScanTrust, China



Roger King, Member of the Supervisory Board, Orient Overseas (International), Hong Kong



Philippe Monnier, Member of the Board, WayRay, Switzerland

also a smaller, well-educated group. **Liu Jianjiang**, Chairman, Daoshengheyun Eco-agricultural Development Co., China, reflected on the impressive work the Chinese immigrant has done all over the world. **Philippe Monnier**, Member of the Board, WayRay, Switzerland, made the point that Chinese immigrants usually “don’t steal jobs, they are recreating them.”

Unlocking China’s Youth Dividend

The general theme of this session, led by Pieter Perrett, Professor, University of Applied Sciences Northwestern Switzerland, was how the ongoing technical (r)evolution will change the influence of China’s youth on business and society in the future. He panellists agreed that China’s youth is actively seeking to fulfil its dreams



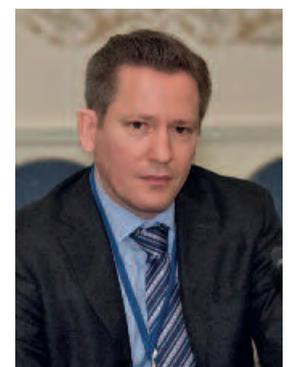
Huang Xiaohong, Chairman, Teng Jin Logistics

and ambitions: a change enabled by the development of the internet as a technological platform. **Huang Xiaohong**, Chairman, Teng Jin Logistics, noticed that in order to grow their companies, the millennials within the workforce must be engaged. The employees benefit from taking on more interesting projects and more responsibility. Innovation and reformation is therefore mainly driven by young employees. Additionally, besides supporting constant education for her employees, Huang Xiaohong sees her young employees as ambassadors, sharing Chinese culture internationally with other young people and companies.

According to **Nathan Anderson**, Co-founder, ScanTrust, China, keeping up with change seems to be much easier for the “digital born natives”, as there is a large gap between different members of the society and the workforce when it comes to the use of technologies. Although technology is used roughly the same way all around the world, older people in the Chinese work force struggle with change as they are not accustomed to technology. Nathan Anderson furthermore discussed the fact, that the ability to follow technological changes was made possible by a changing



Stanley Loh, Chief Executive Officer, One Card Limited, Canada



Gregor Heinecke, Chief Executive Officer, Transcontinental M&A Advisory, Germany



John B. Kidd, Research Fellow, Aston Business School, United Kingdom



Prabhakar Atla, Senior Vice President, Cyient, India



Andrew Crosby, Managing Director, International Centre for Trade and Sustainable Development

perception of smaller business ventures and start-ups. The pressure from parents on their children to choose steady jobs in big enterprises has noticeably lessened in the past few years. Young Chinese people have discovered, that smaller companies and start-ups also give them a chance to earn money and, even more important, have a fulfilling life style.

Another aspect subject to massive changes is the higher educational system in China. Students use collaboration platforms in order to communicate and work on projects with students from other countries. This inter-connectivity opens up new ways to transfer knowledge and soft, “cultural”, skills amongst the students and countries

involved. Looking in the future, the influence of the youth is likely to grow: it will be even more important for young people to connect internationally in order to sustain their parents and their country. This will be facilitated by the changing technology platform. With an engaged youth, China can become the leader rather than the follower in the next technological revolution. However, in order to benefit from this international collaboration, technical and social aspects must be considered. In general, Chinese companies can only grow by becoming more innovative; and to become more innovative, the youth must be better educated and internationally integrated.



Liu Jianjiang, Chairman, Daoshengheyun Eco-agricultural Development Co.



Sergey Millian, Chairman, Millian Group, Russia



Plenary session – China and World Economic Outlook



Liu Hongchuan, Partner, Broad & Bright, on China's global trade



Bo Inge Andersson, Chief Executive Officer, Bo Group Enterprises, Sweden, speaking about China's car industry

Mapping China's Trade

John B. Kidd, Research Fellow, Aston Business School, United Kingdom, focused the session on the future directions of global trade, as it will be largely determined by the initiatives of China and its economic partners. John B. Kidd highlighted the change in Chinese firms' strategy from being a low cost manufacturer towards investing in the global market and thus, pursuing a grand plan. Through their acquisitions in European countries, they receive knowledge and know-how for their supply chain and due to their investments in African and South American countries they further profit from cheap labour and natural resources. Thanks to a big entre-

preneurial spirit and a hunger for success, today, Chinese firms show great potential in world market.

The discussion about China's impact on global supply chains and trade focused on the changes and challenges of the global value chain, and the participants of the Horasis China Meeting several times highlighted the 'one belt one road' initiative, which is further strengthening China's role in global cooperation. In only a few decades China displaced Japan from its leading position by its transition from a local to a collaborative market. In this context, **Umberto de Pretto** underlined the progress in antidumping, which



Discussing the impact of global economic hyper-connectivity on China



William Haseltine, Chairman, ACCESS Health International, USA, making a point on the closing plenary



Han Benyi, Chairman, Shijie Huaxia Fund – 'China's fundamentals are good'



Stan Fung, Managing Director, FarSight Ventures, USA

increased China's attractiveness. Following this change other countries could profit by engaging in the global economic value generation process. But where can we find value creation? **Prabhakar Atla**, Senior Vice President, Cyient, India, highlighted the increased importance of knowledge and investments instead of goods, whereas **Andrew Crosby**, Managing Director, International Centre for Trade and Sustainable Development (ICTSD), Switzerland, pointed out that non-economic values influence decision makers on the global stage more and more. China has to tackle security concerns, increased labour costs and the lack of environmental protection to sustain its position in the global value chain.



Xi Beiming, Director General, Shanxi Coking Coal Group Co.

Umberto de Pretto, Secretary General, International Road Transport Union (IRU), Switzerland, and **Dimosthenis Manginas**, Chairman, Manginas and Partners, Greece, both agreed on the need to 'go back to the source', creating products that are not so sophisticated. Manginas described prices in China as very high even for Chinese products. In his opinion this constitutes a problem because even the Chinese population can hardly afford Chinese products because of

their low income. He thinks that the Chinese have to pay more attention to the internal market in the future. With its rise China also started to penetrate areas where resources and labour are cheap. According to **Sergey Millian**, Chairman, Millian Group, Russia, this can be seen as China's plan to stay competitive in the future because it is exactly those countries at this stage of development that are getting the trading partners of tomorrow. Furthermore, **Liu Hongchuan**, Partner, Broad & Bright, China questioned Chinese brand names, as it takes not only much money but also a lot of time to establish recognizable brands. According to him, this is the reason for the numerous mergers: Chinese companies acquire a company with an established brand bringing it closer to the desired goal of becoming an important international player.



Participants sharing a light moment



Closing Plenary – Achieving Growth under the New Normal

Achieving Growth under the New Normal

The closing plenary highlighted and summarized the recommendations and initiatives identified during the meeting and how progress can be made in the coming years. The question of discussion was which economic model would allow China quantitative and qualitative growth under the ‘New Normal,’

Harley Krohmer, Professor, University of Bern, Switzerland started the discussion and highlighted that key business success factors can be created through the combination of the best of the world. Thanks to fusion, something completely new can be created. He described the key insight of the Horasis China Meeting as “go global, make the world a happier place.”



Participants exchanging business cards

Bo Inge Andersson, Chief Executive Officer, Bo Group Enterprises, Sweden, said he is very optimistic towards China and expects its automotive market to further grow within the next years. In contrast, **William Haseltine**, Chairman, ACCESS Health International, USA, argued that there is no such a thing as a ‘normal’. For him, normal keeps changing in everyday life. China has faced enormous growth within the years, but the past is not a predictor for the future. There is a limit of what China can export, and therefore new ways must be found.

Han Benyi, Chairman, Shijie Huaxia Fund, further mentioned that during the first twelve years of this century, the growth of China was three times higher than that of the rest of the world, but that the current slowdown of economy is of concern. In his point of view, normal is not only slowing down the growth, it is also a stage of new thinking. If China succeeds in this transition, it is starting with a 2.0 version, focusing more on the quality of development. Further in the discussion **Zhao Yiwu**, Chairman, Beijing Naton Technology Group, stated that one feels the change of economy in China and that it influences people’s life. China faces a lot of



During one of the boardroom sessions



A question from the audience

problems, and is affected by the environment, but it is hoping for change to the better. In the future the Chinese should focus on the quality of life and their cultural pursuits, which would enhance a further growth of China in the next decades.

Harley Krohmer closed the plenary with a final statement and mentioned that the key challenge is to go global. We could all live in a knowledge society, with artificial learning and machine learning and we could add creativity to the Chinese dream by going global. Thus “we need to go global to become more creative.”



Closing dinner at the famous Interlaken Congress Center



Studying the programme



Delegates gather for the welcome reception



In which direction is China's economy heading



Panellists prepare the next panel



Celebrating the Horasis China Meeting



The meeting was covered by the international media



Some of the parallel sessions



Bern Economic Development Agency



Prepared for a fascinating (and cold) day in the mountains



Excursion on the last day – delegates walking to the train station



During the two hours breath-taking railway journey to the Jungfrauoch



Admiring the high-Alpine wonderland of ice, snow and rock



In front of the Aletsch Glacier



A typical Swiss mountaineers' lunch is served



Experiencing a treasured high alpine wonderland



Horasis

The Global Visions Community

Horasis: The Global Visions Community
Thurgauerstrasse 40
CH-8050 Zurich
Switzerland

phone +41 79 305 3110
fax +41 44 214 6502

www.horasis.org

