



Boao Forum for Asia

# Annual Conference Report 2014

博鳌亚洲论坛2014年年会报告

*Asia's New Future: Identifying New Growth Drivers*  
亚洲的新未来：寻找和释放新的发展动力





# Contents

---

1	<b>Preface</b>
2	<b>Introduction</b>
3	<b>The Opening Plenary</b>
5	<b>The global political economy and Asia</b>
5	The global economy / international system
6	Asian regional and bilateral cooperation
10	Enterprise perspectives
12	<b>Economic restructuring</b>
12	Changing drivers of growth
15	Avoiding the “middle income trap” and fostering consumption
16	Resource and manufacturing economies
17	<b>Factors of production</b>
17	Land and Labor
19	Capital
23	Energy and minerals
24	Technology
25	<b>Trade, marketing and distribution</b>
27	<b>Industry perspectives</b>
29	<b>Conclusion</b>
31	<b>Appendices</b>
31	Appendix 1: Boao Fourm for Asia Annual Conference 2014 Program
53	Appendix 2: Opening Plenary speeches

---



Government leaders and some members of the BFA Board at the BFA Annual Conference 2014

# Preface

I am hereby submitting with delight the Report of the Boao Forum for Asia (BFA) Annual Conference 2014.

Featuring the theme of “Asia’s New Future: Identifying New Growth Drivers”, this year’s Annual Conference was held on 8-11 April 2014 in Boao, Hainan of China. Some 1,700 people from the political, business and academic communities of 52 countries and regions, including over 80 government ministers and leaders of international organizations, more than 150 senior executives of Fortune Global 500 companies, and many academic thought leaders and media representatives gathered together to have in-depth discussions and exchanges on the drivers for Asia’s sustainable development in the future. Over 1,000 journalists from home and abroad provided in-depth media coverage on the Annual Conference. On the topic of how to unleash Asia’s development drive under the new circumstances, the distinguished guests at the Annual Conference made their voices from Boao heard. Their voices reflected the common aspirations of Asia, and of the entire developing world, to seek cooperation and pursue development. Pooling together the collective wisdom of all is indeed the right way to success.

In 2014, as complexities in Asia’s economic development rise, governments of countries in Asia and other parts of the world have all been committed to promoting structural readjustment. The theme of this year’s Annual Conference captured the crux of all the issues facing Asia at present, while the way the sub-topics were arranged showed the pathways leading to Asia’s new future. Asian countries are facing problems both old and new. Solutions to all Asia’s problems finally boil down to development, which changes the world and creates the future. Development remains to this day the top priority for Asian countries.

This year’s Annual Conference lasted for four days, during which 68 breakout sessions, roundtables, closed-door dialogues, among others, were organized. With a focus on the theme of the Annual Conference, the distinguished guests from different countries attending the sessions discussed from different angles issues in the economic, political, social, cultural and international cooperation spheres, through which they turned this year’s Annual Conference into a grand gathering to exchange ideas and explore the development vision of Asia. As for the countries and regions in Asia, this year’s Annual Conference will undoubtedly exert a lasting, positive impact on and impetus for mutual cooperation and building together Asia’s new future.

The BFA Annual Conference have been held for 13 years. The Annual Conference has become an important platform with an Asian focus and a global vision. “Boao”, the site of the Forum, is known for “enchanted water and abundant fish” as classic Chinese literature puts it. This is also a symbol of the Forum’s fruitful achievements, which, without the active support and participation of the leaders from around the world, would have never been possible. I would like to express my heartfelt thanks to them for their warm participation!

Thanks to the hard work of our draft team, the *Report of the Boao Forum for Asia Annual Conference 2014* captures a comprehensive and detailed record of the highlights of the discussions taken place during the Annual Conference on topics relating to Asia. I hope that this Report will be a valuable source of ideas for you, and that you will find reading it a pleasant and rewarding experience!

Zhou Wenzhong  
Secretary General  
Boao Forum for Asia  
June 2014

# Introduction

The assembly of leaders from government, business, and academia at the BFA Annual Conference 2014, held on Hainan Island 8-11 April, illuminated how international security, global and regional economic cooperation, and domestic restructuring work in concert to generate the strongest possible “new growth drivers” for Asia. This premier annual international event is hosted in China, organized under the guidance of the BFA Annual Conference 2014’s international Board of Directors, and focused on advancing Asia’s intra-regional collaboration and international role. Building upon last year’s conference held in the wake of leadership transitions in China, Japan, and other Asian nations, this year’s Annual Conference helped orient future growth through an unprecedented number and variety of meetings, workshops, panels, and dialogues.

Given the rapid changes in comparative advantages such as labor, transportation, and borrowing costs, and the winding down of US quantitative easing, this year’s theme: “Asia’s New Future: Identifying New Growth Drivers” was extremely timely. The leadership changes highlighted at last year’s Annual Conference have been successfully navigated while maintaining Asia’s economic performance, and this process has brought into sharper relief new challenges to regional stability and prosperity for all Asian economies and the rest of the world. Globally, nations are confronting sluggish growth and low inflation (if not outright deflation), compelling many to reevaluate their economic systems. Asia, with its diversity, is a particularly useful microcosm, highlighting both the potential and limitations of export-led models based on cheap labor, investment-led models guided by government, consumption-led models dependent on domestic demand, and trade and investment regimes grounded in diverse security, economic, and political relationships.

Discussions were shaped by this interdependence of domestic, international, security and economic issues and focused on both national and regional approaches to restructuring and deployment of factor endowments like land, labor, capital, energy and minerals, and technology. **Three broad themes emerged. Regional security and political context are key enablers of trade, cross-border investment, electronic information flows, and mutually beneficial economic progress.** Accordingly, this year’s Annual Conference inaugurated important panels on security and politics - touching on the South China Sea, Sino-US relations, and cybersecurity

- in addition to its regular sessions on economics and society. Keeping abreast of these concerns, the BFA Annual Conference continues to be a significant annual conference for fostering the peace, communication, and trust that are necessary to realize for all Asian nations the potential of the economic synergies and complementarities they share.

**Restructuring or “remodeling” generally involves changes that are under the sway of government policy, encompassing trade, investment, infrastructure, finance, currency, state-owned enterprises (SOEs), and government regulation, including intellectual property rights (IPR) protection; restructuring is the beating heart of new growth drivers.**

In the background of discussions was recognition that each country must adjust consumption, investment, trade, regulation, and other policies according to its present condition and future goals, requiring tolerance for Asia’s diversity in economic development, factor endowments, and aspirations.

**The last key theme, optimizing factors of production, brought to light the intricate interplay of production inputs, government policy, and economic dynamism across Asia, animating and deepening the understanding of new growth drivers.**

In addition to introducing panels on new areas of interest, this year’s Annual Conference enjoyed a greater variety of meeting formats, some bilateral, some informal, and some facilitated but not on the major itinerary. Ultimately focused on business and enterprises, formats included roundtable discussions with breakout sessions, one-on-one and small group dialogues, in addition to more traditional panels. This year’s Annual Conference featured more senior leaders from government, business, think tanks and media around the world than any previous BFA Annual Conference.

The BFA Annual Conference Report 2014 is divided into six major sections - the Opening Plenary, including the keynote speech by Premier Li Keqiang, the People’s Republic of China, and remarks from leaders of Asian nations; the global political economy and Asia; economic restructuring; factors of production; trade, marketing, and distribution; and industry perspectives. It aims to simultaneously chronicle the activities and insights of the Annual Conference and offer perspective and context that facilitate understanding and appreciation of its contributions to multilateral dialogue, agreement, and action.

## BFA’s official website



English version



Chinese version

## Detailed summaries of BFA Annual Conference 2014



English version



Chinese version

# The Opening Plenary

Zhou Wenzhong, Secretary General, BFA, moderated this year's Opening Plenary, and Yasuo Fukuda, Chairman, BFA, presented welcoming remarks. Premier Li Keqiang delivered the keynote address, followed by speeches from other heads of state and high-level officials:

- The Hon. Tony Abbott, Prime Minister, the Commonwealth of Australia
- H.E. Chung Hongwon, Prime Minister, Republic of Korea
- H.E. Thongsing Thammavong, Prime Minister, The Lao People's Democratic Republic
- Rt. Hon. Dr. Hage Geingob, Prime Minister, the Republic of Namibia
- H.E. Nawaz Sharif, Prime Minister, Islamic Republic of Pakistan
- H.E. Kay Rala Xanana Gusmao, Prime Minister, the Democratic Republic of Timor-Leste
- H.E. Arkady Vladimirovich Dvorkovich, Deputy Prime Minister, Russian Federation
- H.E. Vu Duc Dam, Vice Prime Minister, Socialist Republic of Vietnam
- Mohamed H. Al-Mady, Vice Chairman and CEO, SABIC

Yasuo Fukuda reminded delegates that the 21<sup>st</sup> century has been called "Asia's era", and BFA Annual Conference 2014 represents its arrival. He lauded BFA Annual Conference 2014 for creating the opportunity for nations to build the essential ingredients for growth in Asia - not just economic and political cooperation, but "heart to heart" (xin lian xin 心连心) understanding.

Premier Li Keqiang described BFA Annual Conference 2014 as an "important platform with an Asian focus and global vision," and highlighted that this year's conference theme – Asia's New Future: Identifying New Growth Drivers - was timely and useful for finding the key to solving Asia's problems: development. With 700 million in poverty, Asia needs development, he emphasized, laying out three paths to achieve it: (1) An Asia-wide shared goal of common development and a community of shared interests; (2) integrated development, including infrastructural connectivity; and (3) peace.

Premier Li Keqiang noted adverse effects of developed country macroeconomic policies on Asian countries, urging as a counterbalance increased regional trade integration (which is dwarfed by intra-EU trade and remains thwarted



Li Keqiang  
Premier  
The People's Republic of China

by tariff and non-tariff barriers) through the Regional Comprehensive Economic Partnership (RCEP), World Trade Organization (WTO), and even Trans-Pacific Partnership (TPP). Though today RCEP does not include the US or Canada, and TPP does not include China, Premier Li Keqiang declared that "both RCEP and the TPP should become important supplements to the multilateral trading system" and "go hand in hand."

Infrastructural connectivity is also vital, he continued, as "a single thread cannot be spun into a cord". He endorsed the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor, China-Pakistan Economic Corridor, Silk Road Economic Belt, 21<sup>st</sup> Century Maritime Silk Road, and Asian Infrastructure Investment Bank, pledging China's cooperation in each of these efforts. Ultimately, connectivity will help Asia take advantage of "industrial complementarity" between nations, capitalizing on Asia's rich diversity in populations, cultures, resources, and states of development.

Finally, Premier Li Keqiang emphasized the centrality of peace to development, reiterating China's adherence to the Five Principles of Peaceful Coexistence. Disaster management, maritime search and rescue, counterterrorism, and even regional security cooperation frameworks are all areas in which countries should work together. Premier Li Keqiang reaffirmed both China's commitment to seeking peaceful solutions and its firm resolve to uphold its territorial sovereignty,

saying, “a peaceful South China Sea is in the interests of all littoral countries,” and that China is willing to consult bilaterally on a code of conduct within the framework of the Association of Southeast Asian Nations (ASEAN) and the *2002 Declaration on the Conduct of the Parties in the South China Sea*.

Premier Li Keqiang concluded with three growth drivers within China: (1) deepening reform, including delegating powers to lower levels, defining market access through a negative list approach, expanding lessons from the China (Shanghai) Pilot Free Trade Zone (CSPFTZ), liberalizing a range of financial currency and capital account controls, and opening service and capital markets, including connecting the Shanghai and Hong Kong stock exchanges; (2) structural adjustment, including addressing income inequality, value-added tax (VAT) reform, investment in healthcare and old-age support, urban residency reform, and promoting inland development, green industries, and venture capital; and (3) emphasis on people’s livelihood, including fiscal and tax support for university graduates and the unemployed to foster entrepreneurship, cutting taxes for small business, improving the social safety net, and boosting consumer spending power and consumption. These growth drivers will be pursued in a context of flexible growth targets, less resort to stimulus, and multi-faceted metrics (including employment, income, profits, and tax revenues). Premier Li Keqiang acknowledged Asia’s interdependence and need for win-win cooperation. China will “share weal and woe with other Asian countries in a joint effort to open up new vistas for Asia’s development.”

Tony Abbott marveled how Asia and China’s rise in the 20<sup>th</sup> and 21<sup>st</sup> centuries is unparalleled in history and rooted in allowing individuals to control their own lives. He reminded delegates that Australia can help fuel Asia’s rise with raw materials like food and energy and that it seeks to be a non-dominating partner that believes “to get rich is glorious, but to be a true friend is sublime.”

Chung Hongwon posited that an Asian “creative economy” that spurs innovation is the key to

continued growth. Korea is aligned with China on regulatory reform and boosting domestic consumption. He concluded by asking all delegates to support South Korea’s efforts to reunify the Korean peninsula, noting it has been 70 years since it was divided and unification presents significant new growth and investment opportunities.

Thongsing Thammavong expressed Laos’s support for an Asian Infrastructure Investment Bank while noting Asia is the center of gravity for global development in the 21<sup>st</sup> century. Hage Geingob highlighted BFA Annual Conference 2014, noting Namibia is also a child of international cooperation, created by the United Nations (UN). Nawaz Sharif assured delegates that Pakistan, like Namibia, is emerging from an era of instability and is “open for business.” He also stressed the importance of peaceful conflict resolution, regional connectivity, and investment in youth and technology, especially green tech.

Kay Rala Xanana Gusmao urged delegates to ensure development in Asia balance growth with addressing poverty, tackling challenges like infrastructure and telecommunications. Arkady Vladimirovich Dvorkovich emphasized Russia’s stable supply of energy like gas, oil, liquefied natural gas (LNG), coal, and nuclear, and the inviting combination of opening capital markets and a highly educated science and technology workforce. Vu Duc Dam echoed many speakers’ sentiments, comparing Boao’s growth from a humble fishing village to an international conference center with the phenomenal growth of Asia, while urging sustainable, inclusive growth based on enhanced competitiveness, trust, technology, and cooperation.

The Opening Plenary laid out key themes that animated panels throughout the week at BFA Annual Conference 2014 and provides a useful roadmap to the challenges, opportunities, and desires of countries that make up Asia and for whom BFA Annual Conference 2014 is a unique and powerful annual conference for frank discussion, thought leadership, and transition into Asia’s shared future of prosperity for all.

# The global political economy and Asia

As Asia seeks new growth drivers during BFA Annual Conference 2014, it must take into account the dynamics and currents of the global political economy in which it is situated, which affected Asia so strongly during 2008's global financial crisis. **Panels touching upon the global economy examined high-level issues of international cooperation and conflict (system-level issues), patterns of regional and bilateral relations (state-level issues), and enterprise-level responses (individual-level issues).**

## The global economy/international system

It may seem odd to begin with insights on climate change, but there is no issue more global and critical to mankind's future, and it illustrates general challenges to international cooperation. In the panel **"New Findings on Climate Change,"** moderated by Stephen Groff, Vice President, Asian Development Bank and Rui Chenggang, Director & Anchor, China Central Television (CCTV), Rui Chenggang highlighted the contradictions of climate change: it is a global problem that is under local control and it risks long-term effects that must be addressed in the present. With input from leaders from the Volvo Group, China Meteorology Administration, the Club of Rome, and the BROAD Group, panelists agreed that human-generated CO<sub>2</sub> must be controlled, and overcoming coordination problems requires altering worldviews through joint education and public relations. Calling for increased clean energy sources, the panel acknowledged that today China emits 8 billion tons of CO<sub>2</sub> a year from burning 3 billion tons of coal, and that all countries must come together to address the sources of CO<sub>2</sub>.

Tensions between the global good and national interests were similarly emphasized in **"Justin Lin Yifu: Reflections on the Great Recession,"** a dialogue between Justin Lin Yifu, Professor and Honorary Dean, National School of Development, Peking University; Vice Chairman of the All-China Federation of Industry and Commerce, and He Gang, Executive Editor-in-Chief, Caijing. Exploring international coordination of monetary and fiscal policy, Justin Lin Yifu located the source of the 2008 global financial crisis in loose western monetary policy aimed at domestic stimulus after the bursting of 2000's Dot-com Bubble.



Advancing the thesis of his 2012 book, *Against the Consensus*, Justin Lin Yifu argued for stimulus "beyond Keynesianism," which does not just target consumption but invests in infrastructure that relieves bottlenecks and increases productivity, learning from China's example. And, fiscal policy should have an international dimension, with developed country investment in developing country infrastructure boosting global growth, in turn increasing demand in developed country capital goods industries that need higher capacity utilization to shore up profits and incent hiring. However, the fundamental enabler of the crisis was national currencies being used globally as reserve currencies, which, he argued, could be alleviated through Special Drawing Rights (SDRs), or, better yet, an internationally agreed-upon "paper gold."

Exploration of the global effects of US monetary policy – specifically, the tapering of quantitative easing (QE), the program of massive Federal Reserve purchases of treasury bills and other securities that has held down interest rates and injected liquidity into the US and global



economies – continued in **“US Economy 2014,”** a discussion between Carlos Gutierrez, Chairman of Albright Stonebridge Group and Former Secretary of the US Department of Commerce; Evelyn de Rothschild, Chairman, E.L. Rothschild; Nouriel Roubini, Professor, Stern School of Business, New York University and Chairman, Roubini Global Economics; and Wang Boming, Editor-in-Chief, Caijing. All agreed that QE tapering is one of the most consequential policies affecting the global economy in 2014, and its timing must be handled carefully to avoid shocks. Some felt tapering could occur quickly since the Federal Reserve is increasingly “hawkish” on inflation and interest rate hikes are unlikely to slow an already slack economy (high unemployment, low inflation, overcapacity), while others felt continued hardship in the real economy could extend QE, though designed as a short-term solution, much longer. US stock markets

are likely to fall, as private equity (PE) ratios are high (especially compared to Europe), tapering will raise interest rates and draw money out of stocks into bonds, and corporations may slow stock buybacks. Other risks to the US’s recovery include not just domestic politics (paralyzing polarization preventing progress on immigration reform, shale gas, and infrastructure investment, etc.), but external risks like China’s transition from investment-led to consumption-led growth, which, if resisted by vested interests, could increase public debt, non-performing loans (NPLs), and end in a “hard landing.” In an inversion of Justin Lin Yifu’s thesis, some identified potential synergies between Chinese foreign reserves that could be used to purchase US infrastructure bonds. Nouriel Roubini emphasized the lack of global agreement and policy coordination across a range of economic issues, reiterating the central dilemma at the level of the international political-economic system. A more stable environment for Asian growth will ultimately require international coordination on climate change, monetary policy, fiscal investments, and currency, coordination that is beyond the capacity of any individual country or regional blocs of countries.

#### Asian regional and bilateral cooperation

**Having mapped the contours of global cooperation and conflict, many panels focused one level lower: regional and bilateral Asian cooperation. Recognizing the criticality of regional cooperation on all fronts, BFA Annual Conference 2014 for the first time hosted panels on regional political and security issues in addition to its traditional panels on society and economics.** Several historic panels covering topics like the situation in the South China Sea, Sino-US relations, and cybersecurity adumbrated key themes that interwove all panels on regional and bilateral cooperation. Solutions proffered are aptly captured in the “BOAO formula”, proposed for resolving tensions in the South China Sea - Brotherhood, Organization, Amiability, and Opportunity: Issues should be approached in the spirit of brotherhood, discussed and solved in the context of organizations and institutions, handled amiably, and be seen as opportunities to be explored.

#### “US Economy 2014” session key points

- One of the major issues affecting the US economy in 2014 will be the tapering, or ending, of quantitative easing (QE), and the attendant pace and extent of interest rate hikes.
- Global risks include not just lack of policy coordination between G20 countries, but uncertainty regarding China’s transition from investment-led to consumption-led growth and its management of non-performing loans and other bad assets.
- Paralyzing political polarization is a major risk to enacting policies for growth like encouraging the “shale revolution”, enacting immigration reform, facilitating new business creation, and investing in infrastructure.
- QE tapering and demographic changes will probably slow the stock and housing markets, though we are still in an environment of low global interest rates and locality-specific “frothy” housing prices.

**The themes of unremitting dialogue and cooperation within economic and other institutions to build trust and solve issues recurred throughout panels on Asian regional and bilateral relations.**

Discussions on the South China Sea called for a regional council of experts and stakeholders to address issues within the South China Sea sea lanes in ways that build trust, borrow from successful models, and advance legal issues arising from the United Nations Convention on the Law of the Sea (UNCLOS). Such dialogue should overlay growth of successful examples of institutional cooperation - such as the Thai-Malaysian joint exploration and mining operations with shared profits, Australian-Philippines joint seismic research, and military early warning systems - to generate and reinforce common interests.

Other panels, discussing Sino-US relations, illustrated how mutual understanding and trust can be built through the people-to-people interactions enabled by institutions, citing examples like: the Sanya Initiative (meetings of former military leaders from both countries); the Strategic & Economic Dialogue (meetings of top foreign policy and defense officials from both sides); US-China Joint Commission on Commerce and Trade (JCCT); Asia-Pacific Economic Cooperation (APEC); nascent talks on a bilateral investment treaty, and; BFA Annual Conference 2014 itself. To eradicate the mistrust that drives military competition, some advocated joint military operations such as we have seen in antipiracy efforts in the Gulf of Aden, while others saw denuclearization of the Korean peninsula as a perfect opportunity for security discussions and alignment, while still others pointed to the environment and income inequality as shared, interests ripe for cooperative initiatives. All applauded the proposal of Chuck Hagel, US Secretary of Defense, for mutual pre-notification of military exercises.

In the end, seizing and creating opportunities for institutionalized cooperation reduces uncertainty, stabilizes risk assessments, and calms perceptions of threat during the transition from a US-dominated or multipolar world order to one marked by the "rise of China." Forty years ago, bilateral trade was under US\$100 million. Today, 700,000 US jobs are dependent on US\$500 billion in China trade, while Chinese investment

**"Dialogue with Henry Paulson" session key points**

- The outlook for the global economy is positive overall, however, growth will be slower than in the past.
- The US economy is growing at a healthy pace; reforms are needed, however, to drive greater growth.
- The EU economy will continue to struggle with growth in the next few years.
- China's proposed reform framework is ambitious and will be challenging to implement; speed of implementation is the key to success.
- China's problems with bad debt, the shadow banking sector and failing institutions are causes for concern but they are manageable in the long term.

in the US has reached US\$36 billion. Max Sieben Baucus, US Ambassador to China and Former Chairman of the Senate Finance Committee, US; James Keith, Former US Ambassador to Malaysia and Former Director for China, National Security Council, US; felt China can help ensure US-China relations mirror US-UK relations in the 19th and 20<sup>th</sup> centuries, not UK-German relations in the 20<sup>th</sup>, by articulating what kind of world order China envisions - will it accept universal standards, national treatment of investment, or international adjudication of territorial disputes? Why is it building up its military? What Intergovernmental Organizations (IGOs) does it support? Chinese on the panel countered uncertainty about China's intentions with assurances that China has been peaceful historically and, while sensitive to territorial issues, open to discussion on questions of economics, trade, investment, and even human rights. Strong leadership will be needed to optimize cooperation across issues and advance a virtuous circle of actions that build mutual trust.

A major issue currently straining trust between China and the US is cybersecurity. Since mid-2013, when Edward Snowden released documents revealing widespread electronic surveillance by the US government, China has amplified statements that US critiques of Chinese cyber espionage are hypocritical. Leading cyber experts from government, IGOs, International Non-governmental Organizations (INGOs), and private enterprise agreed at BFA Annual Conference 2014 that an explicit code of cyber



conduct is urgently needed to quell this and future conflicts. They discussed the pros and cons of various annual conferences where such a code could be authored, like Internet Corporation for Assigned Names and Numbers (ICANN), a nonprofit with international private and government representation, the UN, and a group without government representation. A code of conduct in cyberspace should promote equal access for all countries (an “equinet”), address security at each “layer” of the internet (physical infrastructure, coding/matching sites, and websites hosting), and attempt to implement the principles

#### Membership of RCEP and TPP

	RCEP	TPP
Australia	✓	✓
Brunei	✓	✓
Cambodia	✓	
Canada		✓
Chile		✓
China	✓	
India	✓	
Japan	✓	✓
South Korea	✓	
Laos	✓	
Malaysia	✓	✓
Myanmar	✓	
Mexico		✓
New Zealand		✓
Peru		✓
Philippines	✓	
Singapore	✓	✓
Thailand	✓	
US		✓
Vietnam	✓	✓

of peace, sovereignty, co-governance, and universal benefit. Enforcement, and separation of commercial and intellectual property from military security issues, promise to be central challenges.

Continuing the themes of regional and bilateral relations on an economic level, **“Regionalism vs Multilateralism: Friends, or Rivals,”** moderated by Peter Costello, Former Treasurer, Commonwealth of Australia; Chairman of Future Fund, (Australian Government Sovereign Wealth Fund), and featuring current and former leaders and commerce secretaries from Malaysia, India, Korea, China, the US, and the ADB, highlighted the contributions of regional and bilateral trade agreements, which, though a “spaghetti (or noodle) bowl” of complexity (Asia has more than 100), can evolve into broader multilateral agreements. While the WTO and its admired dispute resolution mechanism are the goal, all agreed it is important to bear in mind how far Asia has come. Regional pacts are proliferating partly due to frustration with the Doha Round, but Doha has only been difficult because the WTO has resolved simpler issues and is now tackling tougher ones, especially agricultural subsidies.

#### A recurring theme in this and many panels at BFA Annual Conference was the relationship between the TPP and the RCEP.

TPP, with the US as its largest economy, is comprised of 12 countries spanning both sides of the Pacific, many of whom are in the process of negotiating entry. RCEP, with China as its largest economy, is comprised of ASEAN+6. RCEP accepts initial unequal treatment based on a country’s stage of development, while TPP promotes stricter standards on tariffs, regulation, and IPR. Because TPP does not include China and RCEP does not include the US, some see them as competing visions championed by the world’s two largest economic powers.

Wang Shouwen, Assistant Minister of Commerce, the People’s Republic of China, reiterated Premier Li Keqiang’s plenary statement that TPP and RCEP do not represent conflict between the US and China; as long as they are open and transparent, both can “serve as building blocks for a free trade area. China adopts an open attitude toward TPP.” Others noted TPP has not been transparent (negotiations are secret) and that the US president has not yet been granted Trade Promotion Authority (TPA) from



the US Congress (critical for US credibility in the negotiations) and may be unlikely to receive it during 2014, an election year. Han Duck-Soo, Chairman, Korea International Trade Association (KITA) and Former Prime Minister, Republic of Korea, recounted Korea's many trade pacts across Asia and expressed Korea's interest in joining TPP. Barbara Hackman Franklin, Former US Secretary of Commerce, averred that China could join TPP, but would have to be close to meeting its standards and go through the accession process. There was general agreement that free trade agreements (FTAs) should allow countries to join other FTAs (mimicking WTO Article 24) and that leaders should push for regional FTAs to evolve into multilateral FTAs and support the WTO. Regional and multilateral pacts should proceed side by side, Wang Shouwen concluded, "like two wheels on a bicycle."

Asia-Pacific Economic Cooperation (APEC) is one of the most important forums for translating security arrangements into regional trade and economic coordination between China, the US and economies on both sides of the Pacific. **"APEC: For the New Future of Asia"** featured Julie Bishop, Foreign Minister, Australia; Li Baodong, Vice Minister of Foreign Affairs, the People's Republic of China; Li Ruogu, Chairman and President, Export-Import Bank of China; Lou Jiwei, Minister of Finance, the People's Republic of China; Koji Miyahara, Chairman, Nippon Yusen Kaisha; and Jusuf Wanandi, Co-Chair, Pacific Economic Cooperation Council (PECC). Moderator Steve Howard, Secretary General, the Global Foundation, noted that the 21 economies of APEC make up 44 percent of global trade and 50 percent of global gross domestic product (GDP). As members prepare for the November 2014 meeting in Beijing, there is opportunity to expand Asian trade commensurate with GDP while implementing China's commitment, announced at the 2013 APEC summit and reiterated by President Xi Jinping in BFA Annual Conference 2013's plenary session, to shepherd and invest in the creation of a multilateral Asian Infrastructure

Investment Bank (AIIB). Lou Jiwei and Julie Bishop noted that APEC has driven discussion of public-private investment partnerships, which Lou Jiwei explained are supported by China's Third Plenary session and central to China's vision for the AIIB. Memorandum of understandings (MOUs) regarding founding members and initial capitalization (targeted at US\$50 billion) are under negotiation. In addition to facilitating connectivity across Asia by nurturing the AIIB, APEC has fostered pilot models of public-private investment partnerships (e.g. in Indonesia), led the way for the WTO in tariff reductions (e.g. Vladivostok 2012), and spearheaded people-to-people student exchanges (the New Colombo Plan). APEC is a good example of how regional trade cooperation can inform multilateral agreements and incubate innovative regional capacity building collaborations like the AIIB.

**Some sessions illustrated through a variety of issues the reciprocal relationship between the international, regional, and national levels, and the importance of ideas in fostering multilateral cooperation.**

**"Maritime Silk Road and the Overseas Chinese Business Leaders,"** a discussion among senior Chinese scholars and officials moderated by Wang Jisi, President of the Institute of International and Strategic Studies, Peking University, highlighted the relationship between the level of government support for maritime endeavors and a country's trade patterns. Historically, China's overland trade (including the original Silk Road) overshadowed trade with Southeast Asia and Africa and inhibited China's globalization because, unlike European kings, China's emperors tended to ignore maritime traders, though they could essentially trade anywhere. Today, China embraces investment in ports, technology, and safe sea lanes, which has spillover effects on internationalization of the RMB, integration of supply chains (production sharing network) across Asia, trade agreements (TPP and RCEP), and cultural integration.



The cultural diversity and inclusiveness fostered by trade and investment was taken up by **“Public Diplomacy & National Image,”** a panel of academics and former officials, including Robert Hawke, Former Prime Minister, Australia and Li Zhaoxing, Former Minister of Foreign Affairs, the People's Republic of China. “Public diplomacy” is how a government conducts itself and communicates its core values. Zhao Qizheng, Former Minister, Information Office, State Council, suggested that while China is playing an ever more important role on the world stage, and its economic achievements are admired, it does not have a clear idea of what it wants its image to be. Li Zhaoxing proposed that good public diplomacy includes learning from others, humility, respectfulness, and helpfulness in action, not just word. Panelists explored the numerous ways in which China is directly or indirectly conducting public diplomacy, including student exchanges, tourism, and outbound foreign investment. China can help nurture a national image attractive to foreign countries by addressing the pollution that accompanies its economic growth and continuing to foster a peaceful international environment.

In the **“Media Leaders Roundtable: Innovation and Responsibility of Media in the Digital Age,”** Wang Gengnian, President,

China Radio International, moderated a panel of about 20 media leaders, who discussed the changing media landscape and its role in regional and international cooperation. New and old media, they agreed, should not be seen as rivals, but as complementary. Both have one thing in common - content is king. The key to successful cross-platform media integration is serving the consumer (user) experience, rooted in content, enabling monetization. The panel concluded with a plea for the media industry to live up to the responsibility thrust upon it by its unique capacity to encourage cross-national solutions to issues no single nation can solve alone. There was widespread agreement that media needs to focus on regional common interests, not national-level conflict, supported by construction of a regional platform for collaborative program development and information sharing. While this rousing denouement suggested a potential solution to global collective action problems through the broadcast and adoption of shared ideas and worldviews, it also brought into sharp relief that creating cooperation at the micro-level of media enterprises - given often divergent economic and political interests - may be just as large a challenge.

### Enterprise perspectives

**A handful of panels addressed the question of how the global economy shapes the business environment confronted by individual enterprises.** The importance of “winning heart and minds” as businesses cross cultures was accentuated in two panels. In **“How Do Enterprises Go Global?,”** moderated by Xiang Bing, Founding Dean, Cheung Kong Graduate School of Business, and featuring Margery Kraus, CEO & Founder, APCO Worldwide; Liu Chuanzhi, Chairman, Lenovo Holdings; Ma Weihua, Chairman, Wing Lung Bank Ltd. and Former Executive Director, President and CEO, China Merchants Bank; Mark Suzman, President of Global Policy & Advocacy, Bill & Melinda Gates Foundation; Zhang Guobao, Chairman, the Advisory Board, National Energy Commission; and Zhang Xin, CEO, SOHO China;

panelists recommended managing culture shock, publicizing contributions to the host economy (especially jobs and charitable giving), and cultivating “stakebrokers” (public opinion leaders). In addition, cultural competency should be rooted in empirical understanding of key issues like labor union rules and inter-state differences in regulation and taxation. 70 percent of Chinese M&As fail, Ma Weihua suggested, because of failure to attend to such issues. In the panel **“Overseas Chinese Business Roundtable,”** Yu Xuewen, Vice President, Chamber of Commerce, China Association of Enterprises, highlighted how culture shapes economic development and how greater cultural integration throughout Asia can promote regional cooperation on economic and security issues. The panel then delved beyond culture, emphasizing the value of Asian investment overseas (each dollar invested yields US\$0.37 in Asian exports) and that, within Asia, attaching schools and hospitals to a project is helpful.

**“CEO Brainstorming: Global Risks and Response Strategy”** was a peer-to-peer interactive dialogue between CEOs of Fortune 500 and other major global enterprises. This closed door discussion framed systemic risks in terms of economic and financial (public debt, income inequality, commodity price volatility, liquidity, regulation, and investment); environmental and societal (population growth, migration, demographic change, food, pollution, climate change, disease); geopolitical (armed conflict and tensions, terrorism, corruption) and technological (disruptive change, system failures, data security). Confidential discussion identified what these CEOs viewed as top risks today: religion-based wars, public debt, protectionism, disintermediation from disruptive technologies, cybersecurity, and resource scarcity/commodity price volatility. Discussion concluded with Asia-specific concerns about food security (and the importance of land reform), income inequality, real estate bubbles, and pollution. Panelists agreed that corporations and governments need to cooperate and focus on issues they can influence; these

business leaders would like to see governments in Asia address global coordination, ensure regulatory integrity and the rule of law, invest in education, redistribute wealth, drive public-private infrastructure investment, and control environmental degradation.

**The set of panels on global and Asian regional political economy at BFA Annual Conference 2014 captured the interweaving of issues at the levels of the international system through to individual firms.** Business, government, and intellectual leaders laid out pressing issues each must take responsibility to improve in order to usher in the era of sustained cooperation and growth sought by every nation attending this year’s conference. Connecting all levels and issues is recognition that intra- and extra-Asian cooperation ultimately requires honest and open communication upon which shared ideas and values can be built.



# Economic restructuring



Restructuring, in its many meanings and guises, but always involving change, lies at the heart of identifying new drivers of growth, the theme of the BFA Annual Conference 2014 conference. While all countries' economies must continually adapt to changing circumstances to optimize development, Asia - containing economies of vastly different sizes and levels of development, 700 million people living in poverty, and heterogeneous political-economic systems - faces particularly acute challenges. Models many Asian countries embraced in the past, like "export-led growth" or "low-wage manufacturing," have stalled amid like-minded competitors and inadequate rises in middle class incomes and consumer purchasing power. Without new models of growth, Asian economies might not advance. These challenges create unique opportunities for experimentation from which economies around the world may learn. Panels on restructuring may be divided into changing growth drivers, fostering a middle class and consumption (and avoiding the "middle income trap"), and differences between different types of economies.

## Changing drivers of growth

Key topics in panels analyzing changing drivers of growth include trade, investment, infrastructure, finance, currency, SOE ownership and management, and government regulation, including IPR protection.

An introduction to and overview of the need for restructuring throughout Asia was offered in **"Reform: Reviving the Competitiveness of Asia & Emerging Markets,"** moderated by Zhang Yansheng, Secretary-general, Academic Committee, National Development and Reform Commission (NDRC) and featuring Zeng Peiyan, Former Vice Premier, the People's Republic of China and Vice Chairman, BFA, and including Sidharth Birla, Chairman of Xpro India Limited and President of Federation of Indian Chambers of Commerce and Industry (FICCI); Murilo Ferreira, President & CEO, Vale; Hu Zhenyu, President, China Fortune Land Development Co. Ltd.; Sumit Mazumder, Vice President, Confederation of Indian Industry, and Vice Chairman and Managing Director, TIL Limited; and Rodney Ward, Chairman, Asia Pacific Global Corporate and Investment Banking, Bank of America Merrill Lynch. This panel highlighted the importance of more tightly integrating Asian markets as a hedge against the risk that uncertain western growth poses to Asia's export-led economies. FTAs, investment regimes, the AIIB, and the kinds of external restructuring discussed in panels on the global economy are thus a first order of business. Asia is far behind Europe and North America in this regard. Panelists concluded with comparisons of major Asian countries, noting that China is focusing on financial changes like deposit insurance, interest rate liberalization, and bond markets, while India - a less export-oriented economy - needs more infrastructure investment and ways to capitalize on its 350 million youth.



Cross-border transactions in China were examined more deeply in **“China (Shanghai) Free Trade Experimental Zone: How Free Is It?”** Led by Zhou Hanmin, Vice Chairman, Shanghai Committee of Chinese People’s Political Consultative Conference (CPPCC), and featuring Gerry Grimstone, Chairman, Standard Life, UK; Jiang Xipei, Chairman, Far East Holding; Long Yongtu, Former Vice Minister, Ministry of Foreign Trade and Economic Cooperation (MOFTEC); Nouriel Roubini, Professor, Stern School of Business, New York University and Chairman, Roubini Global Economics; John Zhao, Founder & CEO/Executive Vice President, Hony Capital/Legend Holdings; Zhu Min, Vice Chairman, CSPFTZ is a three-year experiment in deepening reform of the financial and investment sector, which has not changed substantially since China joined the WTO and began several bilateral investment treaty talks. Meant to be a replicable national model, the zone is a leading example of China’s new “negative list” approach, in which, to put it colloquially, what is not forbidden is permitted. Initiated by the highest levels of China’s government, the CSPFTZ commences with its mission statement, followed by its governance and regulation and then detailed sectoral rules regarding trade, banking, investment, and insurance. John Zhao, Founder & CEO/Executive Vice President, Hony Capital/Legend Holdings compared an investment project in Australia in 1979 that took over six months for approval to a recent deal in the CSPFTZ he completed in two days. It is yet to be seen whether the CSPFTZ will attract domestic as well as international capital, and whether benefits will spill over to surrounding areas, but streamlined investment and trade, interest rate marketization, simplified forex management, and

other innovations promise to play important roles China’s future restructuring.

In the roundtable, **“Deregulation: What it Means for the Private Sector?”**, Chris Lu, Senior Partner, Deloitte China and Jennifer Xie, National Managing Partner of Government Relations and Public Affairs, Deloitte China, facilitated keynote speeches by Bao Yujun, Chairman, China Private Sector Association; and Li Zibing, President, China Association of SMEs. Discussion was led by Zhang Yue, Chairman & President, BROAD Group; Hai Wen, Vice President, Peking University; and Jiang Xipei, Chairman, Far East Holding. Panelists analyzed the meaning of the Third Plenum statement that the market should play a “decisive” role in allocating resources. While Plenum documents suggest market pricing for water, oil, gas, electricity, transportation, and communications, discussants were uncertain regarding legal frameworks and SOE reform. Firms seek fair treatment, not advantages, which in turn requires removing SOEs’ monopolies in many industries, while the stronger regulatory bureaucracies required to guarantee fair markets may produce not a weaker state, but a stronger one (a point emphasized in “Ministers Meet CEOs: Chinese Economy 2014” - the state’s role in safeguards, services, and fair competition may be expected to increase). Against this backdrop, panelists discussed challenges to businesses - like finance and labor costs, banking and bond market reform, taxes, technology, products, and management - and potential high-profit sectors in China: mobile internet, senior care, and biotechnology.

In the **“Ministers Meet CEOs: Chinese Economy 2014”** panel mentioned above, high



level officials from China's NDRC, SASAC, and Ministry of Commerce of the People's Republic of China elucidated more specifics of SOE ownership and management reform. There will be different rules for firms in industries key to national security (which will continue to be 100 percent state-owned), firms in key "national economic lifeline" industries (where the state will own at least 51 percent), high-tech or "pillar industry" firms ("relatively" controlled by the state), and others (no set state ownership percentage). New sources of capital should build management skill as well, while regulation should address local-level incentives that cause overinvestment and overcapacity in certain industries.

The **"Business Leaders Roundtable,"** including 10 Chinese and global CEOs representing finance, insurance, private equity, metals, pharmaceuticals, automotive, retail, and computer hardware and software, emphasized China's need for deepening reform of its system of IPR protection. IPR issues are a manifestation of broader concerns regarding regulatory transparency and predictability, with panelists expressing optimism because China increasingly sees IPR protection and regulatory fairness as in the interests of budding Chinese firms as well as foreign firms. In addition to contemplating this critical element of restructuring, the CEOs discussed the importance

### "Debate on Economics: Keynesian vs. Supply-Side" session key points

- The RMB 4TN Chinese bailout resulting from the 2008/9 global financial crisis had short-term benefits, and was likely a necessary step, but governments should be cautioned against such measures outside of extreme economic "shocks", and focus instead on long-term, stable growth.
- Best practices from economic models should be harnessed to create a new framework that is specific to China's needs.
- A "China 2.0" economy means that China must implement reforms that address the increasing gap between rich and the poor, and balance demand stimulation and supply side reforms.

of using good local PR firms and developing boards of directors with independence, strength, and a culture of debate, while advising Chinese outbound investors to shop around and avoid expensive trophy assets.

Finally, **"Inspirations from Classical Wisdom: Talking to Asian Gurus,"** moderated by Yuan Xingpei, President of Central Institute of Chinese Culture and History, State Council, the People's Republic of China, informed panels' judgments concerning new models for growth, relating stories and philosophies from Asian antiquity that promote environmental protection and income redistribution, model simple and effective irrigation methods, and provide an ethic to live by that critiques greed. Noting that adoption of western ways into older eastern cultures may be a historical aberration, the panel highlighted that Bhutan, ranks highest on the "happiness index," and that Asia should continually seek universal truths rooted in age-old human frailties and lessons rather than blindly follow contemporary development models.

### Avoiding the "middle income trap" and fostering consumption

One of the central challenges of development economics has been how developing economies maintain a growth trajectory. **Overcoming the "middle income trap," where wages plateau at a middling level, is generally thought to require transitioning from manufacturing**



based on low-cost labor and capital inputs, which are easily replicated, to an economy based on innovation in high-value-added products and services.

This year at BFA Annual Conference 2014, a panel of distinguished economists helped frame this critical issue in the televised panel, **“Debate on Economics: Keynesian vs Supply-Side”**

featuring Chen Zhiwu, Professor of Finance, Yale School of Management; Jia Kang, Director, Research Institute for Fiscal Science, Ministry of Finance (MoF), the People's Republic of China; Lord Mandelson, Former Secretary of State for Business, Innovation & Skills, UK; Edmund Phelps, Nobel Prize Laureate (2006); Stephen Roach, Former Chief Economist, Morgan Stanley; Michael Spence, Recipient of the 2001 Nobel Prize in Economics Sciences, US; and Zhang Weiying, Professor of Economics, Peking University, moderated by Qin Shuo, Chief Editor, *China Business News*. While Keynesianism addresses consumption through government-financed demand stimulation and supply-side economics unleashes entrepreneurship through reduced regulation and taxation, panelists agreed that neither by itself will create long-term, high-wage, fulfilling jobs. Both schools of thought have relevance, depending on the existing economic structure (supply-side might make sense in an era of excessive taxation, while Keynesianism might make sense where infrastructure is a bottleneck), time horizon (Keynesianism addresses short-term dips in employment, but resulting debt must be addressed in the long-term), and demand composition (which can be lopsided towards consumer debt or public investment). Chen Zhiwu broadly categorized models as Chinese (government-driven), US (flexible labor markets), and European (a combination), and urged China to distill best practices from each. Policies should be tailored to each Asian economy, with China facing an investment “hangover” from its 2008 RMB\$4 trillion stimulus package. Recommendations for “China 2.0,” as Jia Kang termed it, included correcting income imbalances, avoiding short-term stimuli (as Premier Li Keqiang’s plenary address emphasized), reforming and reducing the market share of SOEs, giving farmers more control over land, expanding private banking, and implementing a carbon tax. This blend of policies (weighted towards supply-side, given China’s current circumstances), they argued, will help spur competition, innovation, and



productivity – the ingredients for overcoming the middle income trap.

Edmund Phelps further addressed consumption in his own dialogue with Hans-Paul Bürkner, Chairman, The Boston Consulting Group at **“Edmund Phelps: Beware the Middle-Income Trap.”** Drawing lessons from the US’s and Japan’s successful experiences, he elaborated on the themes of productivity (moving workers from factories to cities) and technology diffusion, which lead to indigenous, mass innovation (products and methods). Noting that productivity gains currently contribute 2 percent to China’s GDP, he sees enormous opportunity. As SOEs reform, the criteria for selecting managers will change from reliability and connections to talent, experience, knowledge, and innovation. However, reform depends on culture as well. Do people care if work expresses individuality? Is failure - and, hence, risk-taking - tolerated? In the end, education, infrastructure, and openness are constituent elements of and enablers for needed reforms.

#### **“Edmund Phelps: Beware the Middle-Income Trap” session key points**

- The middle income trap is when a nation's wealth level rises but incomes stuck at a certain level.
- Countries such as the US and Japan have avoided the middle income trap as they have achieved indigenous innovation on a mass scale.
- There is also a question of what is the Chinese culture. Have the Chinese themselves reached an agreement on the most important values for their society?
- The keys are better education and infrastructure, and opening up the markets for domestic and foreign investment rather than protecting the status quo.



In **“Moving towards Consumption-Driven Growth: Transformation, Innovation & Upgrading,”** Michael Spence and CEOs and chairmen from Nielsen, Tencent, Unilever, Apax, Coca Cola, and the Inner Mongolia Mengniu Dairy Group explored how demographic changes promise to naturally change consumption patterns in China. Youth are increasingly open to using credit cards and mobile banking (70 percent), and elders’ savings will be released in the form of consumption as they require old-age care. Easing the one-child policy, Nielsen estimates, could add US\$790 million in demand for baby products. Urbanization increases demand for food and housing. The internet (with 600 million users) and mobile phones (topping one billion, half of which are smartphones) are spreading consumerism among youth and creating huge opportunities for sales and finance. In addition to the government policies that address the middle income trap mentioned in other panels, this panel emphasized the state’s role in product safety and quality in building the consumer confidence that can unleash consumption.

**In all, opening domestic market opportunities, de-emphasizing exports, curtailing public debt, reforming and scaling back SOEs and instilling entrepreneurial culture through education and other measures to release competition and innovation are believed to be vital for overcoming the middle income trap and developing with a healthy balance of**

**consumption and investment. While these panels focused on China, the lessons for all Asian economies were clear and inspiring.**

#### **Resource and manufacturing economies**

**The final set of panels on restructuring began to dissect different approaches appropriate to economies with different natural endowments and stages of development.** The **“EU Reform Agenda 2014”** session, led by Serge Degallaix, Advisor to former French Prime Minister, stressed that to compete with China and India, Europe, despite its level of development, must take advantage of opportunities for deeper integration in areas like human resources, finance and banking, energy, manufacturing, trade, and services like digital marketing in order to address slow growth and low consumer confidence. This integration, in turn, requires alignment on issues like transparency, consumer protection, taxes, and labor laws. Nonetheless, the EU will face headwinds as it pays down high levels of public and private debt in the current context of industrial overcapacity; a prolonged period of low inflation and slow growth is likely. Moreover, being an amalgam of distinct political economies poses special challenges, e.g. diversity is good for some industries (e.g. fashion) but filled with risk for others (e.g. energy, where each country possesses a different mix).

Two additional panels focused on Russia and Japan. The former explored how Russia can best move from an economy driven by natural resource exploration, extraction, processing, and trade, to an economy infused with the same innovation-led growth for which Asian nations are striving. The latter examined new growth strategies being discussed and implemented in Japan. Still struggling to recover from the “Lost Decade” of the 1990s and the global financial crisis of 2008, Japan’s difficult choices among fiscal stimulus, monetary easing, and taxation, often organized under the portmanteau “Abenomics,” formed the nucleus of provocative and insightful dialogue. These panels on resource-driven and manufacturing economies highlighted the importance of keeping in mind that policy solutions must take into account and be tailored to the unique endowments and levels of development of each individual economy; there can be no “one size fits all” set of growth drivers appropriate for all Asian or European countries.

#### **“EU Reform Agenda 2014” session key points**

- EU, originally built in 1992 for political unity across Europe, has shown promising value for business and economic growth through multi-dimensional integration. Sustainable growth has been observed in many industries such as fashion and renewable energy.
- Challenges exist in further integration to overcome barriers, growth in home markets, and encouragement of consumer confidence during recovery from financial crisis of 2008.
- Slow near-term growth is likely due to industrial overcapacity and the need to pay down public and private debt.

# Factors of production

If the global and regional political economy forms the context for economic exchange, and if restructuring speaks to governments' domestic policy choices, factors of production - the economic categories of primary production inputs like land, labor, and capital, as well as secondary inputs like energy, minerals, and technology - are the raw materials that business leaders must procure and manage. **In keeping with the theme of BFA Annual Conference 2014, "Asia's New Future: Identifying New Growth Drivers," this section explores how characteristics of factors of production in Asia constrain and enable their transformation into thriving enterprises - and shape their role in driving future growth across Asia.**

## Land and Labor

Two panels analyzed the land situation in China.

**"Real Estate: From Administrative Control to Market-Oriented Reform"** featured panelists from the MoF and investment and holding companies like DESEA Investments, Beijing Capital Land Co., Lennar International, and Greenland Holding Group. **"Urbanization of People"** included government leaders such as Michael Antonovich, Chairman, MTA Board of Directors and Supervisor, Los Angeles County; Chen Gang, Vice Mayor, Beijing; Daniel L. Doctoroff, CEO, Bloomberg L.P. and Former Deputy Mayor, New York City; Arun Maira, Member (Rank of Minister) of the Indian Planning Commission, Government of India; Pan Shiyi, Executive Chairman, SOHO China Ltd.; Jay Walder, CEO, MTR Corporation of Hong Kong; and Wang Lu, Vice Governor, Hainan Province.

At present, the primary land use goal in China is to foster "clustering" of cities through transport connectivity and provision of services like schools, hospitals, retail, and entertainment. By enabling populations to disperse, clusters alleviate population, congestion, pollution, and housing and services pressures in key cities. The only areas likely to see price drops - though they could be steep - are sparsely populated, service-poor, slow-growth, non-urban areas. Successful clusters create jobs and revenue growth sufficient to fund expanding services. But, it is important to prioritize environmental protection during this process, to correct and avoid situations in major cities like Beijing, which is coping with an influx of, incredibly, 500,000 new residents a year.

In addition to shaping the efficient geographic distribution of people, Chinese land policy complements policies aimed at the middle income trap and consumption by fostering home ownership and, thereby, growing households' balance sheets. To reward long-term investment, property sales tax rates will vary by holding period and the MoF is exploring extending land-use rights. Property taxes will exempt a first property up to certain size. With a pent-up demand for 66 million units of affordable housing, many panelists emphasized the value of public-private partnerships, with government land, regulation, and carefully targeted and leveraged seed money coordinating with private capital and management, a model Daniel L. Doctoroff credited with creating tens of thousands of units of affordable housing as part of New York City's *New Housing Marketplace* program.



**Panels on labor, or human capital, explored both the development side - especially education - but also the cultural side.** The **“Boao Cultural Forum,”** featuring Dan Mintz, CEO, DMG Group; Yiu Ming Siuming Tsui, Chairman of Hong Kong Televisioners Association; Yu Dong, Founder & CEO, Bona Film Group; and moderated by James Su, Chairman, Chinese American Film Festival, highlighted how by fostering understanding, film influences cultural integration, and how new media is accelerating this process. The Chinese film industry has grown rapidly to become a US\$20 billion industry that produced 20,000 films last year, now has screens everywhere, and is attracting international directors and producers. Content, however, is at least as important as scale for supplanting US dominance, and China’s challenge is to tap themes that are shared across cultures and lead to universal acceptance, much like Hong Kong action movies, like US Westerns, promote a particular sensibility that interests viewers.

**“Asian Cultures & Competitiveness of Asian Enterprises,”** featuring eight leaders from diverse industries, flushed out the dominant themes of Asian culture that might resonate with global audiences and that shape the character of Asia’s workforce. Asian culture tends to value children and parents as well as collective responsibility. However, as there is no single Asian culture, it is useful and appropriate to emphasize shared themes of harmony, respect, dialogue, and listening. Taoism teaches tolerance, which fits Asia’s diverse societies. Asian cultural touchstones and cultural understanding not only aid in business (e.g. the service industry), but also may be spread by it (e.g. toys and games).

To delve beyond cultural transmission and meaning in Asia to how labors’ skills are developed and deployed, BFA Annual Conference 2014 solicited the perspectives of young leaders through several panels. In the televised **“Young Leaders Roundtable: The Next Round of Reforms in Asia,”** Liu Chuanzhi, Chairman, Lenovo Holdings; and Timothy Perry Shriver, Chairman, Special Olympics moderated a discussion between many youth-serving officials and nonprofit leaders. Developing marketable job skills and matching skills to jobs were seen as major problems, with discussants using the phrase “quarter-life crisis” to describe the fate of underemployed twenty-something (akin to a “mid-life crisis”). Liu Chuanzhi averred that youth



today have more opportunities than in the Mao era, but they must focus on self-development. Timothy Perry Shriver summarized what many expressed as the idealism of youth by invoking John F. Kennedy’s famous “ask what you can do for your country” speech; inviting youth to serve is one sure way to unlock their potential.

The problem of job-skill mismatch was pursued in other discussions between youth leaders, which noted that Asia’s high population growth rate requires both new jobs and youth with the skills to fill them. The rote learning and mathematical skill Asia is famous for, they believed, must give way to education that develops innovation and productivity, echoing discussions on the middle-income trap. Each Asian country, however, faces its own challenges. Bangladesh and Nepal face a “brain drain.” India adds a population the size of Australia to its workforce every 18 months, but only 30 percent find work while some skilled workers - like welders - must be brought in from China. Vocational training is weak in many Asian countries. New Zealand is wealthy, but has significant income gaps. Hong Kong is facing the need to develop its niche in the financial industry relative to Shanghai and Singapore and must change the skill mix of its labor force accordingly. In Pakistan and Bangladesh, youth unemployment enables religious extremist groups, which pay recruits. These challenges, young leaders felt, could be ameliorated by youth engagement (voting), channeling resources into green energy, and expanding labor’s financial literacy and access to microfinance.

## Capital

**After land and labor, the third primary production input is capital. BFA Annual Conference 2014 brought together luminaries from around the world to assess and advise on this critical, dynamic sector. These content-rich panels are organized under industry and regulatory challenges (practice areas undergoing rapid change) and Asian and global governance (monetary and fiscal management and coordination issues that shape global capital markets).**

### ***Industry and regulatory challenges***

At the center of industry and regulatory challenges in the arena of capital is China's developing loan and debt culture. From MSEs (micro and small enterprises - not to be confused with SMEs, small to medium enterprises) to private equity, panelists both explained how unique aspects of China's debt markets shape growth opportunities and assessed various reforms.

The panel, **"Micro and Small Business Finance: Asia's Innovation and Practice"** discussed China's State Council-level initiative since 2008's global financial crisis to promote growth of China's 50 million MSEs, with debt of RMB14 trillion, through improving their access to capital. Ba Shusong, Deputy director, Institute of Finance, State Council Development Research Center and Chief Economist, China Banking Association, moderated a panel of Chinese financial leaders, including Chen Zhiwu, Professor of Finance, Yale School of Management ; Dong Wenbiao, Chairman, China Minsheng Bank; Hong Qi, Vice-Chairman of the Board and President, China Minsheng Bank; Huang Rong, Full-Time Vice Chairman, All-China Federation of Industry and Commerce; Yan Qingmin, Vice Chairman, China Banking Regulatory Commission (CBRC); and Zhu Hongren, Chief Engineer, Ministry of Industry and Information Technology (MIIT).

One of the primary problems addressed by China's reforms is that MSEs have historically had to pay interest rates of 20-40 percent to lenders of various sorts. Access, cost, and service, must all be improved. Dong Wenbiao, which has been a leader in this field and just released its 2014 Report on Micro and Small Business Finance, dispelled the myth that MSE loans, with their relative lack of collateral, are riskier than other loans, noting that Minsheng's MSE loans enjoy a 0.6 percent non-performing loan (NPL) rate

compared with 0.86 percent across all loans. The Minsheng report aims to reinforce political support as well as share best practices, inspire rural credit cooperatives and commercial banks, spur internet finance, project loan demand, improve MSE risk modelling, and recommend policy. VAT and corporate income tax reform has also helped MSEs, while the CBRC has set policy guidance requiring banks to maintain or increase their MSE loan portfolios. Panelists discussed how to ensure adequate geographic coverage (especially in rural areas), stressing the importance of getting smaller community banks involved. Improved management training programs for MSE owners, which benefit both borrowers and lenders, should also be expanded.

Larger businesses have different needs, often turning to private equity (PE) investors, the subject of **"From Pre-IPO to Buyout: The New Growth Path for PE in Emerging Markets."** Featuring PE leaders like Guy Hands, Chairman & Chief Investment Officer, Terra Firma Capital Partners; Li Jiange, Chairman, Shenyin & Wanguo Securities; Shao Bingren, President, China Private Equity Association; Wu Yibing, Senior Managing Director, Temasek International Pte. Ltd.; Wu Ying, Chairman, China Capital Group; and Richard Zhang, Partner, APEX Partners, panelists contrasted PE globally with how PE tends to function in China, where PE investors typically



simply take an equity stake because they do not have access to loans and debt. Equity, in turn, incentivizes a short-term, speculative perspective; PE's focus becomes share price appreciation between acquisition and IPO. Debt, panelists felt, being an inherently longer-term relationship, incentivizes a long-time horizon and a focus on value-added reforms in corporate governance, cost structure, and efficiency. This shift would stabilize both the firms and PE revenues. While uncertain how to make debt available to PE in China, the panel agreed that business culture and regulations make PE involvement in SOE reform complicated. They also stressed the challenge, as with MSEs, of management training: the shortage of experienced managerial talent in China makes it difficult for PE to play the value-add role it does elsewhere, as there is often no alternative to the family owners who founded the business.

These discussions also mapped the contours of internet banking in China. The Internet Finance Report 2014 published by the Boao Forum for Asia and Lujiazui International, *Financial Asset Exchange: Towards Rational Exuberance*, stressed how the internet is changing transaction interfaces, lowering transaction costs, creating disintermediation, and facilitating ease of use. Mobile booking and ordering is increasing demand, while peer-to-peer (P2P) lending is generating higher returns and increasing the pool of available capital. In China, it is also facilitating

rural lending. China is learning from the US (with strict regulation) and Europe (with weaker regulation), but must find its own path. Internet finance can play an important role in the growth of MSEs.

### **Asian and global governance**

Financial governance discussions spanned central banks, banking regulation, bond and stock markets (including the "Shanghai-Hong Kong Stock Connect" program announced by Premier Li Keqiang in BFA Annual Conference 2014's plenary session), currency management, and the internationalization of the RMB.

As alluded to earlier in this report, one of the primary governance issues in capital markets is the role of central banks, and, in particular, QE. Several panels examined recent trends and differences across countries. The most prominent, "**The Future of Central Banks,**" was moderated by Lawrence Greenwood, Jr., Former Vice President, Asian Development Bank; and featured Li Jiange, Chairman, Shenyin & Wanguo Securities; Kevin McCann, Chairman of Macquarie Group Limited; Dominic Ng, Chairman & Chief Executive Officer, East West Bank and Chairman, The Committee of 100; Gary Parr, Vice Chairman, Lazard; Geoffrey Riddell, Member of the Group Executive Committee and Regional Chairman of Asia-Pacific and Middle East, Zurich Insurance Group; Evelyn de Rothschild, Chairman, E.L. Rothschild; Jiri Smejč, Chairman of the Board and CEO, Home Credit Group, Czech Republic; and Zhou Xiaochuan, Governor, People's Bank of China.

Since the global financial crisis, central banks have increasingly moved center stage as governments use them to achieve economic stabilization through fiscal and regulatory as well as monetary policy. Discussants compared US goals and tools (6 percent unemployment and 2 percent inflation, pursued through low interest rates and QE, and affected by bank stress test rules and complex legislation like Dodd-Frank, now approaching 20,000 pages) with China's (7.5 percent GDP growth and international balances as well as new jobs and inflation, pursued through monetary and fiscal policy as well as reform advocacy - e.g. interest rate liberalization and depository insurance - within the government).

Much discussion focused on the effects of central banks' new massive fiscal stimuli - especially in the US, China, and EU - in the wake of the

### **"Slow and Painstaking Global Financial Reform" session key points**

- The adoption by Chinese banks of stress tests which have been undertaken by US banks and which are being undertaken by Eurozone banks, would generate a strong boost for consumer confidence and result in greater capital investment.
- Many Chinese consumers think that the double digit returns on trust products are as safe as deposits at ICBC. The biggest threat is consumer protection, and lack of disclosure.
- There is an estimated RMB10 trillion in off-balance sheet investments in trusts and other shadow banking in China, which has increased four fold over the past 3-4 years. A very high percentage of new lending is being done by these entities.
- In the past there was not enough capacity for the Shanghai index to absorb a multi-billion dollar IPO, but the newly announced Shanghai-Hong Kong Stock Connect program could potentially absorb even the largest of IPO's.



global financial crisis. Australia, whose central bank's mandate includes not only employment and currency stability, but also financial system stability and the economic welfare and prosperity of the people, countered deflationary pressure by banning short selling, but that may prove insufficient. For the Czech Republic, the major challenge was preventing capital flight from its largely foreign-held banking sector. Low interest rates are particularly impacting insurance companies, where insolvencies are expected across Europe. Overall, developing countries have resisted using cheap foreign money to finance sovereign debt, but systemic risk has increased through private companies increasing foreign exposure while inflation and devaluation loom. The upshot, many agreed, is that central banks have become lenders of last resort, sowing the seeds of future problems. Coordination across central banks, securities bodies, regulators, and accounting principles is a major challenge that should be confronted more intentionally.

Central bank and government regulation of the banking sector, particularly in China, was felt to be critical to avoiding future financial crises. "Stress tests" prevalent now in the US and Europe were a major focus of **"Slow and Painstaking Global Financial Reform,"** featuring Daniel L. Doctoroff, CEO, Bloomberg, L.P.; Gerry Grimstone, Chairman, Standard Life, UK; Fred Hu Zuli, Chairman, Primavera Capital Group; Juan Rodriguez Inciarte, Executive Member of the Board of Directors, Group Senior Executive Vice President for Strategy & Asia, Banco Santander; Bill Owens, Vice Chairman of the New York Stock Exchange (NYSE) for Asia and Chairman of AEA Investors Asia; and Gary Parr, Vice Chairman, Lazard, moderated by Christopher Harvey, Managing Director and Global Industry Leader of Financial Services, Deloitte. Confidence in US and European banks is being increased through stress testing and greater transparency, from which China's banks could also benefit. China is estimated to have RMB10 trillion in off-balance-sheet shadow banks and trusts, a fourfold increase over the past several years. A large proportion of these investments include SOEs with opaque local government-firm ties, which create bearishness, risk premiums, and their lure: double-digit returns. Risks introduced

by these trusts, unique to China, are exacerbated by lack of disclosure and consumer protections, though China's lack of a derivatives market helps prevent migration into systemic risk. Panelists agreed China should begin by implementing stress tests. Also, as Chinese banks take on more foreign risk through expansion abroad, they were advised to follow existing customers while attending to talent recruitment. Implementing these strategies, China has invested US\$22 billion in Venezuela and one bank holds US\$17 billion in construction projects in New York City alone.

Banks and firms alike can improve their access to capital through better use of bonds, which, in turn, is enabled by professionalized ratings systems, the subject of **"Rebuilding the Post-Crisis Global Rating System"** moderated by Santiago F. Dumlaio, Jr., Secretary General, Association of Credit Rating Agencies in Asia (ACRAA) and featuring Faheem Ahmad, President, ACRAA; Guan Jianzhong, Chairman & President, Dagong Global; Thomas Missong, President, European Association of Credit Ratings Agencies (EACRA); Jenny Shi, Managing Director, Moody's Investors Services; and Dominique de Villepin, Former Prime Minister, France. Ratings systems today are modeled on conditions in developed countries, which hold 90 percent of global government debt. The two-pronged challenge is to move towards uniform and mutually recognized global standards while addressing issues prominent in developing economies, such as: rating small firms; lack of firm transparency; and lack of accountability and institutionalized bankruptcy processes. As noted in the panel, "Capital Markets: Old Problems, New Solutions" (see p22), "enterprise bonds" in China, approved by the then-State Planning Commission, developed a bad reputation because borrowers believed they never had to be paid back. Japan's experience with privatization suggests that reform of China's SOEs could make rating easier and boost the stock market through improving corporate governance and transparency. Japan's experience also shows that bond market development depends on many factors - including whether the sector is dominated by banks (which will tend to stifle corporate bonds in favor of loans) and the rate of inflation (in Japan, deflation



induced investment shifting from bonds into stocks and real estate) - and, in turn, shapes regulatory maturation (mark-to-market analysis is weak in Japan because the corporate bond market is small). As panelists cautioned, however, as China's bond market matures, it is important to keep in mind that ratings are just one person or agency's opinion; they should not be over-relied upon. In future, Asia should look towards models of double or dual ratings systems or independent ratings agencies.

**"Capital Markets: Old Problem, New Solution"** also explored capital formation through stock. Moderated by Wang Boming, Editor-in-Chief, *Caijing* and featuring Tom Byrne, Senior Vice President & Head of Asia Pacific Sovereign Risk, Moody's Investor Services; Paul Cheng Hsiung Chiu, Chairman, Bank SinoPac; Fred Hu Zuli, Chairman, Primavera Capital Group; Li Jiange, Chairman, Shenyin & Wanguo Securities; Atsushi Saito, Director & Representative Executive Officer, Group CEO of Japan Exchange Group Inc.; and Junichi Ujiie, Senior Advisor, Former Chairman, Nomura Holdings Inc., discussants seemed to agree that the recent rise in stock markets reflects a combination of improved economic fundamentals and high levels of liquidity in the system. Even Japan's slowdown, driven by uncertainty over "Abenomics" (especially structural reforms), suspension of nuclear power generation, stagnating exports, manufacturing migration, and the aging crisis, includes improved investor sentiment. China's markets are suppressed by lack of trust and high borrowing rates, but reforms could unleash significant rises.

The capital market reform on everyone's mind after Premier Li Keqiang's plenary speech at BFA Annual Conference 2014 was, of course, coordination between the Hong Kong and Shanghai stock markets. **"The Future of Hong Kong as an International Financial Center,"** moderated by Yang Wenchang, President, Chinese People's Institute of Foreign Affairs included Laura Cha, Chairman, Financial Services Department Council, HKSAR; K C Chan, Secretary for Financial

Services and the Treasury, HKSAR; Chen Zhiwu, Research Fellow at Tianda Institute and Professor of Finance at Yale University; Benjamin Pi Cheng Hung, Regional CEO of Greater China, Executive Director and Chief Executive Officer of Hong Kong, Standard Chartered Bank (Hong Kong) Limited; Justin Lin Yifu, Former Senior VP/Chief Economist, World Bank Group; Xiao Gang, Chairman, China Securities Regulatory Commission; and Zhou Xiaochuan, Governor, People's Bank of China. As pointed out in another panel, only 20 percent of the value of China's stock market comes from IPO-generated external investment. Through qualified investors being able to trade stocks on both exchanges ("Shanghai-Hong Kong Stock Connect") and regulatory coordination like an investment fund mutual recognition agreement, both exchanges should enjoy increased liquidity while facilitating larger IPOs and Chinese investment outside the Chinese Mainland, enhancing Hong Kong's status as a financial services hub for RMB-denominated products, and further internationalizing the RMB. Asked whether Shanghai-Hong Kong Stock Connect would influence listing decisions, panelists noted that at present the scheme is more a statement of intent than reality, but if Hong Kong maintains press freedom, rule of law, and the perception it is easier to list in, it should be able to capitalize on the increased liquidity available for IPOs. And this groundbreaking announcement at BFA Annual Conference 2014 has suddenly reoriented debate over Hong Kong's future as an Asian financial center from "Hong Kong's decline vs Shanghai's rise" to "the rise of Hong Kong and Shanghai," a timely and savvy strategic move.

While Shanghai-Hong Kong stock exchange cooperation will naturally advance internationalization of the RMB, Justin Lin Yifu suggested the process is already under way in **"Reshaping Finance & Trade in Asia,"** a televised panel hosted by Yang Rui, Anchor, CCTV. Reiterating his idea that any national currency is suboptimal as a reserve currency (compared to SDRs or shared currency), he nonetheless sees

international RMB clearance centers in London and Frankfurt and central banks' positions in RMB assets as evidence of ongoing internationalization. Historically, capital account liberalization has not been necessary for a currency to achieve reserve status, so Chinese reforms are helpful but not necessary. Stephen P. Groff, Vice President, Asian Development Bank; Lin Yifu, Professor and Honorary Dean, National School of Development, Peking University and Vice Chairman of the All-China Federation of Industry and Commerce; Alwyn Didar Singh, Secretary General, Federation of Indian Chambers of Commerce and Industry; and Chen Zhiwu, Professor of Finance, Yale University; added insights concerning inclusive growth, India's "demographic dividend," income inequality, and the benefits of free trade and education for building a middle class. However, the main focus was currency, with panelists agreeing "the ball is in China's court." Recent devaluations were seen as unsurprising given the decline in China's trade surplus, and useful for disciplining speculators. Though it may take 10-20 years and greater integration of China's financial markets with global markets, propitious current conditions (reasonable Asian debt levels, the Chiang Mai currency swap initiative with its debt monitoring) will probably spur ongoing internationalization. Invoking the "rise of China" theme, panelists acknowledged that, like China's concern over the International Monetary Fund (IMF)'s voting structure (which gives China 5 percent of votes despite representing 10 percent of global GDP), RMB internationalization is one manifestation of the rise of parallel international financial governance structures that is likely to attend the transition from the US post-war order.

### **Energy and minerals**

After the primary production inputs of land, labor, and capital, the fundamental secondary inputs are raw materials like energy and minerals. **Several discussions at BFA Annual Conference 2014 explored two of the most critical materials used by industry as well as individuals: energy and water.**

**Discussants generally agreed that in the near term, despite a macro shift in energy supply from Organization of Petroleum Exporting Countries (OPEC) oil towards diversification of suppliers and sources (coal, gas, nuclear, renewables), economic growth will continue to be fueled by oil and gas.** Coal infrastructure is vast, generating 41

percent of the world's and 79 percent of China's electricity, and therefore attended by entrenched political and economic interests, but momentum is building to radically "green" it or shift to natural gas. Both oil and gas production will increase with the US -led "shale revolution" that is already reshaping energy geopolitics, but other countries will find it difficult to adopt its technology; shale exploration is particularly suited to the US's topography, relative water abundance, regulatory regime, and corporate culture of risk-taking and entrepreneurship. Nuclear power continues to face perceptions that it is dangerous (Japan's shutdown of virtually all nuclear reactors in the wake of the Fukushima disaster) and vulnerable to weaponization (negotiations with Iran and North Korea). Renewables like wind, solar, and hydro variously face reliability and capacity constraints. Although trends favor gas and renewables, cheap coal and oil dependence will constrain a rapid alteration in the balance of energy sources.

Water, particularly in China, was the subject of **"Eco-Friendly: A New Type of Urbanization,"** a salon discussion among Chinese scholars and government and business leaders, moderated by Yang Rui, Anchor, CCTV. China faces many water issues, including widespread contamination (50 percent of its fresh groundwater is contaminated); low quantity (China ranks near last globally - 127 of 129 - in per capita water supply); uneven disbursement (50 percent of Beijing's rainfall occurs over 20 days each year and underground reservoirs are shrinking 2 percent annually), and; rapid and imbalanced urbanization (70 percent of the population is concentrated on 12 percent of the land, heavily focused on the east coast). Combined with weak regulation, inadequate investigative resources, and lenient penalties for polluters, these conditions result in contaminated water being used in irrigation, raising health problems like cancer, infertility, blindness, and digestive ailments.

Discussants proffered a number of hopeful ideas to address these pressing issues. Over the next 15 years, China is implementing new water-related performance metrics for provincial leaders, called the "three red lines" - quality, quantity, and usage. They are promoting a "water culture" that addresses flooding, quality, landscape, and recyclability. A systematic approach between government and the private market is needed, with experts looking to the US, Denmark, and other countries for models. It

is believed that RMB5 trillion will be needed for water treatment, management, and education. Panelists recommended future initiatives such as measuring a “green GDP” that accounts for the costs of pollution; tying business financing (deposit services, loans, IPOs, etc.) to green benchmarks (“green shares”); creating an agency like the US’s Environmental Protection Agency to create uniform standards for water of different types (drinking, irrigation, etc.), and; instituting a water discharge market akin to carbon markets. The upside of China’s serious water situation is the opportunity it affords to rapidly assimilate best practices from around the globe to make great strides in the years ahead.

### Technology

**The final production input is technology. BFA Annual Conference 2014 focused on up-to-the-minute digital trends like mobile internet, 3D printing, cloud computing, “big data,” and cybersecurity.**

#### “Embracing the 4G Era of Mobile Internet”

examined changes wrought by the spread of 4G mobile technology across Asia. Panelists Ken Gullicksen, COO, Evernote; Henry Han, Founder & CEO, Viva Mobile Media; Steve Mollenkopf, CEO, Qualcomm; Lynn Forester de Rothschild, CEO, E.L. Rothschild; Ming-Kai Tsai, Chairman, MediaTek Inc.; and Wu Hequan, Academian, China Academy of Engineering, emphasized that 4G is opening new vistas to developers through unlimited access to online data. Well-established in Japan and Korea, and beginning in India and China (China began authorizing 4G licenses to telecoms in December 2013), 4G’s greatest opportunities may lie in video and automation, with immediate applications in healthcare, finance, and publishing. Echoing discussion around a code of conduct for cyberspace (see the security panels under Global Political Economy and Asia, above),

discussants were cognizant of security and privacy vulnerabilities related to devices themselves and personal behavior, noting that 4G firewalls cannot be as robust as computer firewalls. Therefore, 4G represents a trade-off between convenience and security. Its spread in China will bring exciting developments, but will also be constrained by its relatively high cost. Whereas communication expenses consume 4 percent of income in developed countries, they consume 8 percent in China, where even 3G, introduced in 2009, is somewhat new.

In **“Big Data & Cloud Computing,”** Ahmed Baladi, Partner, Allen & Overy; Martha Bejar, CEO, Mobile Flow; Liu Jiren, Chairman & CEO, Neusoft; Steve Milligan, President and CEO, Western Digital; Margaret Ren, Country Executive and Chairman of China, Bank of America; and Vaughan Smith, VP, Special Project, Facebook tried to separate the hype from the reality of big data and cloud computing. While agreeing with other panels that personal behavior is key to security, the need for better regulation in data’s capture, maintenance, and use was emphasized, with Ahmed Baladi proposing “five golden rules” for handling big data as a corporate asset: being transparent in how it is used, obtaining consent before using it, protecting it, and respecting individuals’ rights to both access and delete personal data. Industries like financial services have already seen significant returns from “big data” analysis, but continued growth will require a labor force with better math, science, and teamwork skills, as well as an infrastructure that provides increased bandwidth while reducing today’s cloud data storage facilities’ massive energy demands. Dovetailing discussions of cybersecurity, panelists concluded that international harmonization of laws regarding data sharing would be a critical enabler of responsible growth in the big data and cloud computing sectors.



# Trade, marketing and distribution



**After the international, regional, and bilateral context is set and production inputs are transformed into goods and services for sale, the final step in realizing value is marketing, sales, trade, and distribution, both business-to-consumer and business-to-business. While sections on political economy analyzed governments' role in shaping trade agreements, discussions reserved for this section generally feature a more on-the-ground view of trade, from the perspective of practitioners.**

One exception that merits inclusion is the deeper discussion of the new Silk Road conducted amongst world leaders Yang Jiechi, State Councilor, People's Republic of China; Thongsing Thammavong, Prime Minister, the Lao People's Democratic Republic; Nawaz Sharif, Prime Minister, Islamic Republic of Pakistan; Kay Rala Xanana Gusmao, Prime Minister, the Democratic Republic of Timor-Leste; and Surakiart Sathirathai, Former Deputy Prime Minister & Minister of Foreign Affairs of Thailand - **"Reviving the Silk Road: A Dialogue with Asian Leaders."**

Stressing two themes - transport, trade, financial and other linkages, and communication, cultural exchange, and shared understandings leading to peace - these world leaders emphasized how the new Silk Road is helping its countries grow 6.4 percent per annum, twice the rate for developing countries. This new Silk Road connects Southeast Asia (through the China-Thailand Road) to Middle Eastern oil (through the Pakistan-China Economic Corridor and Pakistan's access to the warm waters of the Arabian Sea and Iran). It stabilizes currencies (through the Chiang Mai currency swap initiative), enables consultation and coordination (ASEAN+3), smooths cross-border barriers (using

coordinated technology in customs, passports, quarantine, etc.), and facilitates dialogue (through annual conferences like BFA Annual Conference 2014).

The comprehensive, inclusive model for the new Silk Road laid out by its countries' leaders comes to fruition in ground-level activities like supply chain management. In **"Shifting Global Supply Chain and the Rise of Asia's Consumer Market,"** Victor Fung, Chairman, the Fung Group led a discussion between Stephen Badger, Chairman of the Board, Mars Incorporated; Sanjeev Chadha, PepsiCo CEO for AMEA; Jordan Hansell, Chairman and CEO, NETJETS; Patrick Low, Former Chief Economist, WTO and Vice-President of Research, Fung Global Institute; Dominic Ng, Chairman and Chief Executive Officer, East West Bank and Chairman, The Committee of 100; and Wu Guodi, Chairman of the Board, China International Energy Sources Group Co., Ltd. Exploding with over 1 billion new customers, Asia's consumer market increasingly demands from businesses efficient, lean, optimized supply chains, perhaps the largest single driver of firm profitability. In contrast to Asia's export-led model of the past, today 50 percent of Asian trade is between Asian countries. Asia has the talent pool to manage supply chain, panelists felt, and the largest opportunities for increased efficiency are in transport and storage. The challenge is that consumer trends in Asia are changing incredibly rapidly, and firms need to keep up in terms of expanding value-added service trade, emphasizing food and product safety and environmentalism, and, above all, finding ways to solicit customer feedback to improve supplier performance, e.g. through "big data" and omni-channel consumer experiences.

Supply chains must also take better advantage of e-commerce, the topic of, **“E-Commerce vs Traditional Commerce: Zero-Sum or Win-Win?”** Moderated by Lu Binbin, Founder, B-Doing Communication Agency, it featured Hamish Brewer, President & CEO, JDA Software Group Inc.; Richard Broadbent, Chairman, Tesco; John Burbank, President, Nielsen Strategic Initiatives; Jeff Hansberry, President, Starbucks China and Asia-Pacific; Feng Jun, Chairman, Aigo; A. Didar Singh, Secretary General, Federation of Indian Chambers of Commerce and Industry (FICCI), India; and Zhang Yuxi, Chairman, Beijing Xinfadi Agricultural Products Wholesale Market. More of an ecosystem than a simple distribution “channel”, e-commerce enables a unique system of interaction with customers. Discussing how multiple touch points shape customer loyalty and challenge brick and mortar stores in many industries, like books, music, clothing, and now food, panelists advocated for striking a balance, especially in Asia and China, where small towns and rural areas are hard to deliver to and building trust in a brand’s quality and safety can take time and hands-on experience.

The theme of product quality and brand identity was pursued further in **“Brand-Building in Asia: National & Corporate Strategies,”**

moderated by Lin Xi, Broadcaster, China National Radio and hosting Gu Shu, Vice President, Industrial and Commercial Bank of China (ICBC); Liang Haishan, President, Haier; Liu Pingjun, Former Vice Minister, General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), the People's Republic of China; Bruce Sewell, Senior Vice President, Apple; Zhang Xiaogang, General Manager, Anshan Iron & Steel and President, International Organization for Standardization; and Zhi Shuping, Minister of AQSIQ, the People's Republic of China. Panelists recounted the steps China is taking to improve quality standards, including measurement systems covering quantitative exams, standards, and certifications; awards programs and sharing of success stories; stricter IPR regimes, and; brand evaluation and training courses. With Chinese companies becoming some of the largest in the world based on their domestic market alone, such measures will help them transform and grow into truly global brands. Bruce Sewell, from Apple, counseled paying attention to the entire customer experience - from product to stores, packaging, interface, and use - and advancing the legal framework and enforcement mechanisms for IPR protection, something that will benefit all companies, Chinese and foreign.



# Industry perspectives

Several panels at BFA Annual Conference 2014 synthesized the global, factor-specific, and trade frameworks laid out earlier with dynamics in specific industries: automotive, manufacturing, medical, and agricultural.

In the televised **“Automobile Industry Update 2014,”** Rui Chenggang, Director & Anchor, CCTV engaged Wu Weiqiang, Editor, Auto Weekly, China Youth Daily; Xu Heyi, Chairman, Beijing Automotive Group Co., Ltd; and Zhu fushou, General Manager, Dongfeng. Focusing on the role of government policy, panelists agreed that air quality is central. The government is studying the role of auto emissions on PM2.5 air pollution, but policies like limiting the number of vehicles permitted on the road and encouraging electric vehicles are insufficient. Rather, in this panel and **“Reshaping the Auto Industry”** moderated by Wang Qiufeng, Auto Director, Tencent and Yuan Ming, Host, Guizhou Radio and Television, and featuring Long Yongtu, Former Vice Minister, Ministry of Foreign Trade and Economic Cooperation, the People’s Republic of China; Li Feng, Vice General Manager, BAIC Group; Zhang Suixin, External Vice President, Volkswagen Group; Dong Changzheng, Executive Vice General Manager, Toyota Group; and Joachim Rosenberg, Executive Vice President, Volvo Group, experts advocated improvements in fuel standards, greater incentives for hybrids (as opposed to a lopsided push to skip to electric vehicles before cost, safety, and infrastructure pieces are in place), car sharing programs, “fast lane” road infrastructure, and focusing first on greening the major source of electricity in China - coal.

It was agreed that 1994’s automotive joint venture law, requiring that foreign investments have at least a 50 percent Chinese equity stake, will continue, though it hasn’t yet produced a strong Chinese brand or leading technology. While panelists found it difficult to define “overcapacity” in China’s fragmented market (at 76 cars per 1,000 people, China’s saturation is still only half the world average), industry consolidation, they felt, will focus attention on key companies. Some of these firms compared and contrasted their strategies, highlighting synergies between green vehicles, branding, and



globalization. Dongfeng has partnered with both Chevrolet and Volvo Trucks to develop electric cars that are more affordable, globalize R&D, manufacturing, and marketing, and even assume a dominant position (e.g. the Dongfeng/Volvo Truck 55/45 JV, approved by the NRDC) to use a developed country brand’s distribution network to build a Chinese brand around the globe, especially in emerging economies in Africa and elsewhere. BAIC, on the other hand, is partnering with a Silicon Valley firm to develop an equally competitive electric car for the China market and is focusing on developing world-class aftersales service domestically. Both strategies advance what discussants felt was vital for the globalization of the Chinese auto industry - building successful China brands while improving the image of “Made in China” generally.

If there’s one manufacturing company responsible for the image of “Made in India,” it may be the Tata Group, represented at BFA Annual Conference 2014 by Ratan Tata, Chairman Emeritus, Tata Sons, India. In a dialogue entitled, **“Zhang Weiyong Meets Ratan Tata: The Vigor of Indian Economy & Competitiveness of Indian Companies,”** Zhang Weiyong, Professor of Economic, Peking University discussed with Ratan Tata, Chairman Emeritus, Tata Sons, India, what makes Tata unique: a structure that enables diversification, equity financing of individual firms with autonomous directors, and a common business and ethical framework.



Autonomy is vital, he said, “If you respect the company management’s strengths, which allows them to manage their own destiny, then you can retain the benefits of that acquisition.” He believes Chinese companies generally wisely follow this model. Asked about corruption, Ratan Tata emphasized that Tata never pays bribes as successful business should not need bribes. He cited Tata’s success in the Indian process control market. As for future investment, Ratan Tata felt China could be investing more in Indian infrastructure, and Tata itself might expand in China’s hospitality industry, and he praised Cherry, Huawei, and Zhongxing Telecommunication Equipment (ZTE) Corporation as Chinese companies with which he is most impressed.

Turning to the fastest growing industry in China, pharmaceuticals, at RMB1.7 trillion and 20 percent growth per annum, discussions emphasized ethics (“self-discipline”), an industry ecology that promotes flourishing, and industry-government communication. Communication would benefit from an industry association that could interface between government, industry, and the public and improve transparency in drug testing and approval. Such an association can also aid in ethics via sales training and standards for compliance. Finally, this agency and government can construct an ecology conducive to industry flourishing through policies in the areas of clinical trials (despite China boasting more Ph.D.s than any other country, it lags in trials), research “clusters,” insurance (97 percent are covered, but at a very low level and unevenly between urban and rural areas), and pricing policy. Discussants agreed that with such measures China will be able to achieve its objectives of pharmaceutical accessibility and quality.

In other discussions, panelists were similarly optimistic that Asia would be able to feed itself though sustainable farming. Though capacity constraints and environmental stress will continue to require major public and private investment in R&D, technology and innovation, “sustainable intensification” (increases in output using fewer resources) is achievable. Experts examined improvements in fertilizer, seeds, GMOs, and traceability enabling “mapping” of food to its source, agreeing that food safety and security are paramount. Therefore, work should continue towards internationalization of food safety standards.

# Conclusion

Once again the BFA Annual Conference 2014 provided a unique opportunity for many influential political, business, and thought leaders to engage important topics and expand personal and professional networks in a beautiful, secluded setting on Hainan Island. The introduction of new topics, particularly security, anticipated many of the issues that continue to occupy global leaders and media. Asian economies have generally performed well over the past year, but new challenges and issues have become more urgent and meaningful as all Asian economies and the US pursue regional stability and prosperity.

In 2014, the BFA Annual Conference for the first time hosted panels explicitly focused on security; BFA Annual Conference's Board of Directors recognizes that, increasingly, a peaceful, stable military and security environment is indispensable to fulfill the Annual Conference's mission of promoting and facilitating Asian economic cooperation and integration. Advancing this mission, the Annual Conference introduced the "BOAO formula" for addressing territorial disagreements in the South China Sea: Brotherhood, Organization, Amiability, and Opportunity. These issues, it was proposed, should be approached in the spirit of *brotherhood*, discussed and solved in the context of *organizations* and institutions, handled *amiably*, and be seen as *opportunities* to be explored. These simple precepts, taken to heart, capture necessary conditions for peaceful resolution of issues renewed since the conclusion of the Annual Conference, which presciently stressed how military exchanges and joint initiatives on common

challenges - ranging from denuclearization of the Korean peninsula, CBMs, and environmental protection - build trust. Given this year's positive and productive discussions on the South China Sea, Sino-US relations, and cybersecurity, next year's Annual Conference will continue as a platform to enhance regional security cooperation and facilitate peaceful solutions to controversial issues among Asian countries.

On the financial and economic fronts, the rich diversity of panels generated fruitful discussion on topics spanning trade, cross-border investment, monetary and fiscal policy, domestic restructuring, infrastructure build-out, capital regimes, and more. China issued historic statements supporting an AIIB and the Shanghai-Hong Kong Stock Connect program; AIIB's initial capitalization is aimed at US\$50 billion and the Stock Connect program will allow qualified investors cross-border stock purchase and sale rights. Combined with continued negotiation of trade agreements like RCEP and TPP, the BFA Annual Conference 2014 indeed heralds and facilitates deepening trade and financial integration across Asia.

And on the domestic restructuring front, new growth drivers like education and innovation, microfinance and debt, SOE management and ownership reform, healthcare and old age supports, public-private partnerships and redistribution, investment-led and consumption-led growth, urban clustering and land use reform, and much more were analyzed. The BFA Annual Conference 2014 squarely faced the challenge that without new models, Asian and world economies may not advance.

In addition to offering content-rich discussions of security, finance and economics, domestic restructuring, and more, the BFA Annual Conference 2014 intentionally created expanded opportunities for making business connections through novel types of closed-door meetings designed to be business results-oriented. (1) Bilateral business leaders meetings - including a China-Russia company leaders meeting, a China-Australia companies meeting, and a China-Japan business leaders' dialogue - went so far as to produce tentative business deals. (2) Business leaders-government officials meetings - including CEO-China senior official meetings and a CEO-China local governors' dialogue - provided, through closed-door discretion, unique opportunities to build relationships between business and policy makers. (3) Topical roundtables - including a CEO Roundtable and Young Observers Roundtable - allowed, respectively, CEOs from diverse industrial sectors to exchange views, analyses, and market insights while strengthening personal networks, and, for the first time at the Annual Conference, young civic, business, and political leaders from Asian countries to share their generation's observations, ideas, and perspectives on fundamental, pressing issues facing Asia today.

BFA Annual Conference will continue to serve as a premier international platform for bringing together leaders and ideas from government, business, non-governmental institutions, and academia to solve Asia's and the world's most urgent economic, security, and environmental problems. The BFA Annual Conference will be quickly followed by four topical conferences, two focused on finance and all four with a strong business focus: (1) 28-29 June 2014, Beijing: "Connectivity in Asia: The Financing Challenge," a seminar of 120 business and government leaders that will examine new financial platforms for investing in infrastructure in Asia, like the AIIB; (2) 4-6 September 2014, Seattle: "BFA Energy, Resources & Sustainable Development Conference," a conference focusing on energy cooperation across the Pacific; (3) October 2014, Dubai: a conference on comprehensive cooperation in regional finance, and; (4) November 2014, Hong Kong: "Asian Youth Forum," a conference focusing on urgent economic, social, employment, and cultural issues of concern and interest to today's generation of young Asians. All BFA Annual Conferences share the objective of progressing towards the analysis and solution of major issues in the world, through frank, open, and friendly conversation and through strengthening person-to-person relationships and networks.

# Appendix 1: Boao Forum for Asia Annual Conference 2014 Program

Tuesday, 8 April

Time	Events
07:00 - 22:00	<b>Registration</b> (Peilan Bridge Registration Center)
16:00 - 17:30	<p><b>TV Debate 1</b>  <b>Reshaping Finance &amp; Trade in Asia</b> (Outdoor Seaview Studio - Northeast of Wanquan Square )            Moderator: Yang Rui, Anchor, China Central Television</p> <p>Panelists: Stephen P. Groff, Vice President, Asian Development Bank            Lin Yifu, Professor and Honorary Dean, National School of Development, Peking University,            Vice Chairman of the All-China Federation of Industry and Commerce            Alwyn Didar Singh, Secretary General, Federation of Indian Chambers of Commerce &amp; Industry</p>
16:00 - 18:00	<p><b>Roundtable 1</b>  <b>Media Leaders Roundtable: Innovation and Responsibility of Media in the Digital Age</b>            (ICC, Level 1, Dong Yu Grand Ballroom B)            Moderator : Wang Gengnian, President, China Radio International</p>
16:00 - 19:00	<p><b>Closed-Door 1</b>  <b>Young Observers Roundtable Reform: Shaping the New Future of Asia</b>            (ICC, Level 1, Peacock 1) (Invitation Only)</p> <p>Moderator : Sally Wu Xiaoli, Deputy Chief, Phoenix InfoNews Channel</p> <p>Discussion Leaders: Khairy Jamaluddin, Minister for Youth and Sports, Malaysia            Zhang Weiyang, Professor of Economics, Peking University            Zhang Yaqin, Corporate Vice President, Microsoft</p>
17:00 - 18:30	<p><b>Session 1</b>  <b>Micro and Small Business Finance: Asia's Innovation and Practice</b>            (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: BA Shusong, Deputy Director, Institute of Finance, State Council Development Research Center;            Chief Economist, China Banking Association</p> <p>Panelists: Chen Zhiwu, Professor of Finance, Yale School of Management            Dong Wenbiao, Chairman, China Minsheng Bank            Hong Qi, Vice-Chairman of the Board and President, China Minsheng Bank            Huang Rong, Full-Time Vice Chairman, All-China Federation of Industry and Commerce            Yan Qingmin, Vice Chairman, China Banking Regulatory Commission            Zhu Hongren, Chief Engineer, Ministry of Industry &amp; Information Technology</p>
17:00 - 18:30	<p><b>TV Debate 2</b>  <b>Automobile Industry Update 2014</b> (ICC, Level 1, Dong Yu Grand Ballroom C)</p> <p>Moderator: Rui Chenggang, Director &amp; Anchor, China Central Television</p> <p>Panelists: Wu Weiqiang, Editor, Auto Weekly, China Youth Daily            Xu Heyi, Chairman, Beijing Automotive Group Co., Ltd            Zhu Fushou, General Manager, Dongfeng</p>
17:30 - 18:30	<b>BFA Council of Advisors Meeting</b> (ICC, Level 1, Peacock IV)

Time	Events
19:00 - 20:00	<b>Welcome Dinner for BFA Members and Partners</b> (BFA Hotel, 1st Floor, Symposium Restaurant) (BFA Members & Partners only)
19:00 - 20:00	<b>Buffet Dinner</b> (BFA Hotel, Le Mistral)
20:15 - 22:00	<b>BFA Members Club</b> <b>Six Questions from Economists</b> (ICC, Level 1, Dong Yu Grand Ballroom A) Moderator: Fred Hu Zulu, Chairman, Primavera Capital Group Panelists: Chen Zhi Wu, Professor of Finance, Yale School of Management Yves-Louis Darricarrere, Executive Vice President, TOTAL Gao Jifan, Chairman & CEO, Trina Solar, Ltd. Gregory D Gibb, Chairman & CEO, Shanghai Lujiazui International Finance Assets Trading Marketing Co. Ltd Leo Melamed, Chairman Emeritus, Chicago Mercantile Exchange Edmund Phelps, Nobel Prize Laureate (2006) Ernst Ulrich von Weizsacker, co-President, the Club of Rome Zhang Yaqin, Corporate Vice President, Microsoft Zhang Weiying, Professor of Economics, Peking University

### Wednesday, 9 April

Time	Events
07:00 - 22:00	<b>Registration</b> (Peilan Bridge Registration Center)
07:00 - 14:00	<b>BFA "New Fortune Cup" Golf Invitational 2014</b> (Dong Yu Island, BFA ICC Golf Club)
08:30 - 12:00	<b>BFA "Boao Le Cheng Cup" Bridge Invitational 2014</b> (Ramada Hotel & Suites Boao , Lake View Palace)
09:00 - 11:00	<b>TV Debate 3</b> <b>Young Leaders Roundtable: The Next Round of Reforms in Asia</b> (Outdoor Seaview Studio - Northeast of Wanquan Square ) Moderator: Rui Chenggang, Director & Anchor, China Central Television Commentators: Liu Chuanzhi, Chairman, Lenovo Holdings Timothy Perry Shriver, Chairman, Special Olympics
09:00 - 11:00	<b>Green Eco-City &amp; Health Industry</b> (Golden Coast Hot Spring Hotel, Level 1, New Boao Room)
09:30 - 10:30	<b>Dialogue 1</b> <b>Justin Lin Yifu: Reflections on the Great Recession</b> (ICC, Level 1, Dong Yu Grand Ballroom A) Moderator: He Gang, Executive Editor-in-Chief, Caijing Speaker: Justin Lin Yifu, Professor and Honorary Dean, National School of Development, Peking University; Vice Chairman of the All-China Federation of Industry and Commerce

Time	Events
09:30 - 11:30	<p><b>Roundtable 2</b>  <b>Private Sector Roundtable</b>  <b>Deregulation: What it Means for the Private Sector?</b> (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderators: Chris Lu, Senior Partner, Deloitte China  Jennifer Xie, National Managing Partner of Government Relations and Public Affairs, Deloitte China</p> <p>Discussion Leaders: Bao Yujun, Chairman, China Private Sector Association  Hai Wen, Vice President, Peking University  Jiang Xipei, Chairman, Far East Holding  Li Zibing, President, China Association of SMEs  Zhang Yue, Chairman &amp; President, BROAD Group</p>
09:30 - 11:30	<p><b>Closed-Door 2</b>  <b>China CEO Roundtable: Business Reform Imperatives: Adapting to the New Dynamics of Asia</b>  (ICC, Level 1, Peacock 1) (Invitation Only)</p> <p>Moderators: Chris Harvey, Managing Director and Global Industry Leader of Financial Services, Deloitte  Tim Pagett, Deloitte China's Financial Services Industry Leader and Member of the China Consulting Executive Committee</p> <p>Discussion Leaders: Fang Xinghai, Director, The First Economic Bureau, Office of the Central Leading Group for Financial and Economic Affairs  Barbara Hackman Franklin, Former US Secretary of Commerce  Lord Mandelson, Former Secretary of State for Business, Innovation &amp; Skills, UK</p>
09:30 - 10:30	<p><b>Press Briefing by Hainan Province</b> (ICC, Level 1, Dong Yu Grand Ballroom C)</p>
10:45 - 12:00	<p><b>Session 2</b>  <b>Internet – Finance: Towards Rational Exuberance</b> (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Xie Ping, Executive Vice President, China Investment Corporation</p> <p>Panelists: Chen Long, Associate Dean, Professor of Finance, Cheung Kong Graduate School of Business  Gregory D Gibb, Chairman, Shanghai Lujiazui International Financial Asset Exchange Co. Ltd.  Fred Hu Zulu, Chairman, Primavera Capital Group  Ma Weihua, Chairman, Wing Lung Bank Ltd.; Former Executive Director, President and CEO, China Merchants Bank  Wang Yincheng, Vice Chairman &amp; President, the People's Insurance Company (Group) of China Limited</p>
10:45 - 11:45	<p><b>Dialogue 2</b>  <b>Zhang Weiying Meets Ratan Tata: The Vigor of Indian Economy &amp; Competitiveness of Indian Companies</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Speakers: Zhang Weiying, Professor of Economics, Peking University  Ratan Tata, Chairman Emeritus, Tata Sons, India</p>

Time	Events
12:00 - 13:30	<p><b>Luncheon Session 1</b>  <b>Dialogue with Leo Melamed: Asian Futures Market &amp; the CME Experience</b> (BFA Hotel, Symposium)</p> <p>Moderator: Stephen Groff, Vice President, Asian Development Bank</p> <p>Speaker: Leo Melamed, Chairman Emeritus, Chicago Mercantile Exchange (CME)</p>
14:00 - 15:15	<p><b>Session 3</b>  <b>Shifting Global Supply Chain and the Rise of Asia's Consumer Market</b>            (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Victor Fung, Chairman, the Fung Group</p> <p>Panelists: Stephen Badger, Chairman of the Board, Mars. Incorporated            Sanjeev Chadha, PepsiCo CEO for AMEA            Jordan Hansell, Chairman and CEO, NETJETS            Patrick Low, Former Chief Economist, World Trade Organisation; Vice-President of Research, Fung Global Institute            Dominic Ng, Chairman and Chief Executive Officer, East West Bank; Chairman, The Committee of 100            Wu Guodi, Chairman of the Board, China International Energy Sources Group Co., Ltd</p>
14:00 - 15:15	<p><b>Session 4</b>  <b>Regionalism vs Multilateralism: Friends, or Rivals</b> (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Peter Costello, Former Treasurer, Commonwealth of Australia; Chairman, Future Fund (Australian Government Sovereign Wealth Fund)</p> <p>Panelists: Abdullah bin Haji Ahmad Badawi, Former Prime Minister, Malaysia            Sidharth Birla, Chairman of Xpro India Limited; President of Federation of Indian Chambers of Commerce and Industry (FICCI)            Barbara Hackman Franklin, Former US Secretary of Commerce            Stephen Groff, Vice President, Asian Development Bank            Han Duck-Soo, Chairman, KITA; Former Prime Minister, Republic of Korea            Wang Shouwen, Assistant Minister of Commerce            Zhao Xiaoyu, Vice President, China Development Bank</p>
14:00 - 16:00	<p><b>Closed-Door 3</b>  <b>Energy/Resources CEO Roundtable: "Constants" and "Variables" on the Global Energy/Resources Landscape</b> (ICC, Level 1, Peacock 1) (Invitation Only)</p> <p>Co-Moderators: Wang Jin, Director, Institute of Energy Research, International Cooperation Centre, National Development and Reform Commission            S. T. Hsieh, Director, US-China Energy and Environment Technology Center, Tulane University</p>
14:00 - 14:40	<p><b>Boao Lecheng Press Conference</b> (Golden Coast Hot Spring Hotel, New Boao Room)</p>
15:15 - 15:45	<p><b>Coffee break</b></p>
15:20 - 15:50	<p><b>Handover Ceremony of Cadillac Official Vehicle for BFA AC 2014</b> (ICC, South Gate Plaza)</p>

Time	Events
15:45 - 17:00	<p><b>TV Debate 4</b>  <b>Debate on Economics: Keynesian vs Supply-Side</b> (Outdoor Seaview Studio - Northeast of Wanquan Square )  Moderator: Qin Shuo, Chief Editor, China Business News</p> <p>Panelists: Chen Zhi Wu, Professor of Finance, Yale School of Management  Jia Kang, Director, Research Institute for Fiscal Science, Ministry of Finance  Lord Mandelson, Former Secretary of State for Business, Innovation &amp; Skills, UK  Edmund Phelps, Nobel Prize Laureate (2006)  Stephen Roach, Former Chief Economist, Morgan Stanley  Michael Spence, Recipient of the 2001 Nobel Prize in Economic Sciences, US  Zhang Weiying, Professor of Economics, Peking University</p>
15:45 - 17:00	<p><b>Session 5</b>  <b>New Findings on Climate Change</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Co-Moderators: Stephen Groff, Vice President, Asian Development Bank  Rui Chenggang, Director &amp; Anchor, China Central Television</p> <p>Panelists: Olof Persson, President &amp; CEO, Volvo Group  Thomas Piquemal, CFO, EDF  Qin Dahe, Former Chairman, China Meteorology Administration; Academician, Chinese Academy of Science  Ernst Ulrich von Weizsacker, co-President, the Club of Rome  Zhang Yue, Chairman &amp; President, BROAD Group</p>
15:45 - 17:00	<p><b>Dialogue 3</b>  <b>How Do Enterprises Go Global?</b> (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Xiang Bing, Founding Dean, Cheung Kong Graduate School of Business</p> <p>Speakers: Margery Kraus, CEO &amp; Founder, APCO Worldwide  Liu Chuanzhi, Chairman, Lenovo Holdings  Ma Weihua, Chairman, Wing Lung Bank Ltd.; Former Executive Director, President and CEO, China Merchants Bank  Mark Suzman, President of Global Policy &amp; Advocacy, Bill &amp; Melinda Gates Foundation  Zhang Guobao, Chairman, the Advisory Board, National Energy Commission  Zhang Xin, CEO, SOHO China</p>
16:30 - 18:30	<p><b>Closed-Door 4</b>  <b>Pharmaceutical CEO Roundtable: Ethics and Market Complexities</b>  (ICC, Level 1, Peacock 1) (Invitation Only)</p> <p>Moderator: Song Ruilin, Executive President of SINO-PhIRDA</p> <p>Discussion Leaders: Zheng Hong, Director-General of Department of National Drug Policy and Essential Medicine System, National Health and Family Planning Commission  Zhu Hongren, Chief Engineer, Ministry of Industry &amp; Information Technology</p>
16:00 - 16:45	<p><b>BFA Board of Directors Meeting</b> (ICC, Level 1, Peacock IV)</p>

Time	Events
16:45 – 17:15	<b>BFA General Members Meeting</b> (ICC, Level 1, Dong Yu Grand Ballroom C) (Members Only)
17:00 - 17:30	<b>Coffee break</b>
17:30 - 18:30	<p><b>Session 6</b>  <b>Asian Economic Outlook 2014: A Dialogue with BFA Board of Directors</b>  (ICC, Level 1, Dong Yu Grand Ballroom C) (Open to all delegates)</p> <p>Moderator: Zhou Wenzhong, Secretary General, Boao Forum for Asia</p> <p>Speakers: Yasuo Fukuda, Chairman, Boao Forum for Asia; Former Prime Minister of Japan  Zeng Peiyan, Vice-Chairman, Boao Forum for Asia; Former Vice Premier, the People's Republic of China  Mohamed H. Al-Mady, Vice Chairman and CEO, SABIC  Abdullah bin Haji Ahmad Badawi, Former Prime Minister, Malaysia  Victor Fung, Honorary Chairman, Li &amp; Fung Limited; Group Chairman, Fung Group  Goh Chok Tong, Emeritus Senior Minister, Singapore  Jiang Sixian, Vice Chairman of the Standing Committee of Shanghai Municipal People's Congress, Chairman of the University Council of Shanghai Jiao Tong University  Sergey Nikolaevich Katyrin, President of the Chamber of Commerce and Industry of the Russian Federation  Jae-Yong Lee, Vice Chairman of Samsung  Henry Paulson, Former Secretary of the Treasury, USA  Jean-Pierre Raffarin, Former Prime Minister, France  Ratan Tata, Chairman Emeritus, Tata Sons Limited</p>
17:30 - 18:45	<p><b>Session 7</b>  <b>Embracing the 4G Era of Mobile Internet</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Wu Liang, Deputy Editor-in-Chief, Economy &amp; Nation Weekly</p> <p>Panelists: Ken Gullicksen, COO, Evernote  Henry Han, Founder &amp; CEO, Viva Mobile Media  Steve Mollenkopf, CEO, Qualcomm  Lynn Forester de Rothschild, CEO, E.L. Rothschild  Ming-Kai Tsai, Chairman, MediaTek Inc.  Wu Hequan, Academian, China Academy of Engineering</p>
17:30 - 18:45	<p><b>Session 8</b>  <b>The SBLF - Key Strategies of Multinationals to Build Sovereign Friendships</b>  (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Wang Boming, Editor-in-Chief, Caijing</p> <p>Panelists: Duan Yongji, Chairman, Stone Group  Andrew Forrest, Chairman of Fortescue Metals Group Limited; Chairman of Munderoo Group  Gail Kelly, CEO, Westpac  Ma Weihua, Chairman, Wing Lung Bank Ltd.; Former Executive Director, President and CEO, China Merchants Bank  Mark A. Vaile, former Vice Prime Minister of Australia  Zhang Guobao, Chairman, the Advisory Board, National Energy Commission</p>

Time	Events
17:30 - 18:30	<p><b>Dialogue 4</b>  <b>Edmund Phelps: Beware the Middle-Income Trap</b> (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Hans-Paul Bürkner, Chairman, The Boston Consulting Group</p> <p>Speaker: Edmund Phelps, Nobel Prize Laureate (2006)</p>
19:00 - 20:15	<p><b>Welcome Dinner</b> (ICC, Level 2, BFA Main Hall) (Invitation Only)</p>
20:30 - 22:00	<p><b>Boao Salon 1</b>  <b>Ministers Meet CEOs: Chinese Economy 2014</b> (ICC, Level 1, Dong Yu Grand Ballroom A) (Invitation Only)</p> <p>Moderator: Sally Wu Xiaoli, Deputy Chief, Phoenix InfoNews Channel</p> <p>Speakers: Hu Zucai, Vice Chairman, National Development and Reform Commission  Huang Shuhe, Vice Chairman, State-owned Assets Supervision and Administration Commission, State Council  Wang Shouwen, Assistant Minister of Commerce</p>
20:30 - 22:00	<p><b>Boao Salon 2</b>  <b>Reshaping the Auto Industry</b> (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Wang Qiufeng, Auto Director, Tencent  Yuan Ming, Host, Guizhou Radio and Television</p> <p>Panelists: Long Yongtu, Former Vice Minister, Ministry of Foreign Trade and Economic Cooperation  Li Feng, Vice General Manager, BAIC Group  Joachim Rosenberg, Executive Vice President, Volvo Group</p>
20:30 - 22:00	<p><b>Boao Salon 3</b>  <b>Business Leaders Roundtable</b> (ICC, Level 1, Dong Yu Grand Ballroom C)</p> <p>Moderator: Gloria Ai, Founder of iASK Studio and Independent Business Host</p> <p>Chinese CEOs: Guo Guangchang, Chairman, Fosun Group  Liu Chuanzhi, Chairman, Legend Holdings Corporation  Ma Weihua, Chairman, Wing Lung Bank Ltd.; Former Executive Director, President and CEO, China Merchants Bank  Wang Wenyin, Chairman, Amer International Group</p> <p>Global CEOs: Richard Broadbent, Chairman, Tesco  Bernard Charles, CEO, Dassault Systemes  Gerry Grimstone, Chairman, Standard Life  Guy Hands, Chairman, Terra Firma Lord Mandelson, Former Secretary of State for Business, Innovation &amp; Skills, UK</p>

Time	Events
20:30 - 22:00	<p><b>Boao Salon 4</b>  <b>Moving towards Consumption-Driven Growth: Transformation, Innovation &amp; Upgrading</b>            (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Mitch Barns, CEO, Nielsen</p> <p>Panelists: David Gordon Brooks, Chairman, Coca-Cola Greater China and Korea BU            Jesper Fournaise Colding, Vice President, Inner Mongolia Mengniu Dairy Group            Seng Yee Lau, President of Online Media Group of Tencent; SEVP, Tencent Holdings            Michael Spence, Recipient of the 2001 Nobel Prize in Economic Sciences, USA            Michael Treschow, Chairman, Unilever            Richard Zhang, Partner and the Head of Greater China, Apax</p>
20:30 - 22:00	<b>Boao Salon 5 Boao Night For Sichuan</b> (BFA Wanquan Square)
21:30 - 23:30	<b>Bank of America Merrill Lynch Jazz Night</b> (BFA Hotel, Level 2, Lobby Bar)

#### Thursday, 10 April

Time	Events
07:00 –08:15	<p><b>Breakfast Meeting 1</b>  <b>Dialogue with Henry Paulson</b> (BFA Hotel, Symposium)</p> <p>Moderator: Zhou Wenzhong, Secretary General, Boao Forum for Asia</p> <p>Speaker: Henry Paulson, Former Secretary of Treasury, US</p>
10:00 - 11:30	<p><b>Opening Plenary</b> (ICC, Level 2, BFA Main Hall)</p> <p>Moderator: Zhou Wenzhong, Secretary General, Boao Forum for Asia</p> <p>Welcome Remarks: Yasuo Fukuda, Chairman, Boao Forum for Asia</p> <p>Keynote Speech: H.E. Li Keqiang, Premier, State Council, the People’s Republic of China</p> <p>Speakers: The Hon. Tony Abbott, Prime Minister, the Commonwealth of Australia            H.E. Chung Hongwon, Prime Minister, Republic of Korea            H.E. Thongsing Thammavong, Prime Minister, the Lao People’s Democratic Republic            Rt. Hon. Dr. Hage Geingob, Prime Minister, the Republic of Namibia            H.E. Nawaz Sharif, Prime Minister, Islamic Republic of Pakistan            H.E. Kay Rala Xanana Gusmao, Prime Minister, the Democratic Republic of Timor-Leste            H.E. Arkady Vladimirovich Dvorkovich, Deputy Prime Minister, Russian Federation            H.E. Vu Duc Dam, Vice Prime Minister, Socialist Republic of Vietnam</p> <p>Corporate Representative: Mohamed H. Al-Mady, Vice Chairman and CEO, SABIC</p>
12:00 - 14:00	<b>Buffet Lunch</b> (BFA Hotel, Asiana Restaurant , Symposium & Le Mistral)

Time	Events
13:15 - 15:15	<p><b>Bilateral CEO Dialogue 1</b>  <b>Russia-China Energy &amp; Finance Dialogue</b> (ICC, Level 1, Peacock IV) (Invitation Only)</p> <p>Co-Chairs: Arkady Dvorkovich, Deputy Prime Minister of the Russian Federation  Wu Xinxiong, Minister, National Energy Administration</p> <p>Russian CEOs: Gennady Timchenko, Founder, Volga Resources  Andrey Akimov, Chairman, the Management Board, Gazprombank (Open Joint-Stock Company)  Vladmir Gridin, Founder of Siberian Business Union  Kirill Dmitriev, CEO, Russian Direct Investment Fund (RDIF)  Evgeny Dod, Chairman, the Board JSC RusHydro  Alexander Dyukov, Chairman &amp; Chief Executive Officer; The Management Board, JSC Gazprom Neft  Dmitry Konov, CEO, Sibur, Russia</p> <p>Chinese CEOs: Hu Wenming, Chairman, China State Shipbuilding Corporation  Wang Yilin, Chairman, CNOOC  Zheng Zhijie, President, China Development Bank  Billy Ngok, Founder, China Environmental Energy Holdings  Zhang Shanming, CEO, China General Nuclear Power Group</p>
14:00 - 15:15	<p><b>Session 9</b>  <b>EU Reform Agenda 2014</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Serge Degallaix, Advisor to Former French Prime Minister</p> <p>Panelists: Bernard Charles, CEO, Dassault System  Lord Mandelson, Former Secretary of State for Business, Innovation &amp; Skills, UK  James McCormack, Global Head of Sovereign &amp; Supranational Ratings, Fitch Ratings  Jose Manuel Gonzalez-Paramo, Executive Board Director, BBVA  François-Henri Pinault, CEO and Chairman of the Board of Directors, Kering  Thomas Piquemal, CFO, EDF  Michael Treschow, Chairman, Unilever  Xiang Bing, Founding Dean, Cheung Kong Graduate School of Business</p>
14:00 - 15:15	<p><b>Session 10</b>  <b>APEC: For the New Future of Asia</b> (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Steve Howard, Secretary General, the Global Foundation</p> <p>Panelists: Julie Bishop, Foreign Minister, Australia  Li Baodong, Vice Minister of Foreign Affairs, the People's Republic of China  Li Ruogu, Chairman and President, Export-Import Bank of China  Lou Jiwei, Minister of Finance  Koji Miyahara, Chairman, Nippon Yusen Kaisha  Jusuf Wanandi, Co-Chair, PECC</p>

Time	Events
14:00 - 15:15	<p><b>Session 11</b>  <b>Reviving the Silk Road: A Dialogue with Asian Leaders</b> (BFA Hotel, Level 1, Oriental Theatre)</p> <p>Moderator: Zhang Guobao, Chairman, the Advisory Board, National Energy Commission</p> <p>Panelists: H. E. Yang Jiechi, State Councilor, the People’s Republic of China  H.E. Thongsing Thammavong, Prime Minister, the Lao People’s Democratic Republic  H.E. Nawaz Sharif, Prime Minister, Islamic Republic of Pakistan  H.E. Kay Rala Xanana Gusmao, Prime Minister, the Democratic Republic of Timor-Leste  Surakiart Sathirathai, Former Deputy Prime Minister &amp; Minister of Foreign Affairs of Thailand  A. S. Galushka, Minister for Development Russian Far East, Russian Federation</p>
14:00 - 15:15	<p><b>Session 12</b>  <b>Urbanization of People</b> (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Rui Chenggang, Director &amp; Anchor, China Central Television</p> <p>Panelists: Michael Antonovich, Chairman, MTA Board of Directors; Supervisor, Los Angeles County  Chen Gang, Vice Mayor, Beijing  Daniel L. Doctoroff, CEO, Bloomberg L.P.; Former Deputy Mayor, New York City  Arun Maira, Member (Rank of Minister) of the Indian Planning Commission, Government of India  Pan Shiyi, Executive Chairman, SOHO China Ltd  Jay Walder, CEO, MTR Corporation of Hong Kong  Wang Lu, Vice Governor, Hainan Province</p>
14:00 - 16:00	<p><b>Closed-Door 5</b>  <b>CEO Brainstorming: Global Risks &amp; Response Strategy</b> (ICC, Level 1, Peacock I) (Invitation Only)</p>
15:15 - 15:45	<p><b>Coffee break</b></p>

Time	Events
15.30:19:30	<p data-bbox="328 439 1262 499"><b>Bilateral CEO Dialogue 2</b> <b>Australia-China Business Leaders Dialogue</b> (ICC, Level 1, Peacock IV) (Invitation Only)</p> <p data-bbox="328 517 1471 577">Co-Chairs: Andrew Forrest, Chairman of Fortescue Metals Group Limited; Chairman of Munderoo Group Ruogu Li, Chairman and President of the Export-Import Bank of China</p> <p data-bbox="328 589 1471 1218">Australian CEOs: Andrew Bassat, CEO of SEEK Gordon Cairns, Chairman, Origin Energy Michael Chaney, Chairman of the National Australia Bank Limited, Woodside Petroleum Limited and Gresham Partners Holdings Limited Cameron Clyne, Managing Director and CEO of National Australia Bank Peter Costello, Former Treasurer, Commonwealth of Australia; Chairman, Australian Government Sovereign Wealth Fund, Future Fund John Denton, Partner &amp; CEO of Corrs Chambers Westgarth Gail Kelly, CEO of Westpac Kevin McCann, Chairman of Macquarie Group Limited Nicholas Moore, Managing Director &amp; CEO of Macquarie Group Limited Geoff Raby, former Australian Ambassador to China; Chairman &amp; CEO of Geoff Raby and Associates Ian Smith, Managing Director &amp; CEO Orica Limited Mark A. Vaile, former Vice Prime Minister of Australia 2005-2007; Managing Director &amp; CEO Whitehaven Coal Limited Peter Young, Chairman, Standard Life Investment (Australia/New Zealand)</p> <p data-bbox="328 1236 1471 1691">Chinese CEOs: Huiquan Cao, Chairman of Hunan Valin Iron &amp; Steel Group Co., Ltd. Zhenming Chang, Chairman of CITIC Group Corporation Yongji Duan, Chairman of the Board of Directors of the Stone Company Zuliu Hu, Chairman, Primavera Capital Group Baojun Jia, CEO of Sinosteel Corporation Weihua Ma, Former President of China Merchants Bank; Chairman of Wing Lung Bank Limited Yafu Qiu, Board Chairman of Shandong Ruyi Technology Group LTD Boming Wang, Chairman of SEEC Media Group Limited, Editor-in-Chief of Caijing Magazine Dongming Wang, Chairman of CITIC Securities Guobao Zhang, Chairman of Advisory Committee of National Energy Committee Zhou Wenzhong, Secretary General, Boao Forum for Asia</p>

Time	Events
15:45 - 17:00	<p><b>Session 13</b>  <b>Reform: Reviving the Competitiveness of Asia &amp; Emerging Markets</b>            (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Zhang Yansheng, Secretary-general, Academic Committee, NDRC</p> <p>Speaker: Zeng Peiyan, Former Vice Premier, China; Vice Chairman, Boao Forum for Asia</p> <p>Panelists: Sidharth Birla, Chairman of Xpro India Limited; President of Federation of Indian Chambers of Commerce and Industry (FICCI)</p> <p>Murilo Ferreira, President &amp; CEO, Vale</p> <p>Hu Zhenyu, President, China Fortune Land Development Co., Ltd</p> <p>Sumit Mazumder, Vice President, Confederation of Indian Industry; Vice Chairman and Managing Director, TIL Limited</p> <p>Rodney Ward, Chairman, Asia Pacific Global Corporate and Investment Banking, Bank of America Merrill Lynch</p>
15:45 - 17:00	<p><b>Session 14</b>  <b>From Pre-IPO to Buyout: The New Growth Path for PE in Emerging Markets</b>            (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Jame Di Biasio, Executive Director, Haymarket Financial Media</p> <p>Panelists: Guy Hands, Chairman &amp; Chief Investment Officer, Terra Firma Capital Partners</p> <p>Li Jiange, Chairman, Shenyin &amp; Wanguo Securities</p> <p>Shao Bingren, President, China Private Equity Association</p> <p>Yibing Wu, Senior Managing Director, Temasek International Pte. Ltd.</p> <p>Wu Ying, Chairman, China Capital Group</p> <p>Richard Zhang, Partner, Apax Partners</p>
15:45 - 17:00	<p><b>Session 15</b>  <b>E-Commerce vs Traditional Commerce: Zero-Sum or Win-Win?</b>            (ICC, Level 1, Dong Yu Grand Ballroom C)</p> <p>Moderator: Lu Binbin, Founder, B-Doing Communication Agency</p> <p>Panelists: Hamish Brewer, President &amp; CEO, JDA Software Group, Inc.</p> <p>Richard Broadbent, Chairman, Tesco</p> <p>John Burbank, President, Nielsen Strategic Initiatives</p> <p>Jeff Hansberry, President, Starbucks China and Asia-Pacific</p> <p>Feng Jun, Chairman, Aigo</p> <p>A. Didar Singh, Secretary General, FICCI, India</p> <p>Zhang Yuxi, Chairman, Beijing Xinfadi Agricultural Products Wholesale Market</p>

Time	Events
15:45 - 17:00	<p><b>Session 16</b>  <b>Big Data &amp; Cloud Computing</b> (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Zhang Yaqin, Corporate Vice President, Microsoft</p> <p>Panelists: Ahmed Baladi, Partner, Allen &amp; Overy  Martha Bejar, CEO, Mobile Flow  Liu Jiren, Chairman &amp; CEO, Neusoft  Steve Milligan, President and CEO, Western Digital  Margaret Ren, Country Executive and Chairman of China, Bank of America  Vaughan Smith, VP, Special Project , Facebook</p>
16:30 - 18:00	<p><b>Closed-Door 6</b>  <b>Governors/Mayors &amp; CEOs Dialogue</b> (ICC, Level 1, Peacock I) (Invitation Only)</p> <p>Moderator: Xiang Bing, Founding Dean, Cheung Kong Graduate School of Business</p> <p>Governors/Mayors: Chen Gang, Vice Mayor, Beijing  Li Guoliang, Vice Governor, Hainan Province  Li Jiming, Deputy Secretary General, Yunnan Province  Ren Xuefeng, Vice Mayor, Tianjin  Zhu Minyang, Mayor, Yangzhou</p>
17:00 - 17:30	<b>Coffee break</b>
17:30 - 18:45	<p><b>Session 17</b>  <b>Inspirations from Classical Wisdom: Talking to Asian Gurus</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Yuan Xingpei, President of Central Institute of Chinese Culture and History, State Council, the People's Republic of China</p> <p>Panelists: Sidharth Birla, Chairman of Xpro India Limited; President of Federation of Indian Chambers of Commerce and Industry (FICCI)  Martin Jacques, Senior Fellow, Department of Politics and International Studies, Cambridge University  Liu Changle, Chairman and Chief Executive Officer, Phoenix TV  Shan Jixiang, President, the Palace Museum  Master Xuecheng, Vice President of the Buddhist Association of China, Abbot of Beijing Longquan Monastery</p>

Time	Events
17:30 - 18:45	<p><b>Session 18</b>  <b>Code of Conduct in the Cyber Space</b> (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Sha Zukang, Former Under-Secretary-General of United Nations; Secretary-General of the UN Sustainable Development Conference</p> <p>Panelists: Fu Sheng, CEO, Kingsoft Internet Software  Fu Cong, coordinator for cyber affairs, Ministry of Foreign Affairs, China  Steve Howard, Secretary General, the Global Foundation  Kuek Yu Chuang, Vice President for Asia, ICANN  A. Didar Singh, Secretary General, FICCI, India  Jaroslav Tvrdik, Former Minister of Defence, Czech  Wu Hequan, Academician, China Academy of Engineering</p>
17:30 - 18:45	<p><b>Session 19</b>  <b>Rebuilding the Post-Crisis Global Rating System</b> (ICC, Level 1, Dong Yu Grand Ballroom C)</p> <p>Moderator: Santiago F. Dumlao Jr., Secretary General, ACRAA</p> <p>Panelists: Faheem Ahmad, President, ACRAA  Guan Jianzhong, Chairman &amp; President, Dagong Global  Thomas Missong, President, EACRA,  Jenny Shi, Managing Director, Moody's Investors Service  Dominique de Villepin, former Prime Minister, France</p>
17:30 - 18:45	<p><b>Session 20</b>  <b>The Future of Hong Kong as an International Financial Center</b>  (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Yang Wenchang, President, Chinese People's Institute of Foreign Affairs</p> <p>Panelists: Laura Cha, Chairman, Financial Services Development Council, Hong Kong Special Administrative Region  K C Chan, Secretary for Financial Services and the Treasury, Hong Kong  Chen Zhi Wu, Research Fellow at Tianda Institute and Professor of Finance at Yale University  Benjamin Pi Cheng Hung, Regional CEO of Greater China, Executive Director and Chief Executive Officer of Hong Kong, Standard Chartered Bank (Hong Kong) Limited  Justin Lin Yifu, Former Senior VP/Chief Economist, World Bank Group  Xiao Gang, Chairman, China Securities Regulatory Commission  Zhou Xiaochuan, Governor, the People's Bank of China</p>
19:00 - 20:15	<p><b>Dinner Session 1</b>  <b>Hong Kong Dinner Session:</b>  <b>Hong Kong's Opportunities and Challenges in the process of RMB Internationalization</b>  (BFA Hotel, Level 2, the Pavilion) (Invitation Only)</p> <p>Moderator: K C Chan, Secretary for Financial Services and the Treasury, Hong Kong Special Administrative Region</p> <p>Speakers: C Y Leung, Chief Executive, Hong Kong Special Administrative Region  Zhou Xiaochuan, Governor, People's Bank of China  Xiao Gang, Chairman, China Securities Regulatory Commission</p>

Time	Events
19:00 - 20:15	<p><b>Dinner Session 2</b>  <b>Russia: From Resources-Driven to Innovation-Driven</b> (BFA Hotel, Symposium)</p> <p>Moderator: Sergey Nikolaevich Katyrin, President of the Chamber of Commerce and Industry of the Russian Federation</p> <p>Panelists: Kirill Dmitriev, CEO, Russian Direct Investment Fund  Arkady Dvorkovich, Deputy Prime Minister of the Russian Federation  A. S. Galushka, Minister for Development Russian Far East, Russian Federation</p>
20:30 - 22:00	<p><b>Boao Salon 6</b>  <b>Asian Cultures &amp; Competitiveness of Asian Enterprises</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Yang Lan, Chair, Sun Media Group and Sun Culture Foundation</p> <p>Panelists: Bandula Gunawardane, Minister of Education, Sri Lanka  Li Zhaoxing, Former Minister of Foreign Affairs, the People's Republic of China  Liang Zhiming, Executive Director, Laya Chemicals  Long Yongtu, Former Vice Minister, MOFTEC  Arun Maira, Member (Rank of Minister) of the Indian Planning Commission, Government of India  Peng Long, President, Beijing Foreign Studies University  Wu Bing, Executive Producer, Iron Man3; Co-Founder, DMG Entertainment Group  Yuan Xingpei, President of Central Institute of Chinese Culture and History, State Council, the People's Republic of China</p>
20:30 - 22:00	<p><b>Boao Salon 7</b>  <b>Eco-Friendly: A New Type of Urbanization</b> (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Yang Rui, Anchor, China Central Television</p> <p>Panelists: He Qiaonv, Chairman and President, Beijing Orient Landscape Co., Ltd  Neville Power, CEO, Fortescue Metals Group Limited  Wang Hao, Academician, The Chinese Academy of Engineering, China Institute of Water Resources and Hydropower Research  Wang Rusong, Academician, The Chinese Academy of Engineering, Research Center for Eco-Environmental Sciences, Chinese Academy of Sciences  Zhu Liming, CEO, China Real Estate Development Union Investments  Zhu Minyang, Mayor, Yangzhou</p>

Time	Events
20:30 - 22:00	<p><b>Boao Salon 8</b>  <b>The Boao Review Evening</b> (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Yao Wang, Executive President, Institute of the Boao Forum for Asia</p> <p>Panelists: Charles-Edouard Bouee, Chief Operating Officer &amp; President for Asia, Roland Berger Strategy Consultants  Chen Zhi Wu, Professor of Finance, Yale School of Management  Lord Mandelson, Former Secretary of State for Business, Innovation &amp; Skills, UK  Taizo Nishimuro, President and CEO, Japan Post Holdings Co., Ltd; Adviser to the Board, Toshiba Corporation  Edmund Phelps, Nobel Prize Laureate (2006)  Timothy So, Independent Director at Roland Berger Strategy Consultants  Hubert Tai, Deputy General Manager at Shanghai Lujiazui International Financial Asset Exchange  Tracy Zhang, President, Ftchinese.com  John Zhao, CEO, Hony Capital</p>
20:30 - 22:00	<p><b>Boao Salon 9</b>  <b>Sustainable Farming</b> (ICC, Level 1, Peacock 1)</p> <p>Moderator: Fion Song, President, Talent Magazine</p> <p>Discussion Leaders: Pamela G. Bailey, President &amp; CEO, GMA  Paul D. Conway, Vice Chairman, Cargill  Franz Fischler, Former European Union's Commissioner for Agriculture, Rural Development &amp; Fisheries; President, the European Forum Alpbach  Fred Hu Zuli, Chairman, Primavera Capital Group  Li Jiayang, Vice Minister of Agriculture  Li Zhaoxing, Former Minister of Foreign Affairs, The People's Republic of China</p>

## Friday, 11 April

Time	Events
07:00 -08:30	<p><b>Breakfast Meeting 2</b>  <b>Women Leaders Breakfast</b> (BFA Hotel, Symposium)</p> <p>Moderator: Yang Lan, Chair, Sun Media Group and Sun Culture Foundation</p> <p>Speaker: Mrs. Fukuda, Spouse of Former Japanese Prime Minister Yasuo Fukuda</p>
07:00 -08:30	<p><b>Breakfast Meeting 3</b>  <b>Investors Update 2014</b> (ICC, Level 1, Peacock 1) (Invitation Only)</p> <p>Moderator: Yibing Wu, Senior Managing Director, Temasek International Pte. Ltd.</p> <p>Panelists: Peter Costello, Former Treasurer, Commonwealth of Australia; Chairman, Future Fund  Ma Weihua, Chairman, Wing Lung Bank Ltd.; Former Executive Director, President and CEO, China Merchants Bank  Mark Machin, President, CPIB Asia Inc.  James McCormack, Global Head of Sovereign &amp; Supranational Ratings, Fitch Ratings</p>

Time	Events
09:00 - 10:30	<p><b>Session 21</b></p> <p><b>Slow and Painstaking Global Financial Reform</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Christopher Harvey, Managing Director and Global Industry Leader of Financial Services, Deloitte</p> <p>Panelists: Daniel L. Doctoroff, CEO, Bloomberg L.P.  Gerry Grimstone, Chairman, Standard Life, UK  Fred Hu Zulu, Chairman, Primavera Capital Group  Juan Rodriguez Inciarte, Executive Member of the Board of Directors, Group Senior Executive Vice President for Strategy &amp; Asia, Banco Santander  Bill Owens, Vice Chairman of the New York Stock Exchange (NYSE) for Asia; Chairman of AEA Investors ASIA  Gary Parr, Vice Chairman, Lazard</p>
09:00 - 10:30	<p><b>Session 22</b></p> <p><b>University Presidents Dialogue: Internationalization of Education</b>  (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Zhu Minshen, Principle, Top Education Institute; Member, Ministerial Consultative Committee Australia</p> <p>Panelists: William Co, Chairman, ICCT Colleges  Gong Ke, President, Nankai University  Han Zheng, Chairman, BFSU University Council  Jiang Sixian, Vice Chairman, Shanghai Municipal People's Congress; Chairman of the University Council, Shanghai Jiaotong University  Gungwu Wang, Professor, National University of Singapore  Zhang Xincheng, Former Vice Minister of Education</p>

Time	Events
09:00 - 10:30	<p><b>Bilateral CEO Dialogue 3</b>  <b>Japan-China CEO Dialogue:</b>  <b>Japan-China Economic Relations &amp; Trade – Status Quo &amp; Prospect</b>            (ICC, Level 1, Dong Yu Grand Ballroom D) (Invitation Only)</p> <p>Co-Chairs: Yoshio Nakamura, Vice Chairman, Director General, Keidanren            Yu Ping, Vice Chairman, The China Council for the Promotion of International Trade (CCPIT)</p> <p>Japanese Speakers/CEOs: Fukuda Yasuo, Former Prime Minister, Japan            Taizo Nishimuro, CEO of Japan Post Holdings            Junichi Ujiie, Senior Advisor, Former Chairman, Nomura Holdings Inc.            Fumio Otsubo, Special Advisor, Panasonic Corporation            Koji Myahara, Chairman, Nippon Yusen Kaisha            Takeshi Uchiyamada, Chairman of the Board, Toyota Motor Corporation            Atsushi Saito, Director &amp; Representative Executive Officer, Group CEO of Japan Exchange Group, Inc            Kawatsura Katsuyuki, Senior Managing Director, Asahi Group Holdings Ltd.            Hideto Nakahara, Senior Executive Vice President, Mitsubishi Corporation            Yoshimasa Takao, Executive Vice President, Sumitomo Chemical Co., Ltd</p> <p>Chinese CEOs: Zeng Peiyan, Former Vice Premier, China; Vice Chairman, Boao Forum for Asia            Zhenming Chang, Chairman of CITIC Group Corporation            Chen Feng, Chairman, HNA Group            Fang Wenbang, Chairman, Suzhou Suqian Industrial Park Development Corporation            Jiang Xiaosong, Hainan Grand Lecheng Development Holdings Co., Ltd            Xiaomin Lai, Board Chairman, China Huarong Asset Management Co., Ltd            Li Ruogu, Chairman and President, Export-Import Bank of China            Liu Chuanzhi, Chairman, Lenovo Holdings            Ma Zehua, Chairman of the Board, China Ocean Shipping (Group) Company            Mao Qingguo, Chairman, China National Salt Industry Corporation            Xu Jianzhong, Chairman, Wujin National Hi-Tech Industrial Zone Development Corporation            Yuan Yafei, Chairman, SanPower Group</p>
10:00 – 12:00	<p><b>Roundtable 3</b>  <b>Overseas Chinese Business Roundtable</b> (BFA Hotel, Level 2, the Pavilion)</p> <p>Moderator: Haiming Tu, President, Shanghai Hodoor Real Estate Development Co., Ltd.</p>
10:30 - 11:00	<b>Coffee break</b>

Time	Events
11:00 - 12:30	<p><b>Session 23</b>  <b>The Future of Central Banks</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Lawrence Greenwood, Jr., Former Vice President, Asian Development Bank</p> <p>Panelists: Li Jiange, Chairman, Shenyin &amp; Wanguo Securities  Kevin McCann, Chairman of Macquarie Group Limited  Dominic Ng, Chairman and Chief Executive Officer, East West Bank; Chairman, The Committee of 100  Gary Parr, Vice Chairman, Lazard  Geoffrey Riddell, Member of the Group Executive Committee; Regional Chairman of Asia-Pacific and Middle East, Zurich Insurance Group  Evelyn de Rothschild, Chairman, E.L. Rothschild  Jiri Smejck, Chairman of the Board and CEO, Home Credit Group, Czech  Zhou Xiaochuan, Governor, the People's Bank of China</p>
11:00 - 12:30	<p><b>Session 24</b>  <b>China (Shanghai) Free Trade Experimental Zone: How Free Is It?</b>  (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Zhou Hanmin, Vice Chairman, Shanghai Committee of CPPCC</p> <p>Panelists: Gerry Grimstone, Chairman, Standard Life, UK  Jiang Xipei, Chairman, Far East Holding  Long Yongtu, Former Vice Minister, MOFTEC  Nouriel Roubini, Professor, Stern School of Business, New York University; Chairman, Roubini Global Economics  John Zhao, Founder &amp; CEO/Executive Vice President, Hony Capital/Legend Holdings  Zhu Min, Vice Chairman, China (Shanghai) Pilot Free Trade Administration</p>
11:00 - 12:30	<p><b>Closed-door 7</b>  <b>South China Sea: Seeking Win-Win and Cooperation</b>  (ICC, Level 1, Dong Yu Grand Ballroom C) (Invitation Only)</p> <p>Moderator: Fu Ying, Chairman, Foreign Affairs Committee, National People's Congress</p> <p>Panelists: Nazery Khalid, Senior Fellow, Center for Maritime Economics and Industries, Maritime Institute of Malaysia  Liu Fu-kuo, Research Fellow, Institute of International Relations, Taiwan Chengchi University  Raphael Lotilla, Former Secretary of Energy, The Philippines  Surakiart Sathirathai, Chairman of the Asian Peace and Reconciliation Council (APRC), Former Deputy Prime Minister &amp; Minister of Foreign Affairs of Thailand  Mark Valencia, Maritime Policy Analyst, Hawaii, USA; Visiting Senior Scholar, National Institute for South China Sea Studies, Haikou, China  Jusuf Wanandi, Co-Founder &amp; Senior Fellow, The Centre for Strategic and International Studies, Indonesia  Wang Yingfan, Special Envoy for Asian Affairs &amp; Former Vice Minister, Ministry of Foreign Affairs, China  Wu Shichun, President, China Institute of South China Sea Studies</p>

Time	Events
12:30 - 14:15	<p><b>Luncheon Session 2</b>  <b>US Economy 2014</b> (BFA Hotel, Symposium)</p> <p>Moderator: Stephen Engle, Reporter, Bloomberg Television</p> <p>Panelists: Carlos Gutierrez, Chairman of Albright Stonebridge Group, Former Secretary of the US Department of Commerce  Evelyn de Rothschild, Chairman, E.L. Rothschild  Nouriel Roubini, Professor, Stern School of Business, New York University; Chairman, Roubini Global Economics  Wang Boming, Editor-in-Chief, Caijing</p>
14:00 – 16:00	<p><b>Maritime Silk Road and the Overseas Chinese Business Leaders</b>  (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Wang Jisi, President of the Institute of International and Strategic Studies, Peking University</p> <p>Panelists: He Yafei, Vice Minister of the Overseas Chinese Affairs Office of the State Council  Yukon Huang, Senior Associate at the Carnegie Endowment in Washington D.C.  Li Guanghui, Vice President of Chinese Academy of International Trade and Economic Cooperation (CAITEC)  Li Xiangyang, Director of National Institute of International Strategy (NISS), Chinese Academy of Social Sciences (CASS)  Wang Gengwu, Chairman of the East Asian Institute at National University of Singapore  Zha Daojiong, Professor, International Political Economy at Peking University  Zhang Yuyan, Director of Institute of Economics and Politics, Chinese Academy of Social Sciences (CASS)</p>
14:30 - 16:00	<p><b>Session 25</b>  <b>Capital Markets: Old Problem, New Solution</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Wang Boming, Editor-in-Chief, Caijing</p> <p>Panelists: Tom Byrne, Senior Vice President &amp; Head of Asia Pacific Sovereign Risk, Moody's Investors Service  Chiu, Paul Cheng-Hsiung, Chairman, Bank SinoPac  Fred Hu Zulu, Chairman, Primavera Capital Group  Li Jiange, Chairman, Shenying &amp; Wanguo Securities  Atsushi Saito, Director &amp; Representative Executive Officer, Group CEO of Japan Exchange Group, Inc.  Junichi Ujiie, Senior Advisor, Former Chairman, Nomura Holdings Inc.</p>

Time	Events
14:30 - 16:00	<p><b>Session 26</b>  <b>China and the United States: Positive Interaction in the Asia Pacific</b>            (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Li Zhaoxing, Former Minister of Foreign Affairs, the People's Republic of China</p> <p>Panelists: Max Sieben Baucus, US Ambassador to China; Former Chairman of the Senate Finance Committee, US            Paul Haenle, Director, Carnegie-Tsinghua Center; Former White House China Director            James Keith, Former US Ambassador to Malaysia; Former Director for China, National Security Council, the US            Long Yongtu, Former Vice Minister, MOFTEC            Bill Owens, Former Vice Chairman, Joint Chiefs of Staff, US; Vice Chairman of the New York Stock Exchange (NYSE) for Asia; Chairman of AEA Investors ASIA            Qu Xing, President, China Institute of International Studies            Yang Wenchang, President, Chinese People's Institute of Foreign Affairs            Zhao Qizheng, Former Minister, Information Office, State Council</p>
14:30 – 16:30	<p><b>Roundtable 4</b>  <b>BFA Cross-Straits Business Roundtable: New Impetus for Cross-Straits Economic Cooperation</b> (BFA Hotel, Level 2, the Pavilion)</p> <p>Co-Chairs: Wang Chunzheng, Executive Vice-Chairman, China Center for International Economic Exchange (CCIEE)            Fredrick F Chien, Senior Advisor, Cross-Strait Common Market Foundation</p>
16:00 - 16:30	<b>Coffee break</b>
16:30 – 18:00	<p><b>Session 27</b>  <b>Real Estate: From Administrative Control to Market-Oriented Reform</b>            (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: Wan Li, Xinhua News Agency</p> <p>Panelists: Jia Kang, Director, Research Institute for Fiscal Science, Ministry of Finance            Li Xiaoming, President, DESEA Investment Holding Group Co., Ltd            Liu Xiaoguang, Chairman, Beijing Capital Land Co., Ltd            Chris Marlin, President, Lennar International            Zhang Yuliang, Chairman, Greenland Holding Group</p>
16:30 – 18:00	<p><b>Session 28</b>  <b>Public Diplomacy &amp; National Image</b> (ICC, Level 1, Dong Yu Grand Ballroom B)</p> <p>Moderator: Chen Yulu, President, People's University</p> <p>Panelists: Robert Hawke, Former Prime Minister, Australia            Hu Zhirong, President, the United World Chinese Association Limited            Martin Jacques, Senior Fellow, Department of Politics and International Studies, Cambridge University            Li Zhaoxing, Former Minister of Foreign Affairs, China            Bill Owens, Vice Chairman of the New York Stock Exchange (NYSE) for Asia; Chairman of AEA Investors ASIA            Zhao Qizheng, Former Minister, Information Office, State Council</p>

Time	Events
16:30 – 18:00	<p><b>Session 29</b>  <b>Brand-Building in Asia: National &amp; Corporate Strategies</b> (ICC, Level 1, Dong Yu Grand Ballroom D)</p> <p>Moderator: Lin Xi, Broadcaster, China National Radio</p> <p>Panelists: Gu Shu, Vice President, ICBC  Liang Haishan, President, Haier  Liu Pingjun, Former Vice Minister, General Administration of Quality, Inspection &amp; Quarantine, the People's Republic of China  Bruce Sewell, Senior Vice President, Apple  Zhang Xiaogang, General Manager, Anshan Iron &amp; Steel; President, International Organization for Standardization  Zhi Shuping, Minister of the General Administration of Quality Supervision, Inspection and Quarantine, the People's Republic of China</p>
18:30 - 19:00	<p><b>Press Conference</b> (Outdoor Seaview Studio - Northeast of Wanquan Square )</p>
19:00 - 20:30	<p><b>Boao Cultural Evening &amp; Closing Gala</b> (ICC, Level 2, BFA Main Hall)</p> <p>Anchors: Xu Gehui, Phoenix Satellite Television famous hostess  Ji Xiaojun, CCTV Bilingual host</p> <p>Panelists: Dai Yuqiang, Tenor  Du Dapeng, Guqin Performer  Du Jinpeng, Piano Song Singer  Huang Xiaoming, Actor and Singer  Lang Lang, Pianist  Song Zhao, Cellist  Wang Peng, Guqin Master  Yang Jin, Tibetan Singer  Yao Chen, Actress</p>
20:30 – 22:00	<p><b>Session 30</b>  <b>Boao Cultural Forum</b>  <b>Cultures: the East Meets the West</b> (ICC, Level 1, Dong Yu Grand Ballroom A)</p> <p>Moderator: James Su, Chairman, Chinese American Film Festival</p> <p>Panelists: Dan Mintz, CEO, DMG Group  Wu Bing, Executive Producer, Iron Man 3  Yiu Ming Siuming Tsui, Chairman of Hong Kong Televisioners Association, Film and Television Producer and Doctor  Yu Dong, Founder &amp; CEO, Bona Film Group</p>

# Appendix 2: Opening Plenary speeches

## **Speech by Yasuo Fukuda**

**Chairman of the Boao Forum for Asia and Former Prime Minister of Japan  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Your Excellency Premier Li Keqiang,  
Leaders from various countries,

It is my honor to welcome you to this annual meeting of the Boao Forum for Asia. Thank you very much for coming. The Forum counts the 13th time since its beginning in 2002. It is becoming one of the most significant economic forums in the world. In each annual conference, we have been gathering with our old friends and meeting new friends from all over the world, including Asia.

The theme of this year's Forum is Asia's New Future: Identifying New Growth Drivers. The 21<sup>st</sup> century is called as Asia's era for long time. And now, we are convinced that such era has arrived. At the same time, the importance of Asia's economy in the world is rising and we are feeling greater responsibility. In order to further develop Asia, each country must always think of not only its own interests but also those of the entire region and even those of the world as a whole. We must be responsible for our own deeds and words. Otherwise we cannot hope for sustainable economy and society.

The most important task of the Boao Forum for Asia is to integrate Asian economies and to deepen mutual understanding and cooperation for that purpose. If we damage our mutual trust, we might lose growth drivers of Asia. Expanding and consolidating economic partnership and frameworks of regional cooperation will contribute to our development.

Taking this opportunity, I would like to propose a word of importance which describes a relationship based on deep mutual understanding from the bottom of one's heart. In Chinese, 心连心. In English, heart to heart.

Heart to heart contact is to be humble to the others and to explore together opportunities of cooperation by understanding others' stances and thoughts while insisting one's own ideas in candid dialogues. It is my sincere wish that everybody builds heart to heart relationships in this Forum.

Today this opening ceremony is honored with a number of distinguished leaders. I look forward to hearing from all of you innovative and forward-looking messages that will guide ongoing reform and restructuring in Asia, emerging markets and the world at large. Thank you once again.

## **Jointly Open up New Vistas for Asia's Development**

**Speech by H.E. Li Keqiang Premier of the State Council of the People's Republic of China  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, 10 April 2014**

Dear Guests,  
Ladies and Gentlemen,  
Dear Friends,

In the lovely spring, I am delighted to meet with friends from 52 countries and regions at the Boao Forum for Asia Annual Conference 2014 in the beautiful island of Hainan. On behalf of the Chinese government, I wish to extend warm congratulations on the opening of the annual conference and a hearty welcome to all forum participants.

The Boao Forum for Asia has entered its 12<sup>th</sup> year, and it has become an important platform with an Asian focus and a global vision. "Boao", the site of the Forum, means "enchanted water and abundant fish" in Chinese, and I think it is a symbol of the Forum's fruitful achievements. Attending this year's annual conference are many heads of government from Asia and Africa, and a great number of business leaders, and think tank and media representatives. Friends, both old and new, are meeting here to discuss ways to boost development of both Asia and the world. Exchange of views will create new vision, and more interactions bring friends closer. I hope that you will be fully engaged in forum discussions, and I look forward to benefiting from your insights.

Our world today is undergoing profound changes. The international architecture faces new adjustment. Uncertainties and destabilizing factors affecting the global and regional environment are increasing. Hotspot issues emerge from time to time. The world is moving towards multi-polarity amidst twists and turns. The global economy is in profound adjustment. Developed

economies have seen new changes, while emerging economies have encountered new challenges, and many countries are on different economic trajectories. The global recovery has been a slow and difficult process and growth remains lackluster. To achieve strong, sustainable and balanced growth is still a daunting challenge facing all of us.

Asia is at a crucial stage of development. Asia is one of the most dynamic regions in the world. It boasts one third of the global GDP, over 4 billion people and ample supply of labor force. It enjoys distinct advantages as a late comer and has tremendous untapped development potential. That said, most Asian countries are developing nations, with low per capita GDP and uneven regional development. Over 700 million people in Asia still live below the international poverty line. Asia is faced with the huge challenge of growing the economy and improving people's livelihood. And Asian countries have to address both old problems and new ones. Ultimately, the key to solving Asia's problems lies in development. It is development that will change the world and shape the future. Development therefore remains the top priority of Asian countries.

To sustain its development momentum under the new conditions, Asia needs to find a dynamic source of development to re-energize itself. The theme of the annual conference: "Asia's New Future: Identifying New Growth Drivers" cannot be more relevant and is crucial to Asia and the world. Here, I wish to share with you my views as follows:

First, we should stick to the overarching goal of common development and build an Asian community of shared interests. In the age of economic globalization, no Asian countries can achieve development in isolation from each other, still less can they pursue development as a "zero-sum game". Rather, with our interests closely entwined, we the Asian countries need to seek mutually beneficial cooperation where "one plus one can make more than two" and even produces a multiplying effect in which "two plus two makes more than four". The impact of the international financial crisis still affects us. Macro-policy adjustments made by developed countries have added uncertainty to the environment for development. Some Asian countries have experienced economic slowdown, rising inflation, and even capital flight and currency depreciation. Pessimistic views about the prospects of emerging economies have resurfaced. Faced with these new developments and new problems, we countries in Asia should continue to act in the spirit of solidarity in face of difficulties, turn our strong economic complementarity into mutual support for each other's development, expand convergence of interests and achieve mutually beneficial coexistence and win-win development.

In the past decade and more, intra-regional trade in Asia has expanded from US\$1 trillion to US\$3 trillion, and its share of total trade of all Asian countries increased from 30% to 50%. Yet this is still far less than that in the EU. Regional economic integration meets the interests of all Asian countries. We need to work in unison to promote trade liberalization and investment facilitation, and upgrade regional and sub-regional cooperation. The negotiation on the Regional Comprehensive Economic Partnership (RCEP) is the largest trade agreement negotiation with the most extensive participation in East Asia, and the RCEP is integration of existing mature free trade areas. Being highly inclusive and based on Asia's industrial structure, economic model and social tradition, the RCEP is a phased-in arrangement that accommodates member countries at different levels of development, and it does not exclude other regional trading arrangements. China will work with all other parties to accelerate the negotiating process. At the same time, the launching of a feasibility study on a Free Trade Area of the Asia-Pacific (FTAAP) may be considered to maximize the benefits of trade and investment in the Asia-Pacific. China takes an open position towards the Trans-Pacific Partnership (TPP). As long as the TPP is conducive to the development of global trade and the fostering of an equitable and open trading environment, China is happy to see its conclusion. We are committed to upholding the central role of the WTO multilateral trading system in global trade development. Both the RCEP and the TPP should become important supplements to the multilateral trading system, and these two mechanisms should go hand in hand and reinforce each other. We hope that agreement can be reached on the RCEP by 2015. As a Chinese saying goes, "When everybody puts firewood in the fire, the flame rises high." As long as the Asian countries make concerted efforts, we can ensure that Asia will continue to serve as an important engine driving the global economy.

Second, we should foster a general environment for integrated development and form an Asian community of common destiny. Economic integration is central to achieving common development in Asia. Asia's beautiful future hinges upon not only the development of each and every country but, more importantly, the common progress of the whole region. As a Chinese adage aptly puts it, "A single thread cannot be spun into a cord. And a single tree cannot create a forest." We the Asian countries need to deepen result-oriented cooperation in all fields, pursue integration through opening-up and development through integration, strengthen economic ties, seize the opportunity of innovation-driven development, and thus hold the destiny of development in our own hands.

Infrastructure connectivity is a basic condition for integrated development. Countries in the region should join hands and speed up infrastructure construction including rail, road, air and water transportation. China is ready to work with countries involved to draw up plans for building the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor and the China-Pakistan Economic Corridor, and upgrade China-ASEAN FTA. China will continue to promote the important projects of the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road this year. China is ready to intensify consultations with relevant parties in and outside Asia on the preparations for the Asian Infrastructure Investment Bank and hopes that the bank can be officially launched at an early

date. Industrial complementarity is a key aspect of integrated development. We the Asian countries should take advantage of our geographical proximity to deepen cooperation across the upstream, mid-stream and downstream industrial chains, and build an industrial network and economic system that draw on our respective comparative strengths. The destiny of the Asian economy hinges on reform, innovation and structural adjustment. Asian countries need to ride the global trend of new technology revolution, enhance exchanges, and draw on each other's experience to advance scientific and technological progress and personnel training, especially young people, boost the "new economy" featuring green development, energy, environmental protection and the internet so as to seize an advantageous position in future development and raise industrial and economic competitiveness. This will not only increase the internal impetus for achieving sustained development in our region, but also create new opportunities for global economic recovery.

Third, we should maintain the general environment of peaceful development and build an Asian community of shared responsibilities. Regional turbulence courts disaster while stability in the neighborhood brings prosperity. Asia owes its progress to a peaceful and stable regional environment, and peace and stability are the fundamental safeguards for Asia's development. Sixty years ago, China, India and Myanmar jointly initiated the Five Principles of Peaceful Coexistence, which have become basic norms governing international relations. These principles embody Oriental wisdom and represent a major contribution to human civilization, and we should pass on the vision of peaceful coexistence from generation to generation. A close neighbor is better than a kinsman afar, and close neighbors can become best friends. To achieve peace and stability in Asia, we the Asian countries should build consensus, make active efforts and jointly fulfill our due responsibilities. We should promote security dialogue and consultation, strengthen cooperation on non-traditional security issues, including disaster management, maritime search and rescue, counter-terrorism and combating transnational crimes, and actively explore the establishment of a regional security cooperation framework in Asia.

Here I wish to emphasize that China is committed to peaceful development. We pursue a neighborhood policy of building amity and friendship, and we are firm in our resolve to uphold China's territorial sovereignty. We also follow a clear-cut policy of seeking peaceful solutions to disputes. We will give full support to initiatives that help strengthen maritime cooperation. We will not accept acts that undermine stability in the South China Sea. We Chinese believe in repaying kindness with kindness and meeting wrongdoing with justice. We value friendship and never treat friends unfairly, and we also stand by principles and firmly uphold our fundamental position. A peaceful and stable South China Sea is in the interest of all littoral countries, including China. China is ready to steadily advance consultation on a code of conduct in the South China Sea within the framework of the Declaration on the Conduct of Parties in the South China Sea, and work with other countries to ensure peace, stability and freedom of navigation in the South China Sea. China loves peace and cherishes development. It is ready to work with other countries in the region to build a peaceful, prosperous and open Asia and maintain peace, stability and tranquility in our neighborhood by enhancing political mutual trust.

Ladies and Gentlemen,

Asia's development is important to the future of the world, and China's development is closely bound up with Asia.

To keep China's economy running within a proper range is both a basic target of China's current macro-control and its medium-to-long-term policy goal. We have set this year's target of economic growth at about 7.5%. The word "about" indicates that there is a range for the GDP growth. As long as there is fairly sufficient employment and no major fluctuations, the actual GDP growth will be considered to be within the proper range, be it slightly higher or lower than the 7.5% target. Statistics show that urban employment continued to increase, individual income, corporate profits and fiscal revenue registered steady growth, consumer prices remained stable, growth of electricity consumption started to rise and there were positive dynamics in structural adjustment. In short, the Chinese economy has got off to a stable and good start. On the other hand, the upturn of the Chinese economy is not yet on a solid footing, downward pressure still exists, and difficulties in some fields must not be underestimated. These problems show the impact exerted on China by the complex international environment; they also reflect the prominent challenges and economic slowdown that China faces.

Preparedness ensures success. Faced with this complex situation, we need to calmly assess the current developments, stay focused, and take initiatives as called for. In exercising macro-control, we will endeavor to strike a balance between aggregate supply and demand, focus on improving the economic structure, ensure proper policy intensity of macro-control in the light of changing situation and take targeted and differentiated measures as appropriate. Last year, we pursued creative thinking and methods in exercising macro-control and gained new experience in this regard. We will not resort to short-term massive stimulus policies just because of temporary economic fluctuations and we will pay more attention to sound development in the medium to long run and strive for sustained and sound economic development. With all the principles established and policy options at our disposal, we can handle all possible risks and challenges. China's development has strong resilience. We have the capabilities and confidence to keep the economy functioning within the proper range.

There are conditions in place for the Chinese economy to achieve sustained sound growth. China has a big economy and large foreign exchange reserves. There is steady and coordinated progress in advancing the new type of industrialization, IT application, urbanization and agricultural modernization. And the Chinese market has broad space. There is much we can do to boost China's development. In particular, there is a large urban-rural gap in development. Population in the central, western and northeastern regions accounts for over 60% of the national total. And per capita GDP has just exceeded US\$5,000. To narrow the gap between urban and rural areas and among different regions will unleash huge potential of growth. We have introduced a series of policies to advance reform, adjust structure and benefit the people, and more such measures are under consideration. All these will help ensure such steady growth.

Steady growth is possible only with a solid foundation just as long distance can be covered only by a vehicle with a high-powered engine. The Chinese economy has the basis for steady growth. It not only enjoys good conditions for maintaining medium to high speed growth in the time to come, but also inexhaustible impetus for sustained development. Under the theme of identifying new growth drivers, we will make multi-pronged efforts in the following three areas:

First, we will create impetus by deepening reform. The market has huge vitality and the people have indefinite creativity. We will work harder to streamline administration and delegate more power to lower level governments. We will introduce a system of listing government powers, consider the adoption of a management model based on a negative list approach, accumulate useful experience through the development of the China (Shanghai) Pilot Free Trade Zone and spread it to other areas. This will enable us to expand market access, foster a better business environment, encourage fair competition, develop a law-based economy, unleash greater dividends of reform, spark social creativity, and stabilize market expectations. Opening-up is also a kind of reform and can boost reform. We will carry out a new round of opening-up at a high level. An important part of this endeavor is to further open up the services sector, including the capital market. For example, we will actively create conditions to establish a Shanghai-Hong Kong stock exchanges connectivity mechanism, and further promote two-way opening-up and healthy development of the capital markets on the mainland and Hong Kong. We will continue to raise the level and quality of opening-up through deeper integration with the international market.

Second, we will create impetus by adjusting economic structure. We will narrow urban-rural and regional development gaps and address the unreasonable industrial structure to push forward structural adjustment through structural reform. We will speed up efforts to improve the services sector, which is our weak link, extend the pilot VAT reform to postal, telecommunications and other services sectors, use tax tools to develop producer and consumer services, and use more private capital to increase the supply of old-age support, health, tourism, cultural, sports and other services. We will implement a new type of people-centered urbanization, address the bifurcation between urban and rural areas and within cities, and grant urban residency in an orderly manner to rural people who have moved to cities. The government will increase support and use market tools to rebuild more rundown areas this year. We will expand development from the coastal areas to the inland regions in a phased way and nurture new economic support belts along the Yangtze River waterway and important land transportation trunks. We will push forward the construction of rail, road and other transport infrastructure in central and western regions to foster favorable conditions for industrial relocation. We will also promote the development of green industries, new energy, and energy-conserving and environment friendly technologies and products to foster new growth areas, and resolutely eliminate backward production facilities in this process to ease the resources and environmental constraints. We will increase the size of the national guidance fund for venture capital in emerging industries, leverage the role of innovation in spurring development, move industries up the value chain, and raise the productivity of factors of production.

Third, we will create impetus by improving people's livelihood. The purpose of development is to improve people's lives. The 1.3 billion Chinese represent the largest consumer market and source of demand in the world. And as people's lives improve, the domestic demand will play a greater role in driving economic growth. We need to increase people's income as the economy grows. And employment is the source of income and crucial for people's lives. We will implement a more energetic policy for employment and entrepreneurship and give greater fiscal, tax and financial support and services to university graduates and unemployed people when they seek jobs or start their own businesses. We have substantially raised the limit of annual taxable income of small and micro companies eligible for halved corporate income tax from 60,000 yuan to 100,000 yuan. We will also introduce more tax breaks to encourage individually-owned businesses and enterprises to hire more. We want to steadily raise people's incomes by creating more jobs and start-ups. We will improve the social safety net and public services so that people will have no worries. We will take a comprehensive set of policies to boost consumer spending, raise people's spending power, increase consumption of goods and services and reduce distribution costs so that consumption can provide greater support for economic development.

Having registered rapid growth over the past three decades and more, the Chinese economy has entered a new stage of improving quality and performance. We need to overcome stumbling blocks on the way forward and make steady progress towards achieving our long-term goals. We will pool the courage, vision and strength of over one billion people to write a new chapter in the "China

story" and endeavor to realize the great Chinese dream of national renewal.

Ladies and Gentlemen,

We live in an era of interdependence. Never has the world been so closely connected as it is today; and never has Asia needed win-win cooperation so much as it does today. Success can only be achieved when the wisdom of all is pooled. We the Asian countries should work closely to uphold regional peace and stability, promote development in our region, build a common homeland for us and contribute more to world peace, development and cooperation. China will forge ahead and share weal and woe with other Asian countries in a joint effort to open up new vistas for Asia's development.

In conclusion, I wish the forum full success and all the guests coming from afar and friends attending the conference a fruitful and enjoyable stay here and good health.

Thank you!

**Speech by The Hon. Tony Abbott  
Prime Minister of the Commonwealth of Australia  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Premier Li Keqiang,

Distinguished guests,

Ladies and gentlemen,

It's an honor to address this Boao Forum which now rivals Europe's long-running Davos Forum and which does so much to showcase the Asia-Pacific region. I'm pleased to be the fourth Australian prime minister to attend and will be a regular participant in the future.

On this trip to China, I am accompanied by the foreign minister, the trade minister, five state premiers, one chief minister and 30 of my country's most senior chairmen and CEOs. It is one of the most important delegations ever to leave Australia. And what better way could there be to demonstrate that Australia is open for business than to visit all three of our largest export partners on the one trip, culminating here with the biggest one of all. And to conclude free trade negotiations with Japan, sign the free trade agreement with Korea and, perhaps most hopeful of all, accelerate free trade talks with China. As Premier Li has just stressed, trade means jobs and freer trade means more jobs.

With a collective GDP of \$15 trillion and a combined population of more than 1.5 billion in North Asia alone, the world's economic and geo-political center of gravity has decisively shifted towards our region. The rise from the ashes of war to economic leadership by Japan, by Korea and by China – most spectacularly of all – has been a transformation unparalleled in human history. The rest of the world is rightly in awe of the way these countries have lifted hundreds of millions of people into the middle class in just a generation. This is the greatest and the quickest advance in human welfare of all time.

It's happened because governments have allowed individuals and families to take more control of their own futures. It's been a practical acknowledgement of the inherent capability of every human being.

And I am proud that Australian coal, iron ore, gas and services exports have helped to drive this prosperity. Australia has the natural and the human endowments to give the countries of our region the resource security, the food security and the energy security that all seek. Australia has the capacity and the reliability to be the energy supplier and the food supplier to our region.

After all, Australia is the number one global exporter of coal, iron ore and beef. We are the world's fourth largest exporter of gas and we'll be the largest exporter by 2020. Australia is fifth in the number of universities in the world's top 100, and hosts the fourth highest number of international students. On a GDP basis, we have the world's 12<sup>th</sup> largest economy, the world's fifth highest standard of living and the world's fifth most traded currency. And we have first class military forces that regularly operate and cooperate with the world's best. Australia is strong. Strong enough to be a valuable partner, but not a dominant one.

Last week, I twice visited the Pearce airbase near Perth to thank the aviators searching for the missing flight MH370. I particularly thanked the airmen from China, Japan and Korea, who are planning and executing missions together, along with their counterparts from Malaysia, New Zealand, Australia and the United States. This cooperation in a good cause is a powerful antidote to the strategic pessimism that sometimes clouds discussions of our region's future. It is yet another demonstration that the countries of

our region can achieve so much more together than apart. Indeed, the comparison of our region's pre-war and post-war history abundantly demonstrates that we will all advance together – or we won't advance at all.

Australia's preference is always to look forwards rather than backwards; to win friends rather than to find fault; to be helpful, not difficult. Team Australia is here in China to help build the Asia Century. China, after all, has taken to heart Deng Xiaoping's advice that to get rich is glorious. And China should be richer still, thanks to Premier Li's reforms. To be rich is indeed glorious – but to be a true friend is sublime. Australia is not here in China to do a deal, but to be a friend. We don't just visit because we need to, but because we want to. Our region and our world need peace and understanding based on international law and mutual respect. Participation in this Forum has helped to build Australia's strategic partnership with China which has much to offer each country and our region. Thank you so much.

**Speech by H.E. Chung Hongwon  
Prime Minister of the Republic of Korea  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Your Excellency Premier Li Keqiang,  
Secretary General Zhou Wenzhong of the Boao Forum for Asia,  
Chairman of the Boao Forum for Asia, Fukuda Yasuo,  
Leaders from Asia and around the world,  
Distinguished guests,  
Good morning.

Today I am delighted to be here at the Boao Forum, the most representative Forum in the region, to share with you the ROK's vision for Asia's future and sustainable growth as well as the endeavors the ROK government has been making for economic innovation. I want to first of all offer my appreciation and respect to the Chinese government and the members of the organizing committee for their efforts in preparing this forum. As you all know, Asia has served as an engine for global economic growth and achieved impressive development in the past several decades. It is estimated that by 2050, Asia's share in the global economy will amount to 50%. As reflected in these numbers, the role of Asia is going to further grow in the future.

In order to realize the potential of Asia's new future, close cooperation among Asian countries is most essential. In the Chinese classic text, Zhou Yi, there is a saying that when two men are of the one and same mind, together they can even break iron boats. So we look forward to seeing this forum serve as an opportunity for the many countries in Asia to become of one and same mind and pool their wisdom and strength.

Ladies and gentlemen, we have seen ongoing uncertainties in the global economy. So it would not do to be optimistic about Asia's future alone. There are so many issues that need to be addressed, including sluggish growth, high unemployment, income imbalances, environmental pollution, energy crisis, resource depletion, and so on. To overcome these challenges, the ROK government has transformed the paradigm in economic policies by changing our way of perception and is [are] thinking out of the box. We aim to move towards a creative economy in which imagination and ingenious ideas create new industries and markets, thereby adding value to the economy and creating new jobs.

Building a creative economy is the key strategy of our three year plan for economic innovation unveiled last month. The first pillar of the three year plan is a fair and efficient economy. By improving efficiency in the public sector, establishing fair trade roles in the market, enhancing productivity in the business labor relationship and expanding social safety net, we will strengthen the fundamentals of the ROK economy.

The second pillar is growth through innovation. To help people with talents and skills to start their own businesses, we have launched some online help platforms.

And now throughout the country we have set up offline creative economy innovation centers, operating around this online platform. Furthermore, to foster a stronger basis for the creative economy, we plan to increase investment in science and technology to 5% of GDP by 2017. We are now accelerating regulatory reform to lift regulations that may prevent the emergence of new industries and impede investment.

The last pillar of economic innovation is a balance between exports and domestic consumption. For this, we will concentrate

on facilitating domestic consumption, boosting investment through regulation, regulatory reform, promoting service industries and creating jobs for young people and women. I know that the Chinese government has been emphasizing the importance of nurturing the culture and creative industry and underlining the need for innovation in order to achieve sustainable growth. There is an ROK proverb, cypress trees rejoice when pine trees grow thick. As the saying goes, we hope to share and exchange our strategies for economic innovation with Asian countries in order to promote mutual development.

Ladies and gentlemen, next year will mark the 70th year since the division of the Korean Peninsula. During the past 70 years, the ROK achieved remarkable economic growth based on democracy and market economy. But we remain a divided country. Recently, President Park Geun-hye announced in Dresden of Germany an initiative to pave the way for a reunited Korea by resolving humanitarian issues of the people on both sides of the peninsula, building an infrastructure that supports the livelihood of the people and integration between the people of the South and the North.

Peaceful reunification of Korea is not confined within the Korean Peninsula. It also embodies a vision for a new future of the broader Asia. A united Korea with a population of 75 million will provide a new market and investment opportunities to the world and offer full potential to become the new growth engine of Asia. On this occasion, I would like to ask for the support and active cooperation from the nations in Asia and the international community as we strive to achieve reunification on the Korean Peninsula.

Ladies and gentlemen, the history of mankind has been shaped by responses to challenges. At every time of crisis, creative leaders fully rose to challenges, thereby leading to further advances in the history of the human race. I would like to encourage the creative leaders in Asia to guide us towards building a bright and prosperous future. Before I end, let me express my best wishes for the continued development of the Boao Forum as well as the health and success and happiness of all our participants.

Thank you.

**Speech by H.E. Thongsing Thammavong  
Prime Minister of the Lao People's Democratic Republic  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Your Excellency Li Keqiang, Prime Minister of the State Council of the People's Republic of China,

Distinguished delegates,

Ladies and gentlemen,

It is a great pleasure and honor for me to attend the Boao Forum for Asia Annual Conference 2014 in Boao and in this beautiful city of Boao, under the theme "Asia's New Future: Identifying New Growth Drivers."

The conference is being held at a time when the world's economy continues to recover from the global economic and financial crisis. I would like to express my sincere thanks to the government and the government of the People's Republic of China and the organizing committee for a warm welcome and hospitality extended to our delegation as well as the excellent arrangement made for the conference. I am convinced that, building on our traditional friendly relations and close cooperation under the Boao Forum for Asia framework over the past years, our meeting will yet provide another good opportunity for leaders from Asian countries to have constructive and substantive discussions on various issues pertaining to reform, innovation and sustainable development in our Asian continent.

Distinguished delegates, ladies and gentlemen,

Indeed Asia is a vast continent which possesses an abundance of natural resources, untapped potentials and cultural diversity. On the other hand, development gap in the region is still widened. All these offer both opportunities and challenges for us.

I noted, with appreciation, that despite the severe impact caused by the global economic and financial crisis in recent years, many countries in our region have consistently enjoyed fast-growing development, thus significantly contributing to the recovery of the world's economy and making Asia a key driver for growth of the world's economy and continue to be the center of gravity for economic cooperation and development in the 21<sup>st</sup> century.

We highly appreciate that China and ASEAN have good coordinated and collaborative mechanisms in the process of realizing the ASEAN economic community building by 2015 – as reflected in the expansion of economic cooperation and concluding of free trade various agreements with partners – thereby making ASEAN an important contributor to driving Asia's development and creating sound development and stability of the world.

Distinguished delegates and guests, taking into account the Lao PDR's particularity as a land-locked country and, coupled with the potentials that it has, the government of the Lao PDR is making its utmost efforts to implement the opening-up policy and actively engage in regional and international integration.

At the same time, we are trying to improve connectivity with our neighbors through investing in infrastructure development such as roads and railways, linking to neighboring countries with a view to transforming the Lao PDR from a land-locked country to a land-linked one – thus facilitating trade and commodities exchanges, cross-border transportation and people-to-people contact in our region. In this connection, the Lao PDR is still in need of technical and financial support and assistance from foreign countries.

Therefore we would like to express our full support for the President Xi Jinping's initiative on the establishment of the Asian infrastructure investment bank as it will play a crucial role in bringing development and prosperity to our region. Finally, I would like to wish the Boao Forum for Asia Annual Conference 2014 a brilliant success. Thank you.

**Speech by Rt. Hon. Dr. Hage Geingob  
Prime Minister of the Republic of Namibia  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Your Excellencies,  
Ladies and gentlemen,

Firstly let me express my profound thanks to Premier Li for having invited me to People's Republic of China and kindly invited me to be here with you. I would like to thank you for your hospitality, extended to my delegation, and also for what we have seen in China so far. It is the first time that I am in this part of China. So thank you very much for your hospitality and kind invitation.

To also welcome me here, in this unique Asian forum – as Prime Minister of Australia said, you are setting an example when calamity hits that you can come together as human beings to search for those who are still missing. And our prayers are with those families who are anxiously waiting for the outcome of what's going to happen. We are with them. I'm also a unique person here – not because of my height and not because of my darker color, but because I am from Africa. I am from Namibia. But Namibia is a child of international solidarity.

Namibia was midwived by United Nations. Therefore, I can belong anywhere. So, all of you supported our cause and our struggle for independence. And therefore we got independence 24 years ago. We maintain peace and unity. Now we are trying to go to the second phase of our struggle – that of economic emancipation.

Africa, where I'm bringing greetings to you from, is also on the March. Africa is not anymore Africa of conflicts only, coups and so on. We are now talking about using our resources to develop other countries. Therefore Africa is ready to do business with you. Africa is ready to be a law-governed continent. Yes, we still have few trouble spots. But trouble spots are being addressed by Africans themselves.

So therefore, come to Africa. We are ready to do business with you. We are governed by democracies and regular elections. But we are not eating only democracy and elections. Therefore we want to use and leverage our resources so that we can use them to feed our people, to clothe our people and to house our people. So thank you very much. Very soon you may rename this forum as Asia and Africa forum.

Thank you very much.

**Speech by Nawaz Sharif  
Prime Minister of the Islamic Republic of Pakistan  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Your Excellency Premier Li Keqiang,  
Distinguished Mr Yasuo Fukuda, Chairman Boao Forum for Asia,  
Honorable Mr Zhou Wenzhong, Secretary General of the Boao Forum for Asia,

Respected guests,  
Ladies and gentlemen,

It is a matter of great honor and privilege for me to speak at this April gathering. Since its inception, the Boao Forum has transformed itself into a globally recognized platform, contributing to evolving ideas that truly reflect the voice of Asia on global economic issues.

I wish to congratulate the government of the People's Republic of China for providing this opportunity to leaders from friendly countries to gather here in this beautiful island and discuss measures necessary to keep pace with the changing trends of global economy. I also want to congratulate the organizing committee of the Boao Forum on the successful holding of this conference.

The current Conference of Boao Forum for Asia is taking place at a critical juncture in our times. Recently, we witnessed the worst financial crisis of modern history that crippled the global economy. On the other hand, we are witnessing a transition of economic power as Asia is increasingly becoming the powerhouse of the global economy. I am certain that our discussion today on Asia's New Future: Identifying New Growth Drivers and the subsequent meetings in this picturesque town will offer fresh perspectives and open up new horizons.

Excellencies, ladies and gentlemen,

The forces of globalization, urbanization and innovation in technology are changing not only the destiny of Asia, but also the entire world. Over the years, Asia has become a leading player of the global economy, with emerging Asian economies growing at twice the average growth rate as other regions. The dynamism of this continent, which is home to more than four billion people, is indeed remarkable. China is, of course, a major stimulant to this remarkable phenomenon. Despite stagnant growth rates in various parts of the industrialized world and the massive shocks faced by the international financial system since 2008, China has consistently registered high growth rates. This remarkable growth augurs well for all of us.

Ladies and gentlemen,

We have recently witnessed a recession that adversely affected the global economy. Consequently, faith in the global economy was shattered, as people lost their jobs, corporations were declared bankrupt, banks became insolvent and housing prices plummeted. Social and political consequences that accompanied this crisis were not limited to a region. The recession and the financial crisis, despite all associated pains, must be a lesson learnt. One key lesson is that our destinies are linked together and that common development can be pursued only through a coordinated effort.

Based on our shared experience of navigating through turbulent times, I will offer four elements as new growth drivers for Asia.

One, maintenance of peace and security is critical to economic growth as peace and development are strongly linked. For an interconnected global economy, any armed conflict can be devastating. Conflict prevention and conflict resolution should, therefore, be accorded high priority. We must strengthen peace mechanisms to ensure economic growth.

Two, regional connectivity needs to be the most important driver of steady growth for developing countries of Asia in this decade. We must strive for greater regional connectivity, particularly through roads, rails and the sea lanes. As we all know, infrastructure development stimulates investment, provides job opportunities and connects billions of consumers. I feel honored to share the common resolve of Pakistan and China to take the lead in creating regional connectivity links. Jointly, we are pursuing our common dream of building the China-Pakistan Economic Corridor, which would enhance economic and trade cooperation, promote economic integration, and foster economic development of the two countries.

Three, investment in research, development and technological innovation is essential for Asia's economic growth. Developing countries, which often lag behind in technology ladder, should be assisted with technology transfer in critical areas.

Four, Asian countries are blessed with a huge asset. That is its youth. By creating more economic opportunities for the youth, we can achieve a miracle. Our youth is committed, talented and dynamic. In Pakistan, we have launched a number of schemes for youth, like easy access to loans for starting new businesses, and scholarships for pursuing higher studies. We intend to invest more in our youth, as we believe this great asset would be the real driver of our future growth.

Finally, all our growth strategies would be futile without investment in green energy technologies and closer attention to clean environment and sustainable development. Faced with challenges of urbanization, Asia must prudently address demographic pressures on environment.

Excellencies, ladies and gentlemen, the salient points that I have laid down for Asia are also being pursued in the context of Pakistan. We are striving for a peaceful neighborhood, by focusing on settlement of disputes and improving regional security. Since assuming office last year, the economic policies chartered by my government have started producing results.

After having reduced the acute energy shortfall by cleaning liability in the energy sector, we embarked upon an economic rebuilding plan last year and presented a budget by cutting wasteful expenditure and abolished discretionary grants and minimized subsidies. To increase the business footprint in the country, we have a deregulation plan in place that includes a greater role for private equity in business.

Pakistan is emerging from the ravages of the war on terror, which inflicted immeasurable damage on our economy in the past decade. The Pakistan of 2014 is a confident country, open for business, trade and investment. We assure ease of business and healthy dividends on investments.

Ladies and gentlemen,

The sagacious leadership of China is overseeing rapid strides in the Chinese economy. This, I am sure, would help reinforce Asian and global economic growth. In China, it is said that a journey of a thousand miles begins with a single step. The step taken by China's great leader, Deng Xiaoping in 1978, led to a reform process that has put China on the road to the Chinese dream, which has been articulated with great clarity by President Xi Jinping. Asia can also begin a similar journey of prosperity by taking the single step of collective approach, in addressing shared challenges and by win-win cooperation.

Our people have worked hard to bring us to this point, from where we can plan for a better tomorrow. Realization of this dream lies in enhanced regional connectivity and integration. Trans-national roads, rails, oil and gas pipelines, institutions of higher learning, centers of excellence of scientific innovation and better performing financial sector would be real drivers of growth for Asia in the coming years.

Destinies have made us neighbors and put us together. Let us now make conscious efforts to build a harmonious region through mutual trust, mutual benefit, equality, consultation, respect for diverse civilizations and pursuit of common development. We strongly believe that shared prosperity is the real prosperity. I wish Boao Forum Asia 2014 a great success.

Thank you.

**Speech by H.E. Kay Rala Xanana Gusmao  
Prime Minister of the Democratic Republic of Timor-Leste  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Your Excellency Mr Li Keqiang, Premier of China,  
Distinguished heads of governments,  
Distinguished participants,  
Excellencies,  
Ladies and gentlemen,

It is a great pleasure and an honor to speak to you at this most important Asian conference. With the theme of this year's conference, Asia's New Future: Identifying New Growth Drivers, we will be exploring the dynamics of the great geo-political transition of our time. Now, more than ever, it is critical that we engage in dialogue, including a conference such as this, to ensure that the transition to Asia's new future is peaceful and beneficial for all.

We are part of a great shift in global economic and strategic weight to Asia. In this new Asia, we will see the world's financial capitals in our region, not only Hong Kong and Singapore, but also Shanghai and Mumbai, Jakarta and Tokyo, Seoul and Shenzhen. As Asia powers global production as well as consumption, we will become the center of international focus as this strategic geo-politics is played out in our region.

The global financial crisis, which exposed the moral bankruptcy and endemic failure of the international financial system, has hastened this shift to Asia and continues to cause havoc on both sides of the Atlantic. The drivers of growth in the new Asia, however, continue unabated. Emerging economies continue to grow and drive global growth. In coming decades, and in South East Asia alone, we will see Indonesia become one of the world's largest economies. Asia's rise will produce a massive regional middle class of hundreds of millions of people driving a huge increase in consumption and production. And of course, unrelenting technological progress is not only transforming productivity and how we do business but is changing the global social fabric and connecting us all in ways unthinkable in the past.

Central to the transition to the new Asia is the rise of China. We look to the achievements of China with awe and admiration. With outstanding leadership, and guided by the traditions of an ancient culture, China is harnessing the energy of its people and by the end of this decade will become the largest economy in the world. The dragon is roaring and no one will be unaffected by the rise of a modern and advanced superpower as it shakes the world, bringing peaceful development and widespread prosperity. The rise of China, along with Asia, is bringing benefits to our small nation of Timor-Leste which has been enjoying peace, good governance and some of the highest rates of economic growth in the world.

Ladies and gentlemen,

The rise of Asia is lifting hundreds of millions of people out of poverty, at a level never seen before in human history, and is driving global growth and innovation. But as we transition to the new Asia we must be aware of the challenges. Some of our economic growth has not been balanced and extreme poverty remains. Inequality is rising which presents risks to our social fabric and progress. While the Asia-Pacific region is home to many of the world's great economic powers, it is also home to nearly two-thirds of the world's poor.

The lack of infrastructure, such as road networks, energy and telecommunications, is the most challenging issue in the Asia-Pacific – especially, as the Premier...the Prime Minister said, in land-locked countries like Laos.

Problems are also most acute in fragile and conflict affected nations, not only in other parts of the world but also in our region. Not one fragile nation has achieved a single Millennium Development Goal and the global development agenda needs to turn its focus to these countries. At the same time, the rise of the Asian middle class will be...will see increased consumption impacting the sustainability of resources while the existential challenge of climate change must be addressed. And of course, we cannot deny growing regional strategic tensions at the same time as the region's growing prosperity allows nations to modernize and expand their defense forces. And so, we must look to a new paradigm of global engagement which is driven by the common good and international law and not the self-interest of the rich and the powerful.

Now, as much as ever, we need dialogues such as these conferences so that we can build and strengthen positive relationships of respect and friendship; and together, navigate a path towards a new Asia full of cooperation, stability, and prosperity for all.

Thank you very much.

**Speech by H.E. Arkady Vladimirovich Dvorkovich  
Deputy Prime Minister of the Russian Federation  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Premier Li Keqiang,

Distinguished heads of government,

Chairman of the Council, Yasuo Fukuda,

Ladies and gentlemen,

It is an honor for me to attend this year's Annual Conference. First of all, on behalf of our Prime Minister, I would like to express warm congratulations on the opening of the Forum and let me wish the Forum a full success.

The Boao Forum has become an important platform promoting Asia-Pacific business cooperation. And themed on Asia's New Future: Identifying New Growth Drivers, this forum is aimed to explore new drivers for sustained regional development. To enhance multi-tiered, mutually beneficial partnership with Asia-Pacific countries and take an extensive part in regional integration is a top priority of Asia's policy towards the Asia-Pacific, and an important guideline put forward by President Putin. And Russia's increasing engagement with the East is never an expediency but a prudent and clear-cut foreign strategic policy. And it is a reflection of a dual reality. And Asia has increasingly become a cornerstone of global, political, economic, security, stability and other fields. And in choosing Asia-Pacific as a priority in our diplomacy, Russia can meet its needs in developing its Siberia and Far East Regions. And we would like to make full use of the opportunities presented by Asia-Pacific growth and complete our task of nation-building.

And to build a prosperous Asia-Pacific community also needs a strong Russia. Russia has made important contribution for addressing the major issues such as energy, food security, economic security and emergency response. Russia is ready to make more efforts. The Eurasia economic alliance as a new growth area will present new opportunities for regional overall development. Russia is a major energy producer and stands ready to provide a stable energy supply for countries in this region.

One may also find competitiveness in this region. Our main purpose is to provide a stable supply of energy. In recent years, Russia has implemented a series of projects conducive to regional development. For example, some gas field, nuclear power station and expanding exports of oil and liquid natural gas. China-Russia energy cooperation has been growing most rapidly and in 2013 alone, the Russia-China crude oil pipeline provided China with crude oil of about 15.75 million tons. And the electricity and coal cooperation between Russia and China have been strengthened. Last year, a cooperation agreement was signed on a liquid natural gas production project, with a total investment of \$20 billion.

Russia is also committed to cooperation in diversified sources of energy. For example, we have invested in some oil high-tech project in Iraq worth US\$4 billion. And currently, the production stands at 120,000 barrels and is expected to reach 400,000 barrels by the end of this year.

In terms of food security, which is of great importance to many Asia-Pacific countries, by 2020 Russia's annual food production will hit 120 to 125 million tons. And exports capacity will increase to 30 to 35 million tons or even 40 million tons. Russia is also ready to expand agricultural production and advanced technology cooperation with Asia-Pacific countries.

Russia will vigorously develop infrastructure building in rail, road, air and maritime transportation to diversify routes of logistics. Russia will continue to open the capital market to Asia-Pacific countries and establish more R & D centers. We will leverage our advantage in science, technology, universities and R & D institutions and enhance exchanges in this field.

In conclusion, let me point out that Russia stands ready to make a concrete contribution for mutually beneficial and pragmatic cooperation in the region to ensure economic stability and a sustainable growth in the Asia-Pacific. Well, to speak Russia or English, it is not an important matter. Because I believe what is important is that Russia is a country in the region and can make its due share of contribution to regional development. Let me thank the organizer for the hospitality and thoughtful arrangements.

Thank you.

**Speech by H.E. Vu Duc Dam  
Vice Prime Minister of the Socialist Republic of Vietnam  
At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014  
Boao, Hainan, the People's Republic of China**

Your Excellency Li Keqiang, Premier of People Republic of China,

Your Excellencies,

Ladies and gentlemen,

First of all, I would like to express my sincere gratitude to the government of People's Republic of China and the organizer of Boao Forum for Asia for your warm hospitality and thoughtful arrangement.

It is fascinating that we are gathered here today, in very modern and well-equipped convention center to discuss about the future of Asia. It is even more interesting to recognize that until the beginning of the first millennium, this area was just a humble fishing village. The changes that we have seen today would strengthen many people belief that 21<sup>st</sup> century is the century for Asia.

Indeed, people have talked a great deal about Asian miracle and the amazing recovery, resilience and multiplicity of reforms produced in Asia following severe crises. The recent crisis have shown that the growth model based primarily on natural resources need to be transformed. Enhancing competitiveness is considered as a top priority. While this is inevitable in the globalized world, it is important to link competitiveness with a sustainable and inclusive growth. Asian people often ponder about and live by cause and effect. If economic development leads to the exhaustion of natural resources, the destruction of environment and social instability, then it is imbalanced development that demands a high price that we are going to have to pay. Unpredictable weather and serious epidemics are only some of immediate effect that our planet is currently faced with. Asia and the world will enjoy sustainable development only if we move toward a green growth which aims at a better life for all our people.

Reality has shown that if we are to find a new way or a new model for development, it is important that innovation needs to be

promoted and technological innovation should be considered as a driver. The innovative capacity of each individual and strength of science and technology should be fully tapped so that we can maximize all of our social and natural potential in the most effective way. Looking back since the late 18<sup>th</sup> century, Asia has benefited from spread industrialization. During the last few decade of 20<sup>th</sup> century, many Asian countries progressed by leaps and bounds as a result of their determination and innovative capacity. Yet the majority of technology adopt in this development countries still come from Europe and North America. The good news is that today Asia has started to create more and more technology. And China is a very good example. Many people would, of course, point out that in today's connected world new technology and innovation has been and should be shared widely and openly so everybody may participate. However, we should also recognize the increasing importance of Asia participation and its transference of new technology to the world.

Asia has an enormous opportunity and mandate to surge forward, not only for itself but to address the problem mankind is facing. People become stronger and better by reinforcing each other and sharing responsibility. The linkage between different economies, regions and continents need to be strengthened. The establishment of ASEAN Community and Regional Comprehensive Economic Partnership as well as other cooperation arrangements and mechanisms between countries – Asia and Europe, trans Pacific, and other – will create a favorable environment and give momentum for Asia and its partner to thrive.

Last, but not least, I would like to emphasize that the future of Asia and the drivers of growth in Asia will only be meaningful if we can maintain stability and build and strengthen a peaceful and cooperative environment. Disputes, differences have to be settled by peaceful means, in accordance to international law and practice, with sincerity and trust. Every state, large or small, rich or poor, needs peace and stability. Cooperation based on mutual interest, share of responsibility, mutual respect and trust is the vital factor that we want to attain sustainable growth for the region and for the world. The government of Vietnam is striving to cooperate with another nation and partner to that end. On that note, I wish the Boao Forum for Asia 2014 success in its endeavors.

Thank you for your attention.

**Speech by Mohamed H. AL-MADY**  
**Board Member of the Boao Forum for Asia and**  
**Vice Chairman and CEO, SABIC, Saudi Arabia**  
**At the Opening Plenary of the Boao Forum for Asia Annual Conference 2014**  
**Boao, Hainan, the People's Republic of China**

Premier Li Keqiang,  
Chairman Yasuo Fukuda,  
Your Excellencies,  
Distinguished guests,

Let me begin by extending, on behalf of SABIC and all participating companies, our warmest congratulations on the opening of the Annual Conference of the Boao Forum. This is the sixth consecutive year that we have come to Boao. SABIC is honored to be the first strategic partner in the Forum's 13 year history. The Boao Forum stands testament to the Asia success story. SABIC first partnered with Boao six years ago, when the Forum was establishing itself as a showcase for the region's vibrant economy. Today, Boao enjoys the reputation as a leading economic forum with growing global influence.

SABIC is proud to be associated with Boao, and also proud of our association with Asia. Our focused relationship and long-term success, our passion for ingenuity and innovation, our care for the environment and sustainable living – it is these shared values that underpin our commitment to the region. And it is for this reason that I identify very closely with the Forum's theme – Asia's New Future: Identifying New Growth Drivers. Since the 1980s, SABIC has made a strategic priority to increase our presence and collaboration in China and the wider Asia region, as we pursue our vision to be the preferred world leader in petrochemicals.

China and Asia have successfully weathered the global financial crisis and continue to play a significant role in global economic growth. I am particularly encouraged by China's introduction of new policies and reform which will underpin the market economy development, accelerate urbanization, increase innovation and promote sustainable entrepreneurial growth. China is making a

successful transition from an investment-led growth to one driven by consumption and innovation. This will create region-wide opportunities for sustainable economic development and a growing market for differentiated products and applications across the industries, including transportation, construction, electronics, packaging and energy. It is this growth and opportunity that position China and Asia as the key strategic growth regions in our SABIC growth strategy.

And we are continually expanding our partnership throughout the region. At the end of last year, we opened a new innovations center in Shanghai to develop innovative products and technology to support customers and help them realize their ambitions. SABIC is committed to being an inclusive growth partner with China and Asia. We will continue to invest in the region to drive customer success. We look forward to growing with our partners in China and Asia and to embrace the new opportunities, support further sustainable development and contribute continual stability and prosperity across the region.

Representing all participating companies, I wish this year's Boao Forum Annual Conference every success.



### **About Boao Forum for Asia**

As a non-government, non-profit international organisation, Boao Forum For Asia (BFA) is the premier forum for leaders in government, business and academia in Asia and other continents to share visions on the most pressing issues in this dynamic region and the world at large. The forum is committed to promoting regional economic integration and bringing Asian countries even closer to their development goals. Initiated in 1998 by Fidel V. Ramos, former President of the Philippines, Bob Hawke, former Prime Minister of Australia, and Morihiro Hosokawa, former Prime Minister of Japan, Boao Forum for Asia was formally inaugurated in February 2001. Countries across the region have responded with strong support and great enthusiasm, and the world has listened attentively to the voice coming from Boao, the permanent site of the Annual Conference of the forum since 2002.

### **About Deloitte Global**

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

### **About Deloitte in Greater China**

We are one of the leading professional services providers with 22 offices in Beijing, Hong Kong, Shanghai, Taipei, Chengdu, Chongqing, Dalian, Guangzhou, Hangzhou, Harbin, Hsinchu, Jinan, Kaohsiung, Macau, Nanjing, Shenzhen, Suzhou, Taichung, Tainan, Tianjin, Wuhan and Xiamen in Greater China. We have nearly 13,500 people working on a collaborative basis to serve clients, subject to local applicable laws.

### **About Deloitte China**

The Deloitte brand first came to China in 1917 when a Deloitte office was opened in Shanghai. Now the Deloitte China network of firms, backed by the global Deloitte network, deliver a full range of audit, tax, consulting and financial advisory services to local, multinational and growth enterprise clients in China. We have considerable experience in China and have been a significant contributor to the development of China's accounting standards, taxation system and local professional accountants

The Deloitte China Research and Insight Centre ("CRIC") was established by Deloitte China in 2008 to provide our clients in China and around the world with information on developments in China which may be relevant to their businesses.

The CRIC publications range from in-depth reports examining critical issues and trends to executive briefings which update on new developments and their impact. CRIC also contributes to the development of Deloitte global research publications in collaboration with research centres around the Deloitte global organisation.

The views expressed herein do not necessarily reflect the views and policies of the Boao Forum for Asia and Deloitte Touche Tohmatsu and the governments in the region.

These materials and the information contained herein are provided by Boao Forum for Asia and Deloitte Touche Tohmatsu and are intended to provide general information on a particular subject or subjects and are not an exhaustive treatment of such subject(s).

Accordingly, the information in these materials is not intended to constitute accounting, tax, legal, investment, consulting, or other professional advice or services. The information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser.

These materials and the information contained therein are provided as is, and Boao Forum for Asia and Deloitte Touche Tohmatsu make no express or implied representations or warranties regarding these materials or the information contained therein. Without limiting the foregoing, Boao Forum for Asia and Deloitte Touche Tohmatsu do not warrant that the materials or information contained therein will be error-free or will meet any particular criteria of performance or quality. Boao Forum for Asia and Deloitte Touche Tohmatsu expressly disclaim all implied warranties, including, without limitation, warranties of merchantability, title, fitness for a particular purpose, noninfringement, compatibility, security, and accuracy.

Your use of these materials and information contained therein is at your own risk, and you assume full responsibility and risk of loss resulting from the use thereof. Boao Forum for Asia and Deloitte Touche Tohmatsu will not be liable for any special, indirect, incidental, consequential, or punitive damages or any other damages whatsoever, whether in an action of contract, statute, tort (including, without limitation, negligence), or otherwise, relating to the use of these materials or the information contained therein.

If any of the foregoing is not fully enforceable for any reason, the remainder shall nonetheless continue to apply.

