

Strengthen the Cooperation of Commercial Chambers and Promote the Regional Economic Development of Central Asia

Speech by

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Ladies and Gentlemen:

First, thank all guests afar from the Central Asian countries for their coming to the beautiful city - Hangzhou of China and their attending the "Central Asian States Chamber of Commerce Cooperation Seminar", jointly organized by the All-China Federation of Industry and Commerce and the Asian Development Bank, to talk freely about friendship and cooperation.

Central Asian regional economic cooperation mechanisms led by the Asian Development Bank has achieved remarkable success in the last five years. With the active promotion of ADB and joint efforts of its member countries, a steady progress has been made on the Central Asian regional economic cooperation and a remarkable achievement on the cooperation between countries on traffic, energy, trade facilitation and other aspects. The ministerial meeting held last year holds that enterprises are the mainstay of economic activities and that the vitality of Central Asian regional economic cooperation be enhanced only when benign cooperation mechanisms are shaped between enterprises of member countries. But currently enterprises participated are not enough and areas of cooperation are not extensive. The commercial chambers should play its role of folk channels in promoting the cooperation between enterprises. The purpose of holding the seminar is to set up a communication platform for Central Asian countries and to offer services for Central Asian regional economic cooperation. We believe that this seminar will achieve a great success with the joint efforts of everyone.

The All-China Federation of Industry and Commerce (ACFIC for short), established in 1953, is also known as the Chinese Civil Chamber of Commerce. It is a people's organizations of Chinese business community and a commercial organization. Currently it has got nearly 200 million of members, most of whom are private enterprises developed after China had its reform and opening up. The federation has over 3,000 branches above the county level, more than 6000 industry associations and trade associations at all levels, and has established links with more than 100 commercial chambers in the world.

The main work of the Federation is as follows: to participate in political consultation on the important issues of the country's political, economic and social life, to participate in politics and comment on politics, to give democratic supervision; to play a role of bridge and bond for government and private enterprises, to reflect their views, demands and suggestions, to represent and defend the legitimate rights and interests of members; to provide such services as policy, information, technology, management, financing, law, and training; to

establish an extensive cooperative relationship with overseas business organizations, to help enterprises open up their international market, to participate in international economic and technological cooperation, etc. With the gradual improvement of China's socialist market economy system, the Federation has played an increasingly important role on guiding the healthy development of private enterprises, maintaining the market economic order, pushing regional economic development, promoting international economic cooperation and other aspects.

China's reform and opening up is going to greet its 30th anniversary. Since China opened the curtain of reform and opening up in 1978, a new starting point has been set for the road of socialism with Chinese characteristics. In the 30 years, we have broken the past highly centralized planned economy system and gradually established a thriving socialist market economy system; we have opened the door to the outside world and formed a comprehensive, wide-ranging and multi-level opening pattern from the coastal areas to the mainland and from the south to the north; we have concentrated on construction and development. From 1978 to 2006, China's gross domestic product went up from 216.5 billion US dollars to 2.6269 trillion US dollars; total import and export volume increased from 20.6 billion US dollars to 1.7607 trillion US dollars; poverty-stricken population in rural areas reduced from 250 million to 21.5 million and the people's living standards got greatly improved. The Chinese people quickly changed the long-term backward and embarked on a development road suitable for their national conditions on their own diligence, wisdom and courage. China's experience shows that we must never waver in taking economic construction as the central task and unswervingly carry out the reform and opening up and promote a sustainable economic and social development. We also should implement the mutually beneficial and win-win opening-up strategy in opening up to outside world. No matter in attracting foreign investment or in investing on foreign markets, we should work according to the rules of economy market to create equally beneficial, harmonious and friendly cooperation relations, which is the basis of the long-term healthy development for international cooperation.

Since the reform and opening up, China has begun to develop the private economy, the enthusiasm of the masses has been brought into full play and productivity has experienced unprecedented liberation. The legal status of individual and private enterprises has been established and the legitimate rights and interests of the private economy have been guaranteed by state law. With the constant improvement of China's market economy, China's private enterprises have experienced an unprecedented development; the status and role of private economy have also got historic changes: becoming an important component of the national economy and an important force for promoting economic development. Data statistics show that 65% of China's GDP, 65% of China's patents, 70% of China's technology innovation and 85% of China's new jobs are created by private enterprises. With the process of economic globalization and the rapid development of science and technology, the world situation has undergone profound changes, a growing number of Chinese private enterprises have realized they should ride on the road of international development, work out their strategy of development in the context of the global economy and participate in the global allocation of resources, division of labor and cooperation while they adjust their strategies, open up new market and improve their management level.

In international cooperation, overseas investment of private enterprises has got an obvious growth momentum, a number of enterprises having succeeded on overseas investment have appeared, the area and manner of investment have also been gradually diversified from early establishing of foreign trade companies and offices to overseas processing trade, resource development and cooperation, agricultural development, opening up professional

markets, establishing foreign research and development centers, building overseas industrial parks, and so on, and stock acquisition and brand operating have also started. From the perspective of area, China's neighboring countries are first choices for many private enterprises to offer overseas investment. China and Central Asian countries have a profound traditional friendship. The Silk Road has already been shaped for Eurasia trade communication as early as in ancient times. In recent years, China has become an important trade partner and investment source country for central Asian countries with the development of bilateral and multilateral economic cooperation. Many private enterprises have expressed their desire to invest in Central Asian countries, especially their interest in transportation, energy, light industry, agriculture, mineral resources, infrastructure construction and other fields.

Now I am going to share you some of my ideas on the cooperation between the Federation and commercial chambers of Central Asian countries and on pushing Chinese enterprises to participate in regional economic cooperation in Central Asia.

Commercial chambers are an important part of the modern market economy and their status in the international cooperation has become increasingly important. International business information communication, investment and cooperation between enterprises, self-discipline and the conducting of civil diplomacy are all in need of the participation and promotion of commercial chambers. Their unity and aggregation can supplement enterprises' oneness and scattering; their civil characters can supplement government's policy characters. Therefore, commercial chambers play a unique and irreplaceable role.

As a Commercial chamber, the Federation has got a clear awareness of the trend of economic globalization, a profound understanding of the important significance of Central Asian regional economic cooperation on the development of China and other countries in the region as well as a full recognition of the important role of the business community's participating in cooperation mechanisms and the role of commercial chambers. During Central Asia regional economic cooperation, we should fully play the role of nongovernmental channels of commercial chambers, promote the cooperation between industrial and commercial enterprises and develop regional economic cooperation to a deeper level and a wider range. We would like to cooperate with commercial chambers of other countries in the following areas.

Firstly, under the framework of mechanisms between governments and on the principle of "Equality and mutual benefit, Adopting different forms, Pursuing practical results and Seeking common development", we would establish a new partnership with commercial chambers of Central Asian countries. By this platform, we should strengthen mutual exchanges, enhance mutual trust, maintain usual contact and regularly exchange effective cooperative channels. I would be willing to discuss with commercial chambers of other countries about Central Asia regional economic cooperation in the context of globalization, exchange ideas about how commercial chambers work in the market economy system and how to offer comprehensive support and services for the mutually beneficial cooperation between enterprises of Central Asian countries.

Secondly, we must do an extensive mobilization together with commercial chambers of Central Asian countries to push enterprises to actively participate in regional economic cooperation in Central Asia. We should actively promote nongovernmental economic cooperation and exchanges under Central Asian cooperation mechanisms, encourage Chinese private enterprises to increase trade with Central Asian enterprises, expand investment and cooperation, carry out personnel exchanges and strengthen economic and technological cooperation so as to realize common development.

Thirdly, we must establish bilateral and multilateral system of regular information exchange, introduce relevant economic and trade situation of all countries, policies and legal environment, offer business opportunities for international investment and international trade, and build a bridge of enhancing mutual understand and expanding communication and cooperation for Chinese enterprises and enterprises of Central Asian countries.

Fourthly, we should innovate in the approach of cooperation, broaden the fields of cooperation, strive to cultivate new growth points and promote the diversification of cooperation on trade, investment, technology and engineering contracts between countries. In areas of cooperation, we should concentrate on energy, mining, integrated agricultural, tourism, infrastructure, manufacturing, hi-tech, environmental protection and other fields and our commercial chambers should work together with commercial chambers of other Central Asian countries to put forward international cooperation between enterprises with development potentiality, comparative advantages and supplementary advantages. We should promote the counterpart link between Chinese commercial chambers and commercial chambers of other countries, make an in-depth analysis of the advantages and disadvantages of the same industry in different countries and discuss the channels and approaches of cross-border cooperation.

Fifthly, we should make a favorable environment of regional cooperation with other commercial chambers and help enterprises develop better. We should push the process of the government's reform and opening up, facilitate the improvement of business environment, accelerate the liberalization and facilitation of trade and investment, lower trade barriers, streamline customs procedures, protect the legitimate interests of investors and offer better conditions for the international cooperation of enterprises. We should actively help enterprises of other Central Asian countries coming to China to conduct trade and investment coordinate relations and offer them consultation and services of economy, law, information and other aspects. At the same time, we hope to cooperate with commercial chambers of Central Asian countries, offer services for Chinese enterprises operating investment in Central Asia, get to understand their difficulties and problems, reflect their aspirations to government departments through commercial chambers and solve their difficulties.

Sixthly, we should offer guides for Chinese enterprises on committing the corresponding social responsibility in the foreign trade and investment, complying with the host country's laws, respecting local customs and culture and creating a harmonious relationship; we should require Chinese enterprises adhere to honesty, protect the ecological environment, advance and improve product quality, protect intellectual property, actively shoulder certain social obligations and promote regional economic development and social progress; we should pay attention to social benefits, benefit local people, improve people's livelihood, increase employment, properly handle the interests of all parties and win mutual benefits and win-win.

Seventhly, we should actively develop cooperation in human resources with commercial chambers of other countries and strengthen the capacity of commercial chambers. We should exchange advanced technologies and management experiences, improve the quality and international capacity of workers of commercial chambers and business managers by personnel exchange, training, seminars and other ways.

The Federation will actively promote the cooperation with other Central Asian countries as well as with commercial chambers of those countries. We should make our efforts for the

peace, stability and prosperity of Central Asian region on the basis of equal consultation, mutual benefits and win-win.

Thank you.