

刘仲秋在中国-中东欧合作论坛贸易和双边投资分论坛发言稿

Your Excellency the President, Distinguished delegates, Ladies and gentlemen, Good morning,

First of all, I must give my thanks to the organizing committee of this forum for inviting me to be here today, to share my view with you on how China and Central & Eastern European (CEE) countries should cooperate with each other.

I am the Deputy General Manager of CEFC Beijing Petroleum Group; I must let you know that the President of China CEFC Energy Company Limited Mr. Chen qiutu is also present at this meeting today.

Some friends who are present here in this meeting today may not know who is China CEFC Energy Company Limited, please allow me to spend one minute to give you a brief introduction. China CEFC Energy Company Ltd. is a collective private enterprise, its strategy is to establish and expand its overseas economic cooperation in the energy sector. Building up its competitive strength on the international market, its mission is to build a prosperous country with modern industry and commerce. The Company's main business is the strategic and commercial crude oil reserves. Overseas investment for oil and gas resources, petroleum and agricultural products processing, international trading of petroleum and petrochemical products, financial services, leasing, electronic billing and other services for the integrated enterprise groups.

Currently, China CEFC owns three energy groups, five listed companies, and 14 overseas offices with the coverage of Latin America, Central Asia, and Southern Europe. Today China CEFC has almost completed its commercial and the industrial system. In recent years, China CEFC has seen annual growth of 59%. In year of 2013, the turnover was 200 billion Chinese Yuan which is equivalent to 34.8 billion USD. China CEFC's Shanghai Petroleum Group has been named "China's top 10 most influential enterprises", "China's top 10 charitable enterprises", in the year of 2014; China CEFC was accepted into the "Fortune" Global 500, ranking 349..

The reason that I am introducing China CEFC to you is that I want to let you all know that anything you want to do in China, we are here in Prague and there in China, We shall always be available for discussing the details with you at any time. The purpose for doing this is we want to see a very tight business relationship between China and Central & Eastern European countries.

Ladies and gentlemen, in recent years, we all have witnessed the great efforts made by the governments from both China and CEE countries to promote the bilateral trade and investment. The hosting of this forum will certainly be another successful accession to these efforts. Owing to these efforts China has entered in to bilateral investment treaty with most of CEE countries. However, we have yet to see a significant FDI (foreign direct investment) volume between China and CEE countries, or as significant as most of us would expect to see. Nor have we seen a significant trade volume, despite the rapid increase in recent years.

Because, I think, it takes more than the bilateral investment treaties and trade agreements for investments and businesses to happen. I myself is an entrepreneur, so I may speak on behalf of business community here, I think it is only when business

community from both sides really understand each other's strength, needs, market, and so on, then the business opportunities can be discovered, and the trade and investment then can follow.

Start to tell you about us about China, I know you are all interested at whether Chinese economy can maintain the steady and fast growth. Let me share with you some of the observations from the entrepreneur's point of view.

First of all, China is still in the stage of rapid industrialization and urbanization and has a huge potential for economic growth. There's abundant supply of labor and capital as well as huge potential of increased domestic consumption and investment demands. China's market is vast and its enterprises are becoming more competitive and dynamic. While China enjoys the political and social stability, China's ability and level of macro-economic control continue to improve through practice. All of these factors will have a long lasting impact on the country's economic growth. The business communities in China have the full confidence that the country's sound and fast economic growth will last for even longer period of time.

During 30 more years of reform and opening up, Chinese enterprises experienced phenomenal growth and accumulated huge amount of capital. These capitals are now looking for opportunities to invest overseas. Moreover, financial sectors in China are now actively developing new portfolios in helping Chinese enterprises go out and invest overseas.

At CEE side, in the wake of the global financial crisis and recession and as the Euro zone continues to grapple with debt crisis, CEE economy's past growth model, which has high reliance on the West Europe for capital inflows, has struggled to keep the economy at prior growth rate. The CEE economy now simply needs to find new capital inflow. Therefore, I see a huge investment opportunity for Chinese capital-rich enterprises and investment institute to make investment in CEE economy. Meanwhile, china has a huge market potential for quality agriculture products. In recent years, agriculture products from America, SE Asia, and Oceania entered into Chinese market very successfully. I don't see why the quality CEE agriculture products should not have their own share of market in China.

China's past 30 years fast development has fostered China's strong infrastructure

construction sector, today Chinese infrastructure companies are leading in many infrastructure related technologies also have surplus capacity in domestic market.

In CEE, the improvement of infrastructure is still an urgent task for many countries, Chinese infrastructure companies not only can provide a wide range of infrastructure services, also can offer very competitive price. Chinese infrastructure companies are ready to offer their best in helping to improve the infrastructure in CEE.

In the course of 30 years reform and opening up, Chinese industry system has built up the world class production capacity. However, in many industry sectors the huge capacity being outdated capacity. Today China is facing an arduous task to upgrade its industrial system.

Many CEE countries with solid industry foundations are leading in many industry sectors, such as automobile, mechanical equipment, chemical engineering, and etcetera. The CEE companies in those sectors will find their technology and experiences are very much needed in China's industrial upgrading process. CEE is at a strategic location for Chinese enterprises who wants to break into the European market. Moreover, CEE's highly educated yet affordable work force, stable macroeconomic environment and favorable business environment also provide an excellent foothold for Chinese enterprises who want to venture into world market.

Just now, I have illustrated only a few potential areas upon which that Chinese and CEE enterprises can develop trade and investment. I am sure there are many more opportunities than these waiting for us to discover.

Why are we here today? I think it is because we all believed there's a huge business potential between China and CEE, and we all can envisage the prosperity when this potential being fully developed by the business community represented by those who are sitting here today.

The historical opportunity for economic and trade cooperation between China and CEE has arrived, let us stay together and work closely to embrace the prosperity led by the trade and investment between China and CEE.

when we are talking about the Cooperation between China and Central & Eastern European countries, the first thing come to my mind is what the Prime

Minister of Hungary His Excellency Viktor Orban said right after the Financial Crises, he said that "Now the word economy is blowing east wind, therefore we must work with China and Asia. We have two feet, why should we use only one". I must say that what the H.E. Viktor Orban said is representing the idea of people from both China and Central & Eastern European countries , because of this like-minded ideals and beliefs, in recent years, the cooperation between China and Central and Eastern European countries have remained a good development trend, a rapid growth in bilateral trade, communication and exchange has become more extensive and in-depth. Especially since last November China - Central and Eastern European leaders jointly issued the "China - Central and Eastern European countries cooperate Bucharest outline", since then the bilateral cooperation is leading strongly the way.

As a tradition, Chinese people are used to seek the opportunity to accomplish things with the help of those available forces of the same direction and other factors that may in any way give helps, taking advantage of the history and present situation, the cooperation between China and Central & Eastern Europe countries today is getting more closer, more frequent and more diversified. This fit exactly the characteristics of development needs of China and Central & Eastern European countries, which is very much in line with the common aspirations and interests of the Chinese people and the people of Central and Eastern European countries.

I am glad to note that a good beginning started with the spirit of mutual benefit, cooperation and win-win philosophy, the current cooperation between China and Central & Eastern European countries is developing into the second stage, at this stage, to strengthen bilateral cooperation in the fields of trade and investment is the common core demands of both sides.

In terms of bilateral economical exchange and trade cooperation in the past, according to Chinese Customs statistics, in the year of 2013, the total trade volume between China and Albania, Croatia, Poland, the Czech Republic and other 16 countries of Central and Eastern European countries is \$ 55.9 billion, representing an increase of 5.9 percent compare with the same of last year. Some of the Chinese regions who have build the economic and trade relations with Central & Eastern

European countries in those early days have achieved a geometric growth in foreign trade. Take Yiwu City from China as an example, in the year of 2012, total trading volume Yiwu City made with Central & Eastern European countries grew 226.4%, and in the year of 2013, total trading volume Yiwu City made with Central & Eastern European countries grew 81.6%. According to incomplete statistics from Chinese government agency, In the year of 2013, Chinese enterprises have invested in Central and Eastern European countries more than 5 billion U.S. dollars (an increase of \$ 1.5 billion compare with the same period of last year), the 16 countries in Central and Eastern European invested in China more than 1.1 billion U.S. dollars. These data shows that cooperation between China and Central and Eastern European countries have begun to take shape.

However, when the overall situation is developing for the better, we should also note that partial unbalancing still exists, such unbalancing being the most obvious problem today in bilateral trade and investment. In 2013, take the bilateral trade as an example, China has trade deficit with Slovakia, Macedonia, while the other 14 countries all have trade surplus with China. Among them, China and Poland's trade unbalancing is there outstanding, reaching \$ 10.35 billion USD.

However, as always, advantages and disadvantages are dependent each other, while problems plaguing China and Central & Eastern European countries in the economic and trade, it is also providing direction for the way forward for the future. So long we all see it as the right goal benefiting both of us, than we shall never say such a balancing is too far to reach. We have to understand that at 80% of circumstances the word is under the unbalancing state, it is the efforts and forces from the people seeking balancing from unbalancing state making this word progressing. Once we reached balancing state, an unbalance will come back again. It may sound not comfortable; however it is the way of life. I believe under the joint efforts of China and the Central & Eastern European countries, Chinese entrepreneurs will surely see it as good opportunities to reducing such unbalance, seeking a more balanced development in the investment and trade in and with its Central and Eastern European partners.

While we talking about this subject, the top management personnel, professional managers who are present here today might ask what kind of business opportunities we have under the current situation, what is the best thing we should do? What I shall do is that I shall combine the understanding of China CEFC for who I am working now and my 40 years working experience in the trade and economic cooperation, to tell you what I am thinking.

For a long time, as one of the main business areas, China CEFC has seen the Central and Eastern European countries as the very promising market. With the booming economy in Central & Eastern Europe, and the huge boosting effect of the Chinese economy, diversification of the bilateral cooperation as well as the solid strength of China CEFC, I believe in front us it shall be a very beautiful blueprint for the future development .Not long ago, Mr. Chen Qiutu, the President of China CEFC headed his delegation visited the Albanian. During the visit Mr. Chen met the Prime Minister of Albania His Excellency Lama, and all the related ministries, they had a good communication. Together with the Albanian senior government officials, China CEFC has explored areas of cooperation and the way to have things done.

You might be surprised, among so many enterprises, why is China CEFC is so special and enjoy the courtesy of the Central & Eastern European countries? To tell the truth, in my opinion, it is because China CEFCs capability of innovation, flexibility in management and compatibility of cultural differences, this may be a good reference to those Chinese collogues who are made up their mind to explore and development the Central and Eastern European markets.

First, in the development of overseas markets, it will inevitably require more adequate supply of funds, for those Chinese companies who thought themselves as have no money problems, shall need to have the ability of financial innovate. A few years ago, for the purpose of entering the financial sector, China CEFC set up the Shanghai Huaxin Financial Holdings Limited, the strategic intent of this setting up is to share or hold the securities companies, insurance companies, trust companies, fund, financial companies, apply for financial business licenses, holding the shares of domestic and foreign banks, in order to develop the capital reserve accumulation,

achieve asset securitization, thus has secured the long term energy for its sustained development

As a collective private enterprise, China CEFC is able to cooperate with Central & Eastern European countries on an equal basis and with an attitude and flexibility, Advantages of Chinese private enterprises on the international market can be fully demonstrated by China CEFC. As the Deputy Director General of Shanghai Branch of the China Energy Research Fund Committee Mr. Ren Huangtao once said “when it comes to overseas acquisitions of oil and gas assets, the Chinese private enterprises has more advantages to invest in overseas energy sector than the state-owned enterprises, because European and the United States market has somewhat prejudiced opinion for the Chinese state-owned enterprises, as saying that most state-owned enterprises rely on state subsidies which is making unfair competition, indeed there are certain restrictions for the state-owned enterprises on European and American market. Compared with the state-owned enterprises, private enterprises shall have a lot of flexibilities for finding the needed resources, so when China CEFC as a private but international company to invest in Central & Eastern Europe, the Central and Eastern European countries shall possibly not have the same feeling that they may have with the government agencies or state-owned companies. As a private company, with relatively small political constraints and limitations, we have a free hand to look for and select its partners among the Central and Eastern European countries according to their own advantages and business target.

Furthermore, as a suggestion, Chinese companies have to spend more time to understand the Central and Eastern European culture, so that the two sides shall respect each other's culture on an equal basis, it is very important to understand each other’s way of thinking. I do hope to have more exchanges with our CEE partners after the meeting, so as to find out what is the best way for us to work better with you in Central and Eastern European countries when things come to the trade and investment

Wisdom man will change themselves when time goes, knowledgeable personnel shall always know how to change themselves when dealing with different

things. I would like to take this occasion to encourage China CEFC as well as those Chinese companies who made up their mind to be deeply rooted in Central and Eastern European market, to spend more time and efforts, and find a better way to accomplish their goal. Undoubtedly, the Central & Eastern European countries have abundant energy resources, and this piece of land is the most important energy channels for Russia's connection to the north-western Europe. This energy channel and geopolitical advantage have their great significance for China, for this and other reasons the investment from China in Central and Eastern European countries will form the very important part of the total Chinese investment in the EU. Nowadays private enterprises accounted for 80% of the total numbers of Chinese enterprises, with this innate feature of flexibility and innovative, as well as the seeking to be world No 1 spirit, private enterprises will be the most active, most powerful and the most promising forces in trading and investment in Central and Eastern European region.

As our Chinese poem goes that: the sun is ready to rise from east to make it a morning, please do not tell the people that you are getting up too early. Let us look forward to and work together to make it a brilliant success for the cooperation in trade and investment between China and the Central & Eastern European countries.

Thank you.
