

**The 5<sup>th</sup> World Chinese Economic Forum**  
**“Global Economic Partnerships: Realising Opportunities, Connecting East and West”**  
**3 & 4 October 2013, Sunway Resort Hotel & Spa**



From left: Tan Sri Lee Kim Yew, Patron of WCEF, The Hon. Tun Dr. Mahathir Mohamad, Former Prime Minister of Malaysia, Tan Sri Michael Yeoh, Chairman of WCEF and CEO of ASLI and Xi Jinping, President of the Republic of China



From left: Tan Sri Dato' Ir. Wong Foon Meng, Tan Sri Michael Yeoh, Tan Sri Razali Ismail, Tan Sri Jeffery Cheah, Dato' Seri Prof. Dr. Tahir, H.E. Alex Chernov, AC QC, Governor of Victoria, Australia, Tan Sri Lee Kim Yew, Patron of WCEF, Deputy Prime Minister Tan Sri Muhyiddin Yassin, H.E. Wan Jifei, Chairman, China Council for Promotion of International Trade, Dato' Seri Dr. Chua Soi Lek, Adviser to World Chinese Economic Forum & President, Malaysian Chinese Association and Mr. John So, JP



From left: H.E. Wan Jifei, Chairman, China Council for Promotion of International Trade, Tan Sri Michael Yeoh, Chairman of WCEF and CEO of ASLI, The Hon. Tun Dr. Mahathir Mohamad, Former Prime Minister of Malaysia, H.E. Alex Chernov, AC QC, Governor of Victoria, Australia and Tan Sri Lee Kim Yew, Patron of WCEF



H.E. Wan Jifei, Chairman, China Council for Promotion of International Trade presenting a memento to The Hon. Tun Dr. Mahathir Mohamad, Former Prime Minister of Malaysia



Launching of Special Book on The Hon. Tun Dr. Mahathir Mohamad



Group photo at Gala Dinner

## Recent Events

E-Newsletter – October 2013 Edition

### **Welcoming Speech by Tan Sri Michael Yeoh, Chairman of WCEF; and CEO of ASLI**

Tan Sri Michael welcomed the 600 participants represented by 34 countries to the WCEF and went on to describe the overall aim of the WCEF. The forum is viewed as a platform to forge viable smart partnerships; to promote the sharing and exchange of ideas and to establish closer economic ties. China is now known as the world second largest economy and has continued to be ASEAN's largest trading partner. In light of this, Tan Sri Michael remarked that China is one of the key strategic partners for ASEAN and for the Asia-Pacific countries.

In enhancing business economic ties with China, Tan Sri Michael employed the acronyms of 3Ps and 3 Cs as the fundamental elements. 3Ps represent peace; prosperity and people while 3Cs comprise of commonality; collaboration and connectivity. In concluding, he thanked the various organisations and individuals who have supported the organisation of the WCEF event. Lastly, he encouraged all the participants to take this opportunity to enhance their connectivity and to network.

### **Welcoming Speech by HE Chai Xi, Ambassador of the P. R. of China to Malaysia**

HE Chai noted that the WCEF is a strategic platform for business partners and academicians to link China with the South East Asia region and with the world. According to him, WCEF provides a unique opportunity for the global Chinese Diaspora to connect and to share their thoughts. He went on to congratulate ASLI for organising this event.

Since the global financial crisis that occurred 5 years ago, the world's financial state has yet to be fully recovered. Many countries face new challenges, as a result of this crisis. Consequently, there has been massive influx to develop markets; and fluctuations of currency markets. Although China has now entered the phase of medium growth rate, HE Chai believes that China is still performing well in its economy. Evidently, the economic growth of China can be seen in sectors such as the Information Technology (IT); agriculture modern technology and its reform of structural re-adjustment. This in turn will shape China to be a modern socialist nation by mid 21<sup>st</sup> century.

He forecasted that China's overseas investment will soon reach USD500 billion, which serves as a strong impetus for other world economy to strengthen their links with China. The state visit of the Chinese President Xi Jinping to Malaysia, this year, amid of the 40<sup>th</sup> year's diplomatic relations, is viewed as a historic point that strengthens the bilateral ties between China and Malaysia for future co-operation. Amongst the similarities highlighted by the HE Chai, between China and Malaysia was: a culture that both promote peace and harmony. This commonality is a strong foundation for both countries so strive for shared and sustained prosperity.

### **Opening Speech by HE Wan Jifei, Chairman of China Council for Promotion of International Trade**

HE Wan began by welcoming all the delegates. The world economy is experiencing significant changes. These changes are associated with the financial crisis of developed

nations and the geo-political changes of the Middle East economy.

Therefore, HE Wan, emphasised the need to achieve an equilibrium point to maintain continued economic development in the Asia-Pacific countries including the ASEAN region. The APEC meeting that is scheduled for 5<sup>th</sup> October in Bali will strengthen the Asia Pacific economies. Accordingly, ASEAN Free Trade Area (AFTA) is expected to improve the regional economic development.

HE Wan called for the need to improve China-ASEAN relations and China-Malaysia relations, and for developing a new economic corridor as a pathway to improving friendship and cooperation, and bilateral trading and cooperation. He stressed that China is keen to maintain good relationship with its neighbouring countries. In doing so, China is in the process of re-structuring its economy to encourage more foreign investors into China. To this end, the China Council for the Promotion of International Trade (CCPIT) will play an important role in building long-term relationship with other countries and business organisations. In conclusion, he further noted that the WCEF is a good platform to link China to the world and will help to facilitate communication and business development.



Deputy Prime Minister Tan Sri Muhyiddin Yassin, presenting the WCEF Lifetime Achievement Awards to H.E. Wan Jifei, Chairman, China Council for Promotion of International Trade

### **Opening Speech by HE Alex Chernov, AC QC, Governor of Victoria, Australia**

HE Chernov expressed his appreciation to the WCEF committee for the privilege to host the 4<sup>th</sup> WCEF in Melbourne last year. This signifies good bilateral ties between Malaysia and Australia, most notably in the education sector, dated back to the Colombo plan in 1950s. According to HE Chernov, the inter-governmental effort through the Colombo plan has yielded an increase in the numbers of Malaysian students who pursue their tertiary education in Australia; and hence, improve the Australian domestic economy. Since 1950s, Melbourne has been a preferred education location for most Malaysian students, given the cosmopolitan nature of its city and its knowledge based economy.

HE Chernov noted that some similarities between Malaysia and Australia are evident in both nations' rule of law and democratic society. This being the Asian Century, he went

## Recent Events

E-Newsletter – October 2013 Edition

on to remark that symposiums such as the WCEF, offers a great platform for the participating nations to reflect on their achievements; as well as to improve the integration of the Chinese Diaspora into the region and beyond. The Chinese Diaspora has contributed significantly to the improvement of work ethics in Australia. "Diligence" is a virtue, as described by HE Chernov, plays a critical role in character building of a nation. China has been one of the largest trading partners of Australia since the Chinese Diaspora.

The Chinese Diaspora plays a vital role in Victoria's dealings with China in many important areas including the agriculture and mining sectors. Another area where China's direction facilitates the linkage of East and West is in sports especially the Olympic Games, and in music. China will become the world's largest economy in terms of purchasing power, and with the global Chinese Diaspora, China will continue to be a major global economic force.

HE Chernov, encouraged all participants to re-focus their business priorities to correspond with China's priorities; given that China's priorities keep evolving. Foreign investors are advised to maximise the China New Economic Framework.



H.E. Alex Chernov, AC QC, Governor of Victoria, Australia and Tan Sri Michael Yeoh, Chairman of WCEF and CEO of ASLI

### Opening Speech by the Honorary Tun Dr Mahathir Mohamad

Tun Dr Mahathir remarked that the foundation for a strategic economic partnership is peace. Peace is a pre-requisite for nations to partnership with the East and the West. He cited that countries which involved in wars often go bankrupt as destruction caused by missiles will cause millions of dollars. The cost of re-construction is massive. Wars result in regression.

He reiterated that if there is a partnership at all, it must avoid wars at all cost. There are alternatives to war. Tun Dr Mahathir, cited Europe as an example, with the establishment of the European Union and the European Parliament, where peace prevails. According to him, the European nations have learned that unity is important and should there be any war between them, it will thus; involve the nuclear weapon which will destroy the entire European nation.

He attributed the current financial crisis in Europe to the fact that those nations are living beyond their means. Bad

management further compound the matter. Tun Dr Mahathir, then went on to note while it is essential to avoid war and enmity between the East and the West, another important prerequisite to partnership would be the need to first focus on peace and stability in the East. Countries in the East must remember the lessons learnt in the past but should not perpetuate hatred between one another to avoid wars and brutalities. Partnerships require environment that is conducive to peace and stability. Conflicts and disagreements can be settled through peaceful means, and it is important to accept that we cannot always win – there will always be winners and losers. Tun Dr Mahathir went on to cite Malaysian experiences in international disputes with Indonesia, Singapore and with Thailand. To partnership with the West, countries in the East should first settle disputes among themselves. The East must learn to reject war. He recommended for an establishment of a tribunal to settle disputes in the East.

If the idea of partnership is to benefit all, Tun Dr Mahathir, reminded that due consideration should be given to nations whose economy are weak. Rules should be relaxed. Countries with weaker economy must not be compelled to adopt a single currency or to fully open their markets to foreign investors. Tun Dr Mahathir cited that the European Union (EU) has formulated code of conducts for its participating nations. Amongst the agreements were: acceptance of liberal democracy where poorer eastern European countries must choose to practice liberal democracy; income of nations must be high regardless of its productivity capacity and the willingness to accept a single currency. Consequently, countries with weaker economy are unable to sustain within such framework and declared bankrupt.

In conclusion, Tun Dr Mahathir remarked that globalisation is inevitable but no one country should dictate its shape. With proper handling of these issues, the East-West partnership will benefit the East, the West and also to the world.

### SESSION 1: "CHINA IN EAST ASIA AND THE NEW GLOBAL ECONOMY – UNLEASHING THE POTENTIAL, SHARING PROSPERITY"

**Moderator:** Datuk Dr Rebecca Fatima Sta Maria, Secretary-General, Ministry of International Trade and Industry (MITI) Malaysia

**Panellist:** Tan Sri Dr Mohamed Munir Abdul Majid, Chairman of Bank Muamalat, Malaysia; Founding Chairman of the Securities Commission; and Former Chairman of CIMB

Tan Sri Dr Mohamed Munir commended that China has the second largest economy in the world. By having achieved a grown military presence, China is well- placed in a unique geo-political position from the economic perspective.

In spite of China's progressive success in its economy, Tan Sri Munir highlighted that there are still problems within China such as the low per capita income and inequitable development between the Western and the Eastern region. It is, therefore, paramount for China to address some of its 30 years growth of excesses, with a particular focus on the environment and its gini coefficient. Tan Sri Munir went on to applaud China's for doing the right things, from the economic

## Recent Events

E-Newsletter – October 2013 Edition

perspective since 1997, whereby China didn't devalue its economy. The Chiangmai multilateral initiative to protect its currencies is one of such instances. Also, CAFTA is the third largest FTA in the world involving 3.4 billion people with GDP valued at USD21 trillion, average growth of 6.3% and producing 30% of total global output. Known as the larger version of CAFTA, the Regional Comprehensive Economic Partnership (RECEP) is one of the new economic opportunities afforded by the China.



Session on "China in East Asia and the New Global Economy – Unleashing the Potential, Sharing Prosperity". From left: Tan Sri Dr. Mohamed Munir Abdul Majid, Chairman of Bank Muamalat, Malaysia, Founding Chairman of the Securities Commission, former Chairman of CIMB and Dr. Guo Wanda, Executive Vice President, China Development Institute (CDI)

He also mentioned about the importance of China in its diplomacy relationship with neighbouring countries, particularly in the South East Asia region, by citing the South China Sea (SEA) dispute. He commended China leadership for its effort to minimise the SEA dispute; improved relationship with Vietnam and Philippines through ASEAN. He cautioned against allowing the issue to undermine good relations and the region's future prosperity.

### **Panellist: Dr Guo Wanda, Executive Vice President, China Development Institute (CDI)**

Dr Guo's presentation centred upon financial structure and market development as well as the issue of urbanisation in China. He began by calling for transparency especially in the banking sector, and touched upon the Shanghai Free Trade Zone as well as the liberalisation of China's financial market.

He asserted that risks can be controlled with proper management. China's development in the financial market at a moderate pace is the right way forward. Short term problems such as lack of capital and high debt are not alarming. He noted that the government's move to control property market is good. Other aspects to be looked into include interest rate and unemployment rate. Dr Guo also explained about the issue of rural-urban migration that involved 70 million people; affecting the trend of urbanisation in China. The Chinese government envisions developing cities to become big metropolitans that accommodate the needs of rural mass into cities as well as addressing environmental issues that are linked to such development. Another area of focus, according to Dr Guo, is the improvement of income for Chinese citizens in order to promote tourism industry in abroad.

### **Panellist: Dr Yao Wang, Executive Director, Boao Forum for Asia; and Executive President, Boao Forum for Asia Institution**

Dr Yao called for greater cooperation to improve Asia's development progress, and for China to play a greater role in the international monetary and financial market. He then went on to outline China's three phases of development – economic restructuring; liberalisation in all areas of economy, and broadened partnership with the world to promote Chinese companies in abroad; rather than just attracting talents and technology into China. China has 30 years of experience in its re-structuring its economic model.

He went on to stress that China is still a developing country with its Western region lagging far behind in contrast to its Eastern region. The focus for now is on infrastructure development as part of its urbanisation strategy; and to establish more business partnerships with its neighbouring countries while ensuring environmental sustainable development. In conclusion, Dr Yao re-asserts that China offers tremendous opportunity for economic growth and he looks forward to a mutually beneficial cooperation with other countries.

### **Panellist: Mr Rajiv Biswas, Senior Director and Asia-Pacific Chief Economist, IHS Global**

According to the HIS forecast, Mr Biswas' remarked that China will become the world's largest economy by 2022 in terms of nominal GDP. This translates into China having greater influence over the region and the world, and therefore China has a bigger role to play in the region and the world.

In the last 10 years, there has been a sharp transformation in Asia's trading pattern that witnessed an increased shift towards China. China has become the largest export market for many countries such as South Korea and Japan. By 2020, Mr Biswas noted that Chinese consumption will increase by 13% as a share of world consumption. The rise of this consumer society will offer tremendous potential for export from other countries especially in food products, education services and tourism. Throughout the Asia-Pacific, the large re-shaping of this pattern, according to Mr Biwas, will see an increased in trade relations with China. Mr Biwas highlighted the key strengths of the Malaysian economy that lies in food product; educational services; and tourism. It is forecasted that the Chinese growth will accelerate to 7.8% a year and this would have a strong impact on the Asia-Pacific. Inevitably, this will create good opportunities for Malaysia

Financial services pose a great challenge for Asia, especially the need to deepen financial integration. China, therefore, needs to play a bigger role in the world to facilitate greater initiative from the Asian governments to deepen integration and to provide aid to other countries.

### **Welcome Speech by Datuk Dr Rebecca Fatima Sta Maria, Secretary-General, Ministry of International Trade and Industry (MITI) Malaysia**

Datuk Dr Rebecca Fatima expressed pleasure for MITI to be associated with WCEF and spoke briefly about Malaysia's bilateral ties with China. She then thanked the participants

## Recent Events

E-Newsletter – October 2013 Edition

for their presence and invited them to partake the lunch sponsored by MITI.



Tan Sri Jeffery Cheah, Chairman of ASLI, Datuk Dr Rebecca Fatima Sta Maria, Secretary-General, Ministry of International Trade and Industry (MITI) Malaysia and Mr. John So, JP, Former Lord Mayor, Melbourne, Australia

### Luncheon Address by Tan Sri Razali Ismail, Chairman, Global Movement of Moderates Foundation (GMMF)

Tan Sri Razali's underscored the possible role GMMF could play in strengthening the ties between China and ASEAN. This can be done through the principle of "moderation", given the mutually exclusive relationship between China and Malaysia, as well as with other ASEAN countries.

Tan Sri Razali noted that China has become Malaysia's biggest trading partner, and the Chinese President's visit to Malaysia on October 5<sup>th</sup>, 2013 is historical as it signifies another milestone of the long history between China and Malaysia. This history can be traced back to the 15<sup>th</sup> century meanwhile the first official diplomatic tie was established in 1974. Concerns over how far China could trail-blaze development for this region, and the complexities as well as nuances around Chinese action especially over the South China Sea dispute, Tan Sri Razali highlighted the need for a better understanding and to strengthen confidence and trust in all aspects including the economic, security and the cultural sectors.

It is in such context that the framework of moderation advocated by GMMF comes into play. As ASEAN countries aspire towards peaceful development, this framework of moderation calls for countries to work collectively towards solutions to further strengthen bilateral and multi-cultural ties with China.

### SESSION 2: "HOW TO BENEFIT FROM CHINA'S GROWTH AND DEVELOPMENT"

**Moderator: Ms Ng Yeen Seen, Senior Vice President/Chief Programme and Strategy Officer, ASLI; and Senior Programme Director, WCEF**

**Panellist: Dr Francis Chua, Chairman Emeritus, Philippines Chamber of Commerce & Industry**

Dr Chua is less optimistic about the economic growth for South East Asia region. Between year 2013 and 2015, the domestic demand, according to Dr Chua, will help to spur

growth in the region. China, with a population of 1.4 billion, presents a strong domestic consumption market. Therefore, he went on to urge countries in South East Asia as well as countries in the Asia Pacific region to develop good diplomatic relationship with China. The relationship between China and Asia is described as the "present and future". China is viewed as a "big brother" to countries in Asia.

Its investments into other countries will soon exceed half a trillion dollars. Being the most populous country in the world with 1.4 billion people, domestic consumption will remain strong thereby making it the fastest growing economy with the largest market potential. Good diplomatic relations with China is therefore imperative. Dr Chua also provided an overview of approaches to establish good relationship with China. In his opinion, having a strong personal network is essential in establishing businesses in China. Other approaches included are; being part of the international chambers of commerce; and the promotion of ASEAN countries through exhibition expo.

### **Panellist: Mr Fang Zhaorui, Assistant President, China Mayors Association**

Mr Fang's presentation centred upon "China's Dream" and rapid urbanisation in China. He explained that under China's new leadership and philosophy, the scaling up of China's GDP and per capita income is China's utmost priority. He envisioned that the resources that China has now will be increased by year 2020 without compromising on its fundamental ideology of a socialist rule.

To achieve China Dream, Mr Fang mentioned that economic re-structuring is essential and peace is the prerequisite to it. China has been a strong country with US\$ 1 billion dollar of market product. In restructuring the economy, the government would need to deal with the emerging trend of rapid urbanisation, where mass migration from rural areas into city centres is rampant. In the case of modernisation, he foresees an increase of 6.5 trillion yuan for the development of infrastructures. Consumption is also expected to reach USD 50 trillion where he described the consumption rate of urban to rural in a ration of three to one.

### **Panellist: Tan Sri Dato' David Chiu**

Tan Sri Dato' Chiu emphasised that China cannot continue to rely on cheap labour to fuel its economic growth. He opines that China should capitalise on its world's largest reserve at USD3.3 trillion.

He highlighted how Malaysia and ASEAN, in general can mutually benefit from their relationships with China, particularly, in the tourism sector. The World Tourism Organisation statistics indicated that the explosive growth of China's tourism will most benefit the Asian nations. In 2012, 15.2 million Chinese tourists visited neighbouring countries including Southeast Asia. Studies have shown that on average, each Chinese tourist spends about US \$ 4000.

Malaysia is a very popular holiday destination for Chinese tourists as 28% of the total Malaysian population is of Chinese origin. Chinese tourists are mostly attracted to Malaysia due to the similarity of Chinese cultures. Tan Sri David Chu urged Malaysia to be more engaging in its "Open Door Policy" with China. To attract more Chinese foreign

## Recent Events

E-Newsletter – October 2013 Edition

investors, he recommended Malaysia to make its land resources available for manufacturers at a reasonable price. Furthermore, it is important to expedite the request of Chinese professionals for work permit in Malaysia. On a similar note, Tan Sri David Chu urged for more economic corridors such as the Iskandar Development Region to be established in Malaysia. To address the lack of connectivity between Malaysia and China, Tan Sri David Chu proposed to Malaysia to increase the number of flights to all parts of China. This includes scaling up the number of Chinese banks and international schools in Malaysia to accommodate the needs of Chinese expatriates in Malaysia.



Deputy Prime Minister Tan Sri Muhyiddin Yassin, presenting the WCEF Lifetime Achievement Awards to Tan Sri Dato' David Chiu, Chairman, Far East Consortium International Limited

### **Panellist: Ambassador Zou Mingrong, Executive Vice Chairman, China National Committee for Pacific Economic Cooperation**

Ambassador Zou's presentation centred upon how Malaysia and ASEAN could benefit from China's growth. He stressed on the importance of building mutual trust and confidence, and developing good inter-governmental cooperation. He went on to say that political conflict would be a disservice. Conflicts would jeopardise bilateral economic relationships. He called for foreign entrepreneurs to work with the Chinese government at national and local levels, in order to benefit from China's government policies and to make use of FTAs to boost bilateral and multi-lateral economic ties. Furthermore, he noted that zero percent tariff should be upgraded to promote regional financial corporation. Therefore, it is crucial for foreign investors to be conversant in the Chinese policies.

According to Ambassador Zou, China will trade \$1.1 trillion worth of Research & Development (R&D) to increase market liquidity. The RCEP negotiations are to be concluded in 2015 would soon help to upgrade regional economic relations to a new level. In conclusion, he called upon businesses to capitalise on the new opportunities afforded by China's economic restructuring. Businesses need to go into China, discover China and then conquer the China market.

### **Panellist: Dr Robert Yap, Chairman and CEO, YCH Group, Singapore**

Dr Yap's shared about his company's experience and success in doing business in China. He explained that YCH is a logistics' business which serves multinationals such as Dell, GSK, Samsung and ZTE in the area of supply chain management. It entered China with the intention of riding on China's manufacturing wave as the factory of the world. He believed that there is a lot to be learnt from China's growth and stressed that the Chinese culture of "bitter before sweet" is the key to YCH's success. He went on to commend that his team is not afraid to work hard and face difficulties in order to reap rewards. Dr Yap concluded that it is important for foreign investors who intend to invest in China to always strategise the way in which they could connect with the Chinese multi-national companies (MNC) s.

### **Panellist: Mr Liu Linzhi, Secretary-General, World Green Investment and Trade Promotion Association; and Personnel Committee, China Hi-Tech Industrialisation Association**

Mr Liu's speech centred on China's increasing concern over the environment and development of green technology in China. He shared that China is developing its low carbon industry and green technology/ and industrialisation in order to develop a beautiful China, which is the China Dream.

In 2012, USD2 billion was invested into environmental protection as part of the government's effort divert its energy consumption with an aim to protect the environment. China is known as the highest energy consuming country in the world, thus, focuses on energy saving and the development of alternative energy such as wind power, hydro power and organic power have dominated most of the discussion. The Chinese government encourages international companies to work with Chinese companies in this area, and provide support with increased budget to speed up the production of green energy and to promote green technology. Mr Liu further expounded on how solar power, energy saving and wind power generation can be sought as alternative source of energy.

He concluded that China Dream means Asian Dream. The Chambers of Commerce have important role to play in connecting the small medium enterprise (SME) with China business development corporations. He, therefore, urged the Chambers of Commerce to be more pro-active in its functioning.

### **SESSION 3: "EDUCATION AND INNOVATION: DRIVERS OF FUTURE GROWTH"**

#### **Moderator: Tan Sri Ramon Navaratnam, Pro Chancellor, Sunway University, Malaysia**

Tan Sri Ramon suggested forming an ASEAN-China Education Collaborative Committee after being inspired by Professor Kriengsak's speech.



From left: Tan Sri Ramon Navarathnam, Pro Chancellor, Sunway University, Malaysia and guest at Gala Dinner

**Panellist: Professor Kriengsak Chareonwongsak, Senior Fellow, Harvard University**

Professor Kriengsak's began by equating education to innovation. He explained that education is innovation as it helps a nation to grow stronger. He put forth three prerequisites for innovation – ideas, implementation and impact;

He pointed out that we are at the threshold of change, hence, the world would require a new kind of university that will innovate itself to educate the new generation. Government plays a critical role in facilitating this by promoting collaboration to synergise innovation and to reduce duplication; and also to avoid emergence of monopolies. According to Professor Kriengsak, government can do this by purchasing research patents and distribute it to multiple players to address entry barriers and expedite commercialisation process, which would ultimately benefit the government through taxes. He went on to enquire several questions that demand further reflections of participants:-

- How to collaborate between ASEAN & China?
- How do we go about in synergising in an ASEAN era?
- To produce our niche, how should we collaborate?
- Can we produce innovation?

Prof Kriengsak concluded by recommending an establishment of an ASEAN-China Education Committee.

**Panellist: Dato' Saifuddin Abdullah, CEO, Global Movement of Moderates Foundation (GMMF); Former Deputy Minister of Higher Education, Malaysia**

Dato' Saifuddin began his presentation by urging the need to re-visit the worldview about the soul of education. He went on to stress that innovating education is important so that it can fulfil its role to effectively drive change and growth in societies and nations. He went on to question if Malaysia was prepared for innovation? Are teachers in Malaysia trained to facilitate innovation?

He believed that education needs to innovate as it is the driver of change and growth. Dato Saifuddin further suggested the option of collaboration between Malaysia and China universities as well as universities in ASEAN in the

area of higher education. This would include student mobility such as allowing credit transfer for students from Malaysian universities to study in Chinese universities for one or two semesters and vice versa. He also cited examples of Malaysian students studying in Beijing; and the establishment of Xiamen university campus in Sepang as successful best practices.

In concluding, he recommended that countries should look ways in which indigenous knowledge can be further incorporated in the area of Research & Development (R&D) as China and ASEAN are rich in indigenous knowledge.

**Panellist: Professor Christine Ennew, Provost and CEO, University of Nottingham Malaysia Campus**

Professor Ennew remarked that education has transformational quality. International partnership in education is because it helps to develop individuals who are socially responsible who will make the world a better place.

Professor Ennew called for a development of policy to facilitate international partnership as the real key to success is in diversity, whereby such partnerships allow individuals to interact and innovate.

She went on to stress that successful partnerships are established by people who interact on shared interests and mutual benefits. There is no one right way to do this. She cited student mobility as well as researcher mobility as examples of good practices; and called for policy to facilitate students to cross borders; credit transfers as well as recognition of joint degrees and teaching programmes. Professor Ennew raised the need to create incentives to establish research funding mechanisms.

**Panellist: Mr Eric Wong, Marketing Director, IBM Malaysia Sdn Bhd**

Mr Wong's presentation centred upon IBM's initiatives to innovate education. He highlighted that IBM is an innovation company. It invests USD6 billion annually in R&D, with 8 research centres and 40 innovation centres worldwide. He showcased IBM's initiative – the SME education curriculum, which provides new opportunities for learning new set of skills as well as IBM's perspective of being instrumented, interconnected and intelligent with seamless information flow. He noted that IBM has collaborated with many universities including USM, NUS, Cambridge and Pennsylvania and also with various ministries of education to address education needs of preschoolers and primary school students. In addition, IBM also helps entrepreneurs to start up companies through mentoring and coaching.

**Panellist: Datuk Nicholas S. Zefferys, PJN, Past President, American Malaysian Chamber of Commerce; and Member of the National Economic Advisory Council**

Datuk Zefferys' presentation centred upon the importance of research and development in education and innovation. He called for more investment in the area of Research and Development (R&D). He explained on how the New Economic Model (NEM) is a model to develop a high income nation that takes into consideration inclusiveness and sustainability.

## Recent Events

E-Newsletter – October 2013 Edition

He highlighted that education is the means to achieve it. He noted that research and development is a core component of education and innovation, citing China's example where 2.2% of GDP is spent on research and development compared to only 0.6% of GDP in Malaysia. He also spoke about the role of the private sector, universities and government, in the area of Research & Development (R&D).

### **SESSION 4: "CHINA-ASEAN PARTNERSHIP: PARTNERING FOR SUSTAINABLE GROWTH"**

**Moderator: Dato' Dr Jannie Chan, President, ASEAN Business Forum; and Executive Vice Chairman, The Hour Glass, Singapore**

**Panellist: HE Ong Keng Yong, High Commissioner of Singapore to Malaysia; and Former ASEAN Secretary General**

HE Ong highlighted the future of ASEAN relations with China in his presentation. He noted that ASEAN and China have developed a considerable amount of trade and investment in the last 10 years, which have generated enormous business opportunities. Trade value is expected to reach USD500 billion by 2015. China has been ASEAN largest trading partner.

HE Ong also discussed the need to upgrade CAFTA, within the context of Regional Comprehensive Economic Partnership (RCEP). He mentioned that RCEP would play an important role as it focuses on bilateral relationships in addition to trade, which would provide great potential for extensive cooperation and partnership.

HE Ong stressed on the need to develop connectivity. ASEAN has a Connectivity Master Plan to create more links amongst ASEAN countries and also between ASEAN with its neighbouring countries. Connectivity will enhance bilateral relationships particularly in the area of trade and investment, which would facilitate growth.

**Panellist: Dr Li Yao, CEO, China-ASEAN Fund**

Dr Li highlighted that leadership; entrepreneurship and integrity are the key elements to sustain the partnership between China and ASEAN countries. He raised three key points: (1) Who are we? (2) Where we are? And (3) What can we do?

On the first point, he described the origin of the China-ASEAN Fund and its mandate for promoting bilateral cooperation between China and ASEAN countries. This fund aims to support overseas Chinese to ensure sustainable growth in ASEAN, in the area of infrastructure, energy and resources.

On the second point, he believed there will be continued cooperation in trade and investment first through CAFTA and next through RCEP. On the last point, he pointed out that countries should establish friendship based on trust; and this is to be coupled with Western wisdom. In concluding, he summed up that China-ASEAN Fund functions as a catalyst to mobilise resources from China to capitalise on opportunities in ASEAN.

**Panellist: Professor Han Feng, Deputy Director, National Institute of International Strategy (NIIS), Chinese Academy of Social Sciences**

Professor Han described the China-ASEAN relationship as "heading for soft institutionalisation" in various areas. Then he proceeded to outline the challenges faced to maintain a strong relationship. In this regard, he emphasise the need to adapt to fundamental changes over the division of labour and regional relationship dynamics (TPP, RCEP and CJK or China-Japan-Korea); and also to address the issue of lack in political trust. In his opinion, the future of bilateral relations between China and ASEAN will generate trade and investment surplus that will benefit ASEAN countries. He foresees that Chinese investment in ASEAN countries will grow stronger with greater cooperation between both sides. Through this, the dimension of China's relationship with ASEAN will be more institutionalised.

**Panellist: Mr Ku Kok Peng, Director, Palm Oil & Rubber NKEA & ETP Investment, Performance Management and Delivery Unit (PEMANDU)**

Mr Ku provided an overview of the Malaysian government's efforts to transform the country through stimulating economic growth. The three main thrusts of the Economic Transformation Programme (ETP) is to enable Malaysia to become a high income nation; creating 3.3 million jobs; and to secure USD400 billion worth of investments by 2020. Twelve (12) National Key Economic Areas (NKEA) s are defined as the means to achieve these thrusts. To date, there is significant progress with USD218 billion worth of investment commitments secured to create more than 400,000 jobs.

He also discussed about 31 million Chinese Diaspora who are residing in the ASEAN countries. Mr Ku cited a surging list of Chinese owned investments in Malaysia including the IOI Group, YTL Group, and Country Heights which have gained strong trust of the local Chinese business community in Malaysia. He further cited examples of projects that are contributing to the steady growth of the Malaysian economy and concluded by emphasising the government's commitment to facilitate trade and investment.

**Panellist: Mr Qu Yingpu, Deputy Editor-in-Chief, China Daily**

Mr Qu offered three suggestions to improve the partnership between China and ASEAN, namely (1) proper handling of differences and disputes, citing the South China Sea issue as an example; (2) liberalisation of trade and investment regimes on both sides, citing the need to cut tariffs and non-tariff barriers; and (3) to standardise customs clearance procedures; and (4) permitting media to play its role, citing China Daily as example.

### **SESSION 5: "OPPORTUNITIES IN FINANCIAL SERVICES: CHINA, ASEAN AND THE WORLD"**

**Moderator: Mr Low Tuck Seng, Special Adviser & Executive Board Member, Swiss-Asian Chamber of Commerce, Zurich**

Mr Low took the opportunity to highlight that Switzerland is the 8<sup>th</sup> largest trading partner of China while introducing this topic angled on the internationalisation of Renminbi (RMB).

## Recent Events

E-Newsletter – October 2013 Edition

### **Panellist: Dato' Seri Professor Dr Tahir, Chairman, Bank Mayapada, Indonesia; and Chairman, Indonesia-Chinese Entrepreneur Community**

Dato' Seri Professor Dr Tahir expressed his opinion that the internationalisation of Renminbi (RMB) is a prudent action by the Chinese government. He believed that it is good for Indonesia as it would help to stabilise the Indonesian Rupiah.



Session on "Opportunities in Financial Services: China, ASEAN and the World". From left: Dato' Seri Prof. Dr. Tahir, Chairman, Bank Mayapada, Indonesia; Chairman, Indonesia-Chinese Entrepreneur Community and Dr. Wu Chung-Shu, President, Chung-Hua Institution of Economic Research, Taiwan

### **Panellist: Dr Wu Chung-Shu, President, Chung-Hua Institution of Economic Research, Taiwan**

Dr Wu advanced three conditions for the internationalisation of RMB, which includes the economic, political and institutional aspects. He highlighted that China's role in world economy is increasingly important, as the Chinese government is aggressively pursuing for FTAs and a closer trading relationship with other countries.

However, China needs to address its political conflicts with other countries as harmonious political relationship is a critical factor to sustain partnerships. Institutional factors are equally critical, particularly, on the need to regulate exchange rate system that is compliant to international standards. It is also important to ensure that market forces are allowed to determine the value of the RMB. In addition to these three conditions, another element that would support the internationalisation of RMB would be the liberalisation of China's capital market.

Internationalisation of RMB would benefit ASEAN by providing it with an alternative currency for trade and investment settlement as well as to reduce the risk of currency exchanges. Finally, he emphasised that the increasing integration of China's financial and capital markets into the international financial and capital markets would inevitably help to internationalise the RMB.

### **Panellist: Mr Lim Cheng Teck, Chief Executive Officer & Executive Vice Chairman, Standard Chartered (China) Limited**

To internationalise RMB, Mr Lim presented three phases to do achieve that. Phase 1 would involve promoting greater use of RMB as a trade settlement currency. It is estimated

that by 2020, trade settlement in RMB would reach USD3 trillion in value. Phase 2 would involve encouraging greater use of RMB as an investment currency. Since its inception three years ago, RMB off-shore bonds (dim sum bonds) has reached a value of RMB267 billion, and is expected to reach RMB3 trillion in the near future. Phase 3 would involve encouraging more central banks to hold RMB as reserve currency.

### **Panellist: Mr Dicky P. Yip, Chief Representative Asia/Pacific Region, Institute of International Finance (IIF)**

Mr Yip began by outlining the huge opportunity available in Asia and China, where growth rate is expected to be around 6% and 7% respectively. He then proceeded to speak about the need for China to rebalance its economy to address imbalances in (1) consumption spending, which is still a very low ratio of GDP; (2) bank lending, which is growing too quickly hence would not be sustainable; and (3) capital outflow. The way in which China addresses these imbalances would create abundant opportunities, especially in the area of (1) capital market; (2) foreign exchange market; and (3) personal wealth market. Shanghai Free Trade Zone should be watched carefully, as well as the Western region of China and the Pearl River Delta. CAFTA also offers many opportunities as China begins to welcome private capital in support of SME development.

### **Panellist: Mr John Wong, Managing Director, Group Head, Transaction Banking, Global Banking, Maybank**

Mr Wong spoke from the perspective of a foreign bank in China, expounding on bank payment obligations which facilitate electronic transfer of LCs (Letter of Credit); and on the topic of "Open Accounts" which would eliminate the need for LCs. Although Open Accounts require greater level of trust, Mr Wong noted that it has the potential to mitigate risks by minimising fraud. Open Accounts is seen as a mechanism to facilitate local companies to go regional – from China to ASEAN and vice versa. He also spoke briefly about the Bank of China's efforts to promote the internationalisation of RMB. In concluding, he called for the creation of the right economic values to provide competitive advantage to ASEAN, Greater China and also in the Asia-Pacific region.

## **SESSION 6: "FORGING ENTREPRENEURIAL PARTNERSHIPS, CONNECTING DIASPORAS"**

### **Moderator: Mr Edmond Yeo, JP, Chairperson, Chinese Information and Advice Centre; and Chairman, Ealing's Perivale Ward / Deputy Chairman (Political), Ealing North Conservative Association**

### **Panellist: Mr John So, JP, Former Lord Mayor, Melbourne, Australia**

Mr So began by proving an overview of the Chinese Diaspora in Melbourne. Melbourne Chinatown was founded during the gold rush era and is the second oldest Chinese community outside China. Most migrants consist of entrepreneurs, professionals and students. The total Chinese Diaspora in Australia amounts to 800,000 people. He spoke about public private partnership being of critical importance, but, thus far, has not been addressed in this forum. In concluding, he spoke about the benefits and attractions of investing in Melbourne.

## Recent Events

E-Newsletter – October 2013 Edition



From left: Mr. John So, JP, Former Lord Mayor, Melbourne, Australia, Mr. Lindsay Edward Fox, AC, Founder, Fox Holdings Australia / former Member, APEC Business Advisory Council, Australia, Hon. Pansy Wong, Former Cabinet Minister, New Zealand, Mr. Edmond Yeo, JP, Chairperson, Chinese Information and Advice Centre, Chairman, Ealing's Perivale Ward/ Deputy Chairman (Political), Ealing North Conservative Association, Dato' Bill Ch'ng, President & CEO, Malaysian Pacific Corporation Bhd and Dr. Peter Thong, Adviser, China International Council for the Promotion of Multi National Corporations

### **Panellist: Mr Lindsay Edward Fox, AC, Founder, Fox Holdings Australia; and Former Member, APEC Business Advisory Council, Australia**

Mr Fox pointed out that there are two types of education – practical experience and academic, whereby practical experience is a better teacher. He emphasised on the importance of friendship as the solid foundation for business, explaining that it cannot be bought but has to be earned. He then shared his 'TIL' principle for doing business which stressed on trust, integrity and loyalty being the key(s) to success. He also stressed on the importance of cash flow in business, which he likened to "blood flowing in the body". In conclusion, he advocated for adoption of the team spirit whereby people should be working with us and not for us.

### **Panellist: The Honorary Pansy Wong, Former Cabinet Minister, New Zealand**

The Honorary Wong began by illustrating the magnitude of the world's Diaspora. There are 215 million first generation migrants in the world today, which when brought together would make them the world's 5<sup>th</sup> largest nation. Out of these, 50 million are Chinese Diaspora. She noted that overseas Chinese play an important role in bringing China to the world and vice versa. The rise of China has raised the status of overseas Chinese in their domicile countries. She believed that the Chinese Diaspora is united but not uniform. There may be common virtues like working hard, studying hard and making connections but the Diaspora is different, having somewhat assimilated themselves into their domiciles.

She went on to mention that WCEF, which is an English medium based forum, is different from most Chinese Diaspora forums. It serves as a great connector between China and other countries by enabling the overseas English-speaking Chinese to interpret China for the communities they live in and vice versa, thereby facilitating smoother connection between the East and the West.

### **Panellist: Dato' Bill Ch'ng, President & CEO, Malaysian Pacific Corporation Bhd**

Dato' Ch'ng spoke about uniting Diasporas around the world rather than focusing solely on the Chinese Diaspora. He believed that Diasporas can play a meaningful role to contribute to their country of residence through mutually beneficial partnerships to prosper together without discrimination. They can find a common platform to improve the living standards rather than to indulge in political rhetoric such as subsidy or charity. Creating jobs through SMEs is an approach. However, Diasporas must work closely with the local indigenous people and society at large to help narrow the gap between the rich and the poor; rural and urban areas; as well as to eradicate absolute poverty. Connecting Diasporas will become the source of business friendships that can potentially galvanise a new generation of entrepreneurs as trade unites; unlike politics which divide.

### **Panellist: Dr Peter Thong, Adviser, China International Council for the Promotion of Multinational Corporations**

Dr Thong shared his personal view that the life of a Diaspora is lonely, being a minority in the community he is in. He believed that the modern Chinese Diaspora is very different from the early Chinese Diaspora who migrated to look for a better life. Then he stressed on the importance of perception accuracy as an inaccurate perception could lead to disaster. His final point was about the importance of Chambers and Councils where the Chinese Diaspora tended to connect with each other to establish contacts. He likened it to going for a blind date where one could find many beautiful potential brides.

## **SESSION 7: "BUSINESS, SUSTAINABILITY AND CORPORATE RESPONSIBILITY"**

### **Moderator: Mr William Lye, Past Presidents, Chinese Professional and Business Association of Victoria, Australia**

### **Panellist: Tan Sri Razali Ismail, Chairman, Global Movement of Moderates Foundation (GMMF)**

Tan Sri Razali began by noting that CSR is sometimes an act of tokenism or an exercise of atonement. In Malaysia, corporate responsibility is left to the private sector while sustainability has been outsourced by the government to NGOs. He believed that Darwinism comes into play in development, with some people left being behind and marginalised. In his opinion, responsibility to look out for this group rests not merely with the government but also with the private sector and the community. Hence businesses should be doing more corporate responsibility and sustainability. He further lamented the fact that there is no collective will just yet in Malaysia to enable corporations to be more responsible.

### **Panellist: Mr William Deague, Chief Executive Officer, Asia Pacific Group**

Mr Deague spoke about CSR from the perspective of the construction industry. He believed that proper implementation would result in organic and inorganic growth for companies. The challenge lies in persuading stakeholders to support sustainable practices. CSR can

benefit many companies and communities such as to improve financial bottom line and to alleviate environmental and social problems.

It will also result in stronger client loyalty, less litigation, better employee retention and productivity, amplified health and safety awareness, reduced carbon and environmental impact, as well as bolstered brand value. In concluding, he stressed that everyone has the responsibility to ensure that people, companies and governments to pursue CSR in their daily lives and day-to-day business.

**Panellist: Mr Gan Ping Sieu, Vice President, Malaysian Chinese Association; Former Deputy Minister of Youth and Sports Malaysia**

Mr Gan advanced his view that many people tended to look at big corporations whenever CSR is mentioned, but, in actual, a broader view that encompasses all forms of business including sole proprietorships, should also be considered. Mr Gan noted that CSR can be divided into 2 parts –business ethics, and also non-ethical issues. For non-ethical issues, giving to the poor and needy by donation to charities is a common approach undertaken by most companies in implementing their CSR obligations. There are other ways, most notably worthy causes such as youth development (example: skills training), green development, healthy lifestyle, arts and culture, social awareness (examples: crime and drug related problems). However, these are often overlooked. Another approach to CSR would be to motivate and mobilise employees to be involved in the companies' CSR activities.

**Panellist: Dr Pham Thi Thu Hang, Secretary-General, Vietnam Chamber of Commerce and Industry**

Dr Pham focused her presentation on social investment and social entrepreneurship. To have high quality growth, Dr Pham urged the need to pursue social progress and environmental protection. She views CSR as a vision and mission in doing business. She highlighted that social entrepreneurship is a new concept in Asia. Larger corporations and governments need to invest more in this area. She recommended scaling up social investment to promote an enabling environment for social investors. This can be done through intense involvement of the private sectors. She also recommended bridging the gap between social investor and social enterprises or entrepreneurs; as well as to strengthen capacity building for social entrepreneurs or enterprises.

**Panellist: Ms Norma Sit, Managing Director, Numoni Pte Ltd**

Ms Sit began with a controversial statement that CSR is a "mission for failure". She noted that corporations have created jobs and have caused dichotomy. On one hand, the charity members have critiqued the corporations about the approaches used to pursue profits. On the other hand, these charities are in need of corporations funding to implement their projects. She then touched on "social impact investing, triple bottom line investing and corporate planet accountability" whereby the planet should be considered as a stakeholder. In conclusion, she believed that CSR is a necessary good.

**Concluding Remarks by Tan Sri Lee Kim Yew, Patron WCEF**

Tan Sri Lee expressed his gratitude and appreciation to all the organisations that have supported the WCEF event. He remarked that with all these support, as a patron, he will ensure that the WCEF will progress well and be remembered as a high point history of Malaysia, in the Asia Pacific and globally.

Reflecting upon the performance of China since Deng Xiaoping took office in 1978 with the introduction of the open door policy; Tan Sri Lee noted that China's economic has continued to grow. It's GDP has progressed 8-9 percent and at one point, it accounted for 12 percent. He, therefore, encouraged foreign investors to be more optimistic about investing in China. Hence, he went on to reiterate that connectivity is the key to success when investing in China. It is the intention of the WCEF to help business investors to stay connected with China.

Tan Sri Lee underscored the capability of China in maintaining political stability. Citing China as a country with 1.3 billion population, he commended on the Chinese government's ability in ensuring the basic needs of its citizens are met; also the capacity to address natural disaster. *"There's no historical comparison to governing a country of this magnitude with this amount of order". Allowing China to raise peacefully is no threat to others, this will bring benefit to all human kind*, said Tan Sri Lee, in the pre-text about the importance of the West to adequately understand the Chinese principles.

He went on to announce that WCEF will be held in China next year. Participants were encouraged to attend the subsequent WCEF. Tan Sri Lee mentioned that he was given a book entitled "The Governing Principle of Ancient China". He concluded by citing his favourite verses that read:

*"A superior person is knowledgeable but he is humble. He says little but he puts principle into practice. He takes action but allows others to do the talking. When he sees personal gain he contemplates whether this gain will bring forth humiliations. When he wants to back away from a problem he contemplates whether this action will result in insult. As soon as greed arrives he can sense shamefulness. As soon as his anger arrives he can sense panic and disaster. A superior person will hold onto his prudent attitude all his life"*

**Closing Address: Ethical Leadership & Integrity in Economic Governance" by The Ho. Senator Datuk Paul Low Seng Kuan, Minister in the Prime Minister's Department Malaysia**

On behalf of the Malaysian government, Senator Low welcomed and thanked all participants who have attended the WCEF. He introduced himself as a former NGO activist, who is now a federal Minister in the government, who is tasked with anti-corruption and human rights portfolio. He noted that Malaysia is probably the only country in the world that has a Minister in charge of that portfolio. This demonstrates the strong political will of Malaysian government to address these issues. He mentioned that the government has the will to exercise ethical governance, and to make sure social justice prevails. Change will not happen

## Recent Events

E-Newsletter – October 2013 Edition

immediately; and England abolished slavery over a period of 25 years.

Senator Datuk Paul spoke about the issue of power, integrity and ethical leadership. As the world begins to progress economically, the issue of materialism begins to set in. If one is not careful, unbridled materialism will lead to greed; and if one is not strong and do not have ethical standards in leaderships, they will fail and fall into corruption, which is an abuse of power.



From left: Ms. Ng Yeen Seen, Senior Vice President / Chief Strategy & Programme Officer, ASLI; Senior Programme Director, WCEF, Tan Sri Lee Kim Yew, Patron of WCEF, The Hon. Senator Datuk Paul Low Seng Kuan, Minister in the Prime Minister's Department, Malaysia and Tan Sri Michael Yeoh, Chairman of WCEF and CEO of ASLI

The question is how we manage ethical leadership for the people and the country. According to Senator Datuk Paul, integrity originates from the conversion of the heart; and not by coercion. Integrity is crucial in ensuring leaders are good stewards of the resources endowed in their countries. Integrity is doing the right thing according to the ethical standards that has been set. It doesn't confine to just doing the right thing but doing the right thing when no one is watching. Integrity also means consistency in walking the talk. It means to stay true to principles regardless of circumstances.

A leader with integrity will ensure equal distribution of wealth to protect those who are marginalised and to ensure the quality of life in the country is of a good standard. Good leaders must be able to distinguish what is right and what is wrong, based on the absolute principle of justice. He stressed on the importance of ethical leadership that has good conscience. Every leader is entrusted with power and this power should not be abused. When it is abused, it leads to corruption. Corruption is defined as abuse of power for personal gain. Human by nature is self serving and self centred, therefore, leaders should be held accountable for their actions and decisions.

He cited Scandinavian countries on good governance. Senator Datuk Paul mentioned that good governance shares several characteristics such as the ability of citizens to access to information freely; the freedom of civil societies to express; and the provision of space for citizens to consult and interact with leaders.

In closing, he reminded that whatever decisions a leader takes, there will always be consequences and he prayed that

that all will have good conscience as our decisions may positively or negatively impact on others.



Mr. & Mrs. Win Aung with the Lifetime Achievement Award for Entrepreneurial & Business Leadership



Tan Sri Michael Yeoh, Chairman of WCEF and CEO of ASLI and guests at Gala Dinner



Tan Sri Razali Ismail, Chairman, Global Movement of Moderates Foundation (GMMF) and guests at Gala Dinner