

Welcome and Opening / Asia-Pacific Conference of German Business

Hong Kong, 4 November 2016

09:30 – 10:00, Plenary Hall

Dr. Hubert Lienhard
APA Chair and CEO of Voith GmbH

- The spoken word applies -

Minister Gabriel,
Dear Ministers,
Excellencies,
Honourable guests,
Ladies and Gentlemen,

As the APA Chair and CEO of Voith, let me welcome you here at the APK in Hong Kong.

This is my second time to open the APK, but the fifteenth time the conference is being held since its inception in 1986. Over the years, the APK established itself as **the** flagship event for business leaders, executives and politicians, from Germany and Asia. And the strong presence of so many old and new faces here today, proves that you see it that way too.

In 2014, I had the privilege to welcome many of you in Vietnam. Back then, we had picked a location in one of the most exciting emerging markets the Asia-Pacific region has to offer.

This time, we have chosen Hong Kong – the “Fragrant Harbour” – a vibrant port city that emerged long ago as one of the world’s major centres of international trade. Hong Kong has become a synonym for dynamism and a symbol of cosmopolitanism. 600 companies, representative offices and regional offices from Germany are present here in Hong Kong. The city remains an important gateway to the Chinese market. Because it is such a crucial gateway, few economies are as much intertwined with the global economy as Hong Kong is today.

This interconnectedness is a boon and bane. It is a boon when international trade is flowing freely due to a thriving global economy, open borders, decreasing protectionism, and cooperation among political and economic actors. Not only will a city like Hong Kong thrive under these conditions, also large nation states benefit when goods can be developed, produced and traded without impediment. Jobs are created, consumers have infinite choices according to their tastes and financial resources, the quality of life increases, and innovation happens.

But interconnectedness becomes a bane if the global economy falters, if previously open routes are closed, if protectionism prevents the free flow of goods and investments, and if misperceptions between politicians, business people and the civil society cut existing ties.

Ladies and gentlemen, the situation of the world may not be as bleak as everyday media coverage might suggest. “Bad news are good news” is a common saying among journalists and therefore lots of the good news are buried under a mountain of disturbing information. It is therefore important to remind ourselves that the world has never been as prosperous, healthy, and innovative and – yes – peaceful. Despite the many armed conflicts around the world, in relation to the global population, fewer people are dying in wars than in previous decades.

However, whichever way we look at the world today, we do have to acknowledge that we are facing serious challenges. New technologies offer tremendous potential for producers and consumers alike, but they are also changing the way we work and live. This change has to be managed responsibly.

Meanwhile, xenophobia and nationalism are on the rise. Globalisation has become so complex that some are turning against it because many people feel that they are losing control over what is happening around them. At the same time, the global economy has still not fully recovered from one of its worst crises in modern times. In response to these trends, protectionist sentiments are growing.

Ladies and gentlemen, we need to be afraid of a worldwide backlash against globalization. We need to find the right responses to counter this trend.

To find out what these responses are, we need to ask the right questions first. And this is what we are planning to do here at the APK. We need to ask ourselves:

- How to promote globalization as a positive force that benefits all of us?
- How can we counter xenophobic and protectionist tendencies?
- How should a sustainable world economy look like?

- How can we manage and shape the digital transformation of our industries and lifestyles and manage and increasing complexity?

I believe that these are some of the key questions of our time. And all of them will be addressed by at least one of the panels at the APK. The conference has been prepared by many helping hands. My gratitude goes to them and to all our sponsors, especially the Diamond Sponsors:

Commerzbank

Deutsche Bank

HSBC

Mercedes-Benz

TÜV Rheinland

I am confident that, through personal exchange and discussions, we will be able to get closer to the answers. Communication is key here. Interestingly, the man who invented fiber optics, the glass cables that have so significantly changed how we

communicate today, is from Hong Kong, Professor Charles Kao, the winner of the Physics Nobel Prize.

Whether through fiber-optic communication via Wifi by using our great APK App – which should be fun to use by the way – or in person. I wish all of you inspiring discussions, successful business meetings, and answers to the questions you bring into our conversation.

Thank you very much! And now it is my pleasure to introduce your co-host, Minister Sigmar Gabriel.