

CHINA DEVELOPMENT FORUM 2013

“China: to Deepen Reform and Opening-Up for a Well-off Society”

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Opening Speech

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APA Chairman & CEO Siemens AG

Honorable Vice Premier Zhang,
Minister Li,
Chairman Wang,
Your Excellencies,
Ladies and Gentlemen,

I thank the China Development Forum for inviting me to be the co-chair of this year's conference. That's a great honor.

Just a few days ago, President Xi Jinping talked about the dream of the Chinese people and called for: "bringing benefits to the people." China's 12th Five-Year Plan calls for:

- Shared prosperity,
- A resource-saving and environmentally friendly society,
- And balanced, more sustainable economic growth.

This vision of a prosperous and sustainable China – of a beautiful China – is the beginning of the story, not the end. The first chapters of the story were amazing.

- Two decades with average GDP growth over 10 percent.
- 370 million jobs created.
- 500 million people lifted from poverty.

Today, China is the world's largest exporter and its second largest economy. Now China is writing the first pages of a new chapter. In this chapter, China faces the challenge of rebalancing its growth model. That involves boosting domestic consumption, strengthening social safety nets, liberalizing service sectors, making the transition to a more sustainable energy supply system, and, at the same time, providing for lasting competitiveness.

Both the former and the new Chinese leadership have indicated that change is needed. And the theme of this year's Forum reflects that: "Deepen reform and opening-up for a well-off society." My discussions with fellow CEOs and thought leaders from non-governmental organizations and academic circles indicate that improvements in five areas are essential in this regard:

- First, a skilled and educated workforce – successful innovation depends on the creativity and skills of people. Providing access to training and education to broader segments of the Chinese population and a more balanced regional development are key.
- Second, a culture of innovation – a culture that rewards inventors for their efforts and entrepreneurs for their willingness to take risks. The effective protection of intellectual property rights is vital to drive innovation, both for foreign and domestic enterprises.
- Third, the rule of law – good governance and the constant fight against corruption are critical to a country's competitiveness.
- Fourth, policies that promote energy efficiency and the deployment of green technologies.
- And finally, policies that encourage free trade and foreign investment.

Continuous improvements in these areas are most likely to pave the way to sustainable growth and lasting global competitiveness.

The multinational corporations represented here today operate and thrive all over the globe and in all kinds of markets. We are eager to share best practices and lessons learned with our Chinese partners. To that end, the CDRF has organized an engagement initiative, which a number of multinational companies represented at the CDF have joined. The initiative covers six key areas:

- Energy, industry upgrading, aging of populations, urbanization, innovation, and food safety

In its endeavor to make its vision of a prosperous and sustainable society real, China can count on us to continue to be trusted and reliable partners, as it begins a new chapter in its history. We firmly believe that partnership paves the way to a beautiful China – a society in which the Chinese people enjoy prosperity and quality of life.

I am very much looking forward to Vice Premier Zhang's keynote.