

**WTO FORUM OF THE 6TH**

**SHANGHAI INTERNATIONAL**

**INDUSTRY FAIR**

**Agenda**

December 1, 2004? Wednesday?

Time	Content	Venue
9? 00 am	Declaration of the opening of the WTO Forum of the 6th Shanghai International Industry Fair	
9? 02 am	Welcome Address - Mr. Wang Zhan, Chinamen, SCC/WTO	
9? 10 am	<b>Topic one:</b> Global Service Industry's growing tendency Speakers: -Senior officer, European Services Forum -Thomas G. Aquino Undersecretary International Trade Group Department of Trade and Industry, Philippines	
9? 40 am	<b>Topic two:</b> China's Service Industry's growing tendency Speakers: - Mr. Li Zhongzhou, Deputy Director, Division of Services Infrastructure for Development & Trade Efficiency, UNCTAD	
9? 55 am	Q & A session	
10? 25 am	Coffee Break	
10? 40 am	<b>Topic Three?</b> China's Service Sector after WTO Accession 1) After WTO Entry & Assets and Equity Exchange System Speakers: - Mr. Brant W. Free, Senior VP , Chubb Group of Insurance Companies - Mr. Cai Minyong, President, Shanghai United Assets and Equity Exchange	Ball Room, 2/F, Hua Ting Hotel & Towers, Shanghai
11? 10 am	Q & A session	
12? 00 am	Lunch	
14? 00 pm	2) China After WTO Entry & Outsourcing Service Base Speakers: - Mr. Wang Xinkui, President, SCC/WTO - Mr. David Levy, Chairman, LEVCO of Canada -Mr. Wilson Zhu, VIP member, North American Outsourcing group	
14? 45 pm	Q & A session	
15? 15 pm	Coffee Break	
15? 30 pm	3) China After WTO Entry & Distribution Networks Speaker: - Mr. Mickey Kantor, former US Secretary of Commerce	
15: 45 pm	4) China After WTO Entry & Logistics Service Platform Speaker: - Senior Officer, Bax Grobal - Eddy Chan, FedEx	
16? 15 pm	Q & A session	
16? 30 pm	End of the first day's WTO Forum	
18: 30 pm	<b>Working Dinner</b>	Hua Ting Hotel & Towers, Shanghai

**Agenda for WTO Forum of the 6th Shanghai International Industry Fair  
(Draft)**

December 2, 2004? Thursday?

<b>Time</b>	<b>Content</b>	<b>Venue</b>
9: 00 am	<p><b>Topic Four: Doha Agenda &amp; Multinational Commercial System</b></p> <p>1) Doha Agenda &amp; WTO's Perspective</p> <ul style="list-style-type: none"> <li>- Mr. Supachai Panitchpakdi, WTO Director General</li> <li>- Mr. Andrew Stoler, former WTO Deputy Director General</li> <li>- Mr. Sun Zhenyu, Chinese Ambassador to WTO</li> </ul>	<p align="center">Ball Room, 2/F, Shanghai Hua Ting Hotel</p>
9? 40 am	Q & A session	
10: 05 am	Coffee Break	
10: 15 am	<p>2) Doha Agenda &amp; Asia Economy</p> <ul style="list-style-type: none"> <li>- Mr. Anwarul Hoda, former WTO Deputy Director General</li> <li>- Mr. Mitsuo Matsushita, former WTO Appellate Body member</li> <li>- Mr. Long Yongtu, Secretary General, Boao Forum For Asia</li> </ul>	
11? 00 am	Q & A session	
11? 30 am	End of WTO Forum	
11? 30	Lunch	Shanghai Hua Ting Hotel

# Agenda for '04 Annual Conference of Shanghai WTO Affairs Consultation

## Center Advisory Committee

December 2, 2004? Thursday?

Time	Content	Venue
14: 00 pm	Mr. Han Zheng, Mayor of Shanghai, meets with foreign and Chinese advisors and experts.	Hua Ting Hotel & Towers, Shanghai
14: 20 pm	Ceremony on issuing a newer senior advisor of SCC/WTO	
14: 25 pm	Group photo taking activity	
14: 30 pm	Opening of 2004 Annual Conference	
14: 30 pm	Key speech by Mr. Han Zheng, Mayor of Shanghai	
14: 50pm	Speech by senior official from MOC	
15:10pm	Speech by Mr. Wang Xinkui, Vice Chairman, China Political Consultative Council Shanghai committee	
15: 30 pm	<p><b>Topic One: Doha Agenda &amp; Multinational Commercial System</b></p> <p>1) Doha Agenda &amp; WTO Perspective</p> <p>Speakers? - Mr. Supachai Panitchpakdi,</p> <p>WTO Director General</p> <p>-Mr. Sun Zhenyu,</p> <p>Chinese Ambassador to WTO</p>	
3? 55 pm	<p>2) Doha Agenda &amp; Asia Economy</p> <p>Speakers? - Mr. Anwarul Hoda,</p> <p>former WTO Director General</p> <p>- Mr. Li Zhongzhou,</p> <p>Deputy Director, Division of Services Infrastructure for Development &amp; Trade Efficiency, UNCTAD</p>	
16: 25 pm	Coffee Break	
16: 40 pm	<p><b>Topic Two? China's Service Industry After WTO Accession</b></p> <p>1? International Economic Center &amp; Outsourcing</p> <p>Speakers? - Mr. David Levy,</p> <p>Chairman, LEVCO of Canada</p>	
16? 55 pm	<p>2) International Financial Center &amp; Property Right Exchange Service</p> <p>Speakers? - Mr. Free</p> <p>Senior VP, Chubb Group of Insurance Companies</p> <p>- Mr. Cai Minyong,</p> <p>GM, Shanghai Assets and Equity Exchange</p>	

17:25 pm	3) International Trade Center & Distribution Service Speakers? - Mr. Mickey Kantor, former US Secretary of Commerce	
17:40 pm	4) International Shipping Center & Logistics Service Speakers? - Senior officer? Bax Grobal - Eddy Chan, FedEx	
18:10 pm	Conclusion speech by senior official from Shanghai Municipality	
18:30pm	Banquet	

**Background for  
2004 Annual Conference of Shanghai WTO Affairs Consultation Center Advisory  
Committee & WTO Forum of the 6th Shanghai International Industry Fair**

In 1990, the central government proposed a strategy of “one dragonhead, three centers” -- it can be detailed as “ with the development of Shanghai Pudong area as the dragonhead, to further open the cities along the Yangtze River, to build Shanghai into an international economic center, financial center and trade center and drive the economic development of areas along the Yangtze River Valley. In 2000, the central government clarified that Shanghai should be built into a modern international metropolis including “four centers” - the new goal includes one more center, international shipping center.

Economic scale and Industrial structure is a fundamental criterion for evaluating any modernized international Metropolises, and Industrial structure is more important than Economic scale. In modern economic life, the international competitiveness and internationalized level of a city and an area are very much determined by the service sector in industrial structure, particularly the proportion of the production service industry. However, China’s largest cities as economic centers including Shanghai, have seen the unbalanced development of the manufacturing and service industries, and a phenomenon of production service industry’s “ short leg ” is unavoidable, therefore it is more difficult for them to utilize their service functions to drive the development of the regional economy in comparison with other international metropolises.

As China has entered the transitional period after its WTO accession and “Doha Agenda” framework agreement has been signed, China has fulfilled its commitment in the service sector; therefore, the internationalization of China’s service industry becomes another big issue for its economic development following the urbanization and industry Modernization.

One of the Themes for 2004 Annual Conference of Shanghai WTO Affairs Consultation Center Advisory Committee is “Modern Service Industry: A Development Platform for Shanghai”. It includes four topics:

- Topic 1 International Economic Center & Outsourcing Clusters
- Topic 2 International Financial Center & Service Chain for Assets & Equity Exchanges
- Topic 3 International Trade Center & Distribution System
- Topic 4 International Shipping Center & Logistical Networks.

The theme for WTO Forum of the 6th Shanghai International Industry Fair this year is “WTO Accession & Development of Service Industry In China”, it can also be divided into four subjects as follows:

- a) The Development of Outsourcing Clusters: Opportunities & Platforms in China
- b) The Development of Service Chain for Assets & Equity Exchanges: Opportunities & Platforms in China
- c) The Development of Distribution System: Opportunities & Platforms in China

#### d) The Development of Logistical Networks: Opportunities & Platforms in China

##### Brief introduction of Topic 1

Shanghai is the largest port city in China. It has goods valued US\$300 million imported and exported each day, and its handling capacity reaches 1,500,000 tons per day. Shanghai has been attracting a large amount of foreign capital and investment, each day US\$17,000,000 flow into Shanghai market. Over 400 Fortune 500 multinationals have their presence in Shanghai, over 22,600 domestic companies have their establishments here. Shanghai is also a most active city in technology export and human resources sector. In recent years, with the development of the strategy for social economy, Shanghai has expanded its central city from 600 kms to 6,000 kms and become a larger city with three key development areas and six industrial bases. It has become an ideal market for labor-intensive and capital-intensive manufacturing industry and service industry outsourcing business by developed industrialized countries. According to Kearney, a management consulting company, India and China are placed top one and two respectively in terms of attracting outsourcing projects.

##### Brief introduction of Topic 2

In 30's last century, Shanghai used to be a financial center in the Far East. However, the previous financial center was more weak in its size and operational methods as well as its influence in the world, compared with current financial centers. Different financial index shows that the gap between Shanghai and other international financial centers is gradually narrowed, but in any sense Shanghai is still a domestic financial center, or it will become one of most perspective international financial center this century. In order to fasten the construction of Shanghai as a financial center and better its financial market and other relevant markets, since 80's last century, the central government gave the priority to Shanghai in terms of financial policies, and the establishment of an inter-bank lending and borrowing system involving the Shanghai Stock Exchange, the Shanghai Gold Exchange, the China Foreign Currency Exchange Center and banks showed that a complete financial market system was formed in Shanghai, and it covers currency market, capital market, foreign currency market and gold market.

As a largest financial center in China, Shanghai has over 30 billion RMB circulated in different domestic financial markets each day. The weighted average exchange rate produced in the China Foreign Currency Exchange Center and the weighted average interest rate coming from China's inter-bank lending and borrowing system, have become a standard for China's exchange rate and interest rate. Even before China's WTO entry, Shanghai's financial service industry was very liberalized, and it proves to be more liberalized after China's accession. On December 18, 2003, with the perfection of the financial market, under the guide of the State Council, the Shanghai Assets & Equity Exchange and the Shanghai Technology Assets & Equity Exchange were merged to form the Shanghai United Assets & Equity Exchange. The Shanghai United Assets & Equity Exchange becomes the largest one especially conducting unlisted company's property and technology property rights and a comprehensive exchange platform for all kinds of property rights including creditor's rights, stock right and intellectual property right, etc., also, it becomes an important market platform for healthy flow of

state-owned property and circulation of foreign and domestic capitals. At present, the Shanghai United Assets & Equity Exchange has over 300 member companies and has over 10 well-known foreign consulting companies as its strategic partners, including J.P. Morgan, KPMG, Anglo Financial Advisor Co., Ltd., RECOF, and PWC. In 2003, its trade volume reached 324,400 million RMB and 148,100 million RMB in the first half of 2004.

### Brief introduction of Topic 3

As a biggest port city in China, through its strategy of "prospering trade with science and technology" and "two-way opening policy", Shanghai fully use resources from both overseas and domestic markets to build an international trade center. As early as 1992, Shanghai took the lead in establishing a first Sino-foreign joint trading company in China, then many global commercial giants like Metro, Carrefour and Wal-Mart followed to have their presence in Shanghai. Since 1999, wholesale sector and chain operation sector is open to foreign players respectively. In 2002, the total retail volume for social consumer goods in Shanghai topped 200 billion RMB for the first time, the scale of Shanghai's retail market satisfies the standard an international commercial center should reach. The development of industries enters a mature period and an internationalized and mature consumption market with various needs emerges.

Since China's entry into WTO, with the opening of the circulation industry, distribution market becomes a focus. Distribution service can be understood as retailing service for commodities and related services. According to China's commitment to the "Schedule of Specific Commitments on Service", distribution service includes four aspects: brokerage agent, wholesale, retail and franchising operation. According to WTO timeline, distribution business for fertilizers, finished oil and crude oil will be open to foreign countries within 5 years after China's entry to WTO, and distribution business for other products has already been open to foreign service providers, furthermore, China grants foreign players the right to conduct trading business according to recently-revised 'Foreign Trade Law of the People's Republic of China'. As China implemented a control system which separates production from distribution, wholesale from retail and domestic trading business from foreign trading business for a long time, the free circulation of commodities is hindered to some extent. With the fastening of foreign / domestic trading integration progress, people can expect that the integration of international and domestic market will soon be realized and there is more space for distribution service players to maneuver for sure.

### Brief introduction of topic 4

In February of 2001, the State Council approved Shanghai's overall development plan and determined that in addition to previous "three centers", Shanghai should have one more center - the international shipping center. The modern logistics industry, as a major function for an international shipping center, is treated as one of pillar industries to be particularly developed during the period of China's 10th Five-Year Plan; again according to city's overall plan, Shanghai also plans to build "three harbors"(air harbor, deep water harbor and information harbor), "two networks" (metro railway network and inter-city expressway network covering surrounding Jiangsu and Zhejiang Provinces) and "one river" (Huangpu River). As China's

largest port city, Shanghai has the geographic advantage: it lies in the center of east costal line and is an entrance to the Yangtze River. Shanghai changes its role from previous largest industrial products distribution center in China to a market disposal center for production elements. Its production element turnover accounts for 1/4 in China.

As to the road transportation sector, Relied on its railway network, expressway network and cross Yangtze River bridges, Shanghai focuses on the development of some “free ports” including Waigaoqiao Bonded Zone Logistics Park, Pudong Airport Logistics Park, Shanghai Northwest Logistics Park, Shanghai Southwest Logistics Park and Yangshan Deep Water Port Logistics Park.

In addition, relied on the Yangshan Deep Water Port, the Yangtze River and the Shanghai Shipping Exchange, through the construction of standard ships available for all rivers and seas, Shanghai positively strives to become an international shipping center.

In the air transportation sector, Shanghai Pudong International Air Harbor attracts many global courier giants including FEDEX , UPS , TNT and DHL which have moved their regional headquarters to Shanghai; additionally, it also absorbs some domestic courier players to have their establishments in Shanghai, EMS, China’s largest courier service provider set up a distribution here. Modern logistics service becomes one of pillar industries with great potential in the Yangtze River Delta and Yangtze River Valley areas.