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Delegates mark the opening of the first China-ASEAN Industrial Cooperation Conference that began yesterday in Kunming.

Conference strengthens cooperation in commerce

By HAO NAN

The first China-ASEAN Industrial Cooperation Conference held yesterday in Kunming attracted some 200 government officials, entrepreneurs and trade association representatives as well as delegates from ASEAN nations' embassies in China.

Trade associations participating are from a wide range of sectors including textiles, machinery, construction materials, minerals, tobacco and food.

"The conference will shed more light on business cooperation between countries and bolster development of the China-ASEAN Free Trade Area (CAFTA)," said Qiu He, Party chief of the Kunming city committee.

CAFTA, which took effect on January 1, provides more open markets and enhances Kunming's role as a business hub in the region, Qiu said.



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Ruan Fengbin

Ninety percent of products traded between China and the six original members of ASEAN are free from tariffs, which drops China's average tariff rate on ASEAN trade to 0.1 percent, far below the 9.8 percent average in foreign trade.

In 2015, 90 percent of products traded between China and Vietnam, Laos, Cambodia and Myanmar will also enjoy zero tariffs.

Kunming's trade with ASEAN increased sharply in recent years, rising 24.2 percent in 2009 despite the global economic crisis.

Trade volume reached \$1.2 billion in the first seven months of this year, up 60 percent from the same period a year earlier.

Bilateral investment is also booming. Investment from Kunming in the ASEAN region has now surpassed \$60 million while ASEAN investors have poured more than \$30 million in the provincial capital.

Bordering Southeast Asia, the frontier province has traditionally close ties with its neighbors. The provincial capital Kunming is now at the center of increasing regional cooperation.

"Our city is forging ahead with building the China-ASEAN Free Trade Area," said Ruan Fengbin, vice-mayor of the host city, adding that local authorities are stepping up reforms and opening-up to create a better environment.

China-ASEAN collaboration grows



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Lu Renqi from China



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Simon Li from Singapore



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Pwint San from Myanmar

By LI YINGQING AND XU XIAO

The price, quality and variety of China-made machines give them a competitive edge in the ASEAN markets, said Lu Renqi, vice-president of China Machinery Industry Federation (CMIF).

Machine manufacturing should remain an important part of bilateral trade, she continued.

While China's foreign machine and equipment trade dropped nearly 14 percent last year, transactions with the ASEAN increased 9 percent.

Chinese machine and equipment makers exported more than \$12 billion in products to ASEAN markets in the first half of this year, taking up more than two thirds of ASEAN trade in the sector, said Lu.

During the same period, machines and equipment accounted for more than one fifth of total trade with the ASEAN.

Indonesia and Vietnam are the two largest export destinations for Chinese machine makers, the VP noted.

But despite ASEAN trade growth, bilateral cooperation still faces a range of problems. These include a lack of knowledge about favorable China-ASEAN Free Trade Area (CAFTA) policies, price competition, trade barriers and security concerns, said Lu.

She advised holding more dialogues, increasing communication and promoting CAFTA policies.

Lu noted that CMIF will welcome local ASEAN companies to tour Chinese enterprises.

This will help them learn about China's standardization and quality certification systems, said the VP.

In its upcoming five-year plan, CMIF has made it a priority to optimize industrial structure and promote eco-friendly and energy-efficient products, Lu added.

China and Singapore

Simon Li, vice president of Singapore Manufacturers' Federation (SMF), noted that the manufacturing industry represents one fourth of his country's GDP.

With the development of CAFTA, Singapore and China should enhance cooperation in production, investment and human resources, he said.

China is Singapore's third biggest trade partner and seventh largest investment source. It generated \$52.05 billion in trade revenue last year.

Some 18,000 Singapore sponsored companies have been established in China, representing an investment in excess of \$44 billion.

Currently, 154 Chinese enterprises are listed on the Singapore Exchange (SGX). Their market value accounts for one third of SGX's total.

And now, Singapore has established economic cooperation agreements with seven Chinese provinces. Flagship projects in Suzhou, Tianjin, Guangzhou and

Jilin are pivotal, said Li.

The SMF VP mentioned he was impressed with Kunming's flourishing economy, and hoped to promote further trade with China's medium and small-sized cities.

Furthering cooperation

Myanmar Industrial and Commercial Federation (MIFC) expects to play a more active role in bilateral collaboration, said Pwint San, secretary-general of the organization.

He noted that MIFC will take the following steps:

- respect trade partners on an equal basis.
- establish cooperation in accordance with the Agreement on the Common Effective Preferential Tariff Scheme for AFTA (CEPT) and concerning policies of CAFTA.
- simplify administrative procedures.
- promote development of the private sector.
- attract medium and small-sized enterprises and strengthen management.
- implement stimulus policies other than taxes.
- integrate resources and share each other's experiences.

In addition, President of Indonesia Textile Federation Ade Sudrajat Usman, Chi Wai David Lau, a representative from a Thailand trade association, and Vice-Chairman of Vietnam Chamber of Commerce and Industry Khuong Duy Doan also each gave a speech at the meeting.



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Ade Sudrajat from Indonesia



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Chi Wai David Lau from Thailand



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Khuong Duy Doan from Vietnam

Associations now linked in regional trade

By ZHANG ZHAO

Cooperation between commercial associations provides a new path for business partnership between China and ASEAN, according to a declaration released at the first China-ASEAN Industry Cooperation Conference (CAICC) that opened yesterday in Kunming.

As the fourth-largest trade partner of each other and benefiting from complementary resources, China and ASEAN have vast potential for industrial cooperation, the declaration says.

Governments of all nations in the region see potential in a number of major industries and appreciating the important role of chambers of commerce play, the declaration says.

Both sides will enhance collaboration in agriculture, IT, human resources, environmental protection and development of the Greater Mekong River Sub-region.

Trade associations from both sides will establish more strategic

cooperative programs covering technology, energy development, tourism and transportation, the Kunming declaration says.

Through industrial transformation, they aim to expand markets in the China-ASEAN Free Trade Area (CAFTA) and attract more investment, sharpening CAFTA's global competitive edge.

Commercial associations should communicate with government divisions and enterprises, while the enterprises, as key players in cooperation, should give advice to respective governments and commercial associations, noted the declaration.

An information-sharing network will be established for unified standards on products and services in the region.

Companies can also release information about their products and demand via the system.

China and ASEAN will jointly hold training programs, especially for managers of the small and medium-sized enterprises, to meet

the needs of the development of certain industries.

The China-ASEAN Business Council (CABC) will play a major role, as the economic ties between China and ASEAN is becoming closer, said Xu Ningning, vice secretary-general of China-ASEAN Business Council at the three-day Kunming conference.

Xu suggests that China and ASEAN should make new plans of cooperation between commercial associations of both sides as soon as possible.

He also called for expanded areas, innovated forms and improved systems for bilateral collaboration.

As part of the China-ASEAN cooperation system and the first meeting about the docking of industries since the establishment of CAFTA, CAICC plays an important part in guiding both sides' operations.

China will continue hosting the conference in the future, the declaration says.



FREE TRADE AREA

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Food processing area at Yunnan Sanren Food Co. Duty free trade between China and ASEAN nations has eliminated levies on a range of goods.