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TWO-PART HARMONY

CHINA AND EUROPE CELEBRATE, BUT ARE THEY SINGING FROM THE SAME SONG SHEET?

By FU JING
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In 1975, when most Chinese families were struggling to keep the wolf from the door and Europeans enjoyed the kind of lifestyle that Chinese do now, Beijing and Brussels wooed each other.

Their coming together stemmed from their dissatisfaction with the geopolitical rivalry between the Soviet Union and the United States. After 40 years of diplomacy, Europe and China have changed economy.

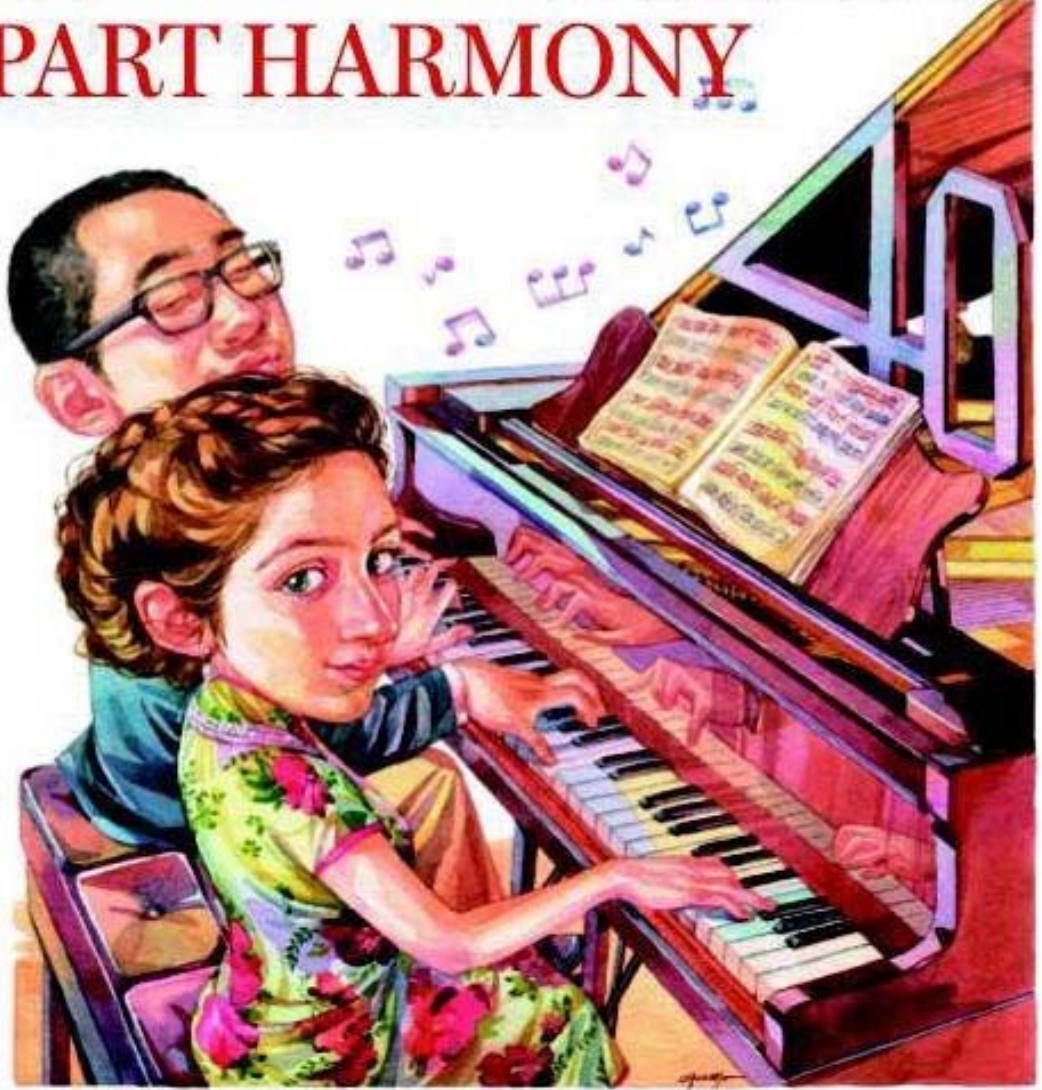
By and large, Chinese can feed themselves and go abroad in their millions for work or travel. Many struggle to lose weight and try to keep fit by adopting a healthier and more active lifestyle.

The European Union has evolved from a community of several powers in Western Europe in 1975 to a union of 28 countries and a population of 500 million.

The EU's eastward integration process is still on, though the situation in Ukraine is problematic. China has expanded its westward policy by launching Silk Road initiatives that would tie China more closely with other countries in Asia, as well as East Africa, the Middle East and Europe.

When Beijing and Brussels hold ceremonies to mark the 40th anniversary of their relationship on May 6, Chinese and European leaders are expected to endorse what both sides have achieved in four decades and send new signals on how to improve the partnership.

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中欧关系 — 1975-2015 —
EU-CHINA RELATIONS

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Cover story

Anniversary: A relationship of ups and downs



FROM PAGE 1

In the process of implementing their respective westward and eastward strategies, China and the EU viewed as distant acquaintances by some European scholars, should reacquaint themselves with each other and try to find more common ground. Beijing has undertaken such efforts in recent years.

It has already staged cultural events and performances to let Europeans know that China has always valued. Profers of such events have been put up in the streets of Brussels, and more events will be organized to mark the significance of the occasion throughout the year.

On May 6 Frederica Mogherini of the European Union and the European Commission will attend a celebration in Beijing and hold her first strategic dialogue with her Chinese counterpart Yang Jiechi.

In Brussels Jean-Claude Juncker, president of the European Commission, will attend an event co-organized by the Chinese mission to the EU and the European External Action Service.

In early June Beijing and China are scheduled to hold the sixth round of investment treaty talks with the hope of achieving tangible results. A positive outcome could pave the way for free trade agreement negotiations on both sides.

Premier Li Keqiang will fly to Brussels to attend the EU-China summit, endorsing mutual development priorities and promoting a partnership of peace, growth, reform and civilization, which was proposed by President Xi Jinping when he visited the EU last year.

Chinese ambassador to the EU Yang Yanyi says several things are of historic significance, including Xi's visit and his ideas on the bilateral relationship.

She says it is worth remembering that China's Foreign Minister Qiao Guanhua held talks with the Vice-President of the European Economic Commission Christopher Soames on May 6, 1975 and reached a consensus on establishing diplomatic relations between China and the commission. At that time, she had just graduated from university and begun her diplomatic career.

Another milestone is 2003, when Brussels and Beijing set up a comprehensive strategic partnership.

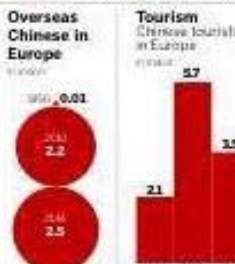
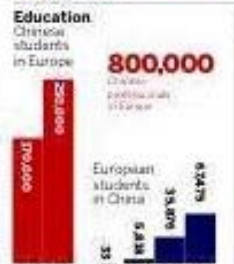
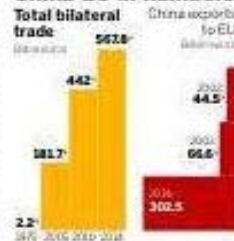
Apart from mutual political recognition, the EU and China have both benefited from each other economically because of their position in the global industrial chain. Partly due to Europe's knowledge, technologies, management, capital and market, China has become the world's biggest exporter, though this pattern is changing.

All these connections and alliances have led to firms of people. The former BBC journalist Alex Kirby says that in 1975 Europe could only imag-



President Xi Jinping with Harman Van Rompuy (right), president of the European Council, and Jose Manuel Durao Barroso, president of the European Commission, during Xi's visit to Brussels last year.

China-EU in numbers



line China. Now there are 70 direct flights linking China and Europe, and new land routes are emerging. Over 40 years both parties in the relationship have had myriad successes to celebrate but, as with any close relationship, there have been disagreements and tensions. Trade has been a fertile ground for such disputes, and

both sides say they have become more common. China has been ranked by what it regards as the aggressive way the EU has treated its textile and solar panel exports, particularly since China joined the World Trade Organization in 2001. China has also been irked by what it

regards as a tendency by the EU to too quickly fall in with the United States when it comes to big political decisions. It supported Washington when the US imposed economic sanctions on Beijing in 1989, though diplomatic relations normalized in 1992. Brussels and Washington agree on retaining a weapons embargo on China or giving

the country market economy status.

It should also be remembered that on May 7, 1999 NATO accidentally dropped five bombs on China's embassy in Yugoslavia. Four Chinese nationals died and 21 were wounded.

Of more present concern are matters economic, and one of these is currencies. Chu Pulin, president of the China Institute for Reform and Development, predicts that over the coming 10 years the euro will become more stable and the renminbi more international. Paul de Grauwe, a professor at the London School of Economics, has predicted that the currencies in line to become world currencies are the renminbi, then the euro.

I believe Brussels will support Beijing as a way to decrease the strength of the dollar in the international financial regime. This stance has given China and other emerging economies more say in global financial reforms since the financial crisis of 2008. European countries seeking to become founding members of the China-led Asia Infrastructure Investment Bank is an example of such support.

In the coming decade, China will need to increase its educational competitiveness to attract more young Europeans to China. It will also need to improve its standards of higher education and build more universities. Apart from the UK, France and Germany, those countries with a population of 10 million people should be regarded as competitors for each province or big city in China.

Of course, all of this takes a lot of time and energy, but if China wants its soft power to match its global influence and economic clout, this is a must.

The Europeans have set a good example for the Chinese. Regarding this, the Chinese writer Tammy Lau has said education and culture are essential bridges for Chinese and Europeans to build.

Meanwhile, Beijing and Brussels will be naturally linked together because of a daunting challenge they both face. When both sides established diplomatic relationship, Europeans had already started to tackle environmental pollution and focus on development pattern changes by restricting growth.

China now faces this challenge. If Europeans can share their experience and transfer their cutting-edge technologies, all will be winners. In his contribution to this special issue, the EU Ambassador to China Hans Dietmar Schweigert, who was in the US preparing his thesis for master's degree when Beijing and Brussels shook hands in 1975, agrees.

Apart from matters relating to currency, education and pollution it is likely that more Europeans and Chinese will be able to travel via high-speed trains between major cities in China and Europe.

Of course, Beijing may have such a vision in mind as it to connect Beijing and Moscow by high-speed rail. If Europeans are alive to such proposals, it will be easier to avoid the relationship falling into a rut and bring Beijing and Brussels closer together.

* Exchange rate: 1 USD = 6.26 RMB. Source: China Ministry of Commerce, Aitong Management (and NBS), China's Ministry of Foreign Affairs, Eurostat, China's Ministry of Education, Center for China and Globalization, China National Tourism Administration, Chinese Affairs Office of the European Council.

Cover story

Good relations must be built on respect

I am delighted that Brussels and Beijing will soon usher in the 40th anniversary of diplomatic relations, coming after France and China marked their 50th anniversary last year.

The anniversary of this cooperation is a good opportunity to think about our shared future, as well as showing the progress we have made in developing mutual understanding. In political affairs, China and Europe have the same vision about peace on the Earth through building a multipolar world.

Former French president Charles De Gaulle had the courageous vision that friendships between nations would play a smart role in building a world of harmony. However, our world today is a sum of nations, with peace and business linked to the balance between continents.

Chinese President Xi Jinping has focused on the development of Asia with the development of Asia through major projects, such as the Asian Infrastructure Investment Bank. Against this backdrop, we have to develop further links between Asia and Europe. France and other European countries are ready to support this new era.

I am not only a frequent visitor to China, but also someone who enjoys the confidence of the new leadership in China. I have set a record of sorts in Europe by visiting China once every three months for the past 40 or so years. Though most of these visits have brought me closer to factories and poor villages in China, they have also given me an opportunity to closely interact with the new leaders who will one day take the helm there.

My first trip to China was in 1971, on a student visit to Hong Kong. I also visited Shanghai, and at the time the country was a "mystic-

rious and forbidden" place, where the faces of ordinary people were often etched with sadness.

But even then what was endearing was the vibrancy of the young people. Most of those I met were warm and encouraging and gave me the feeling of a good and strong economy at the making.

According to my observations in China since 1971, top leaders are important, but there is also a team to implement the collective management of the country. Through the years, I have kept track of the progress made and my initial impressions have been proved more than correct.

I have been particularly impressed by the Communist Party of China's commitment to double the 2010 GDP and per capita income for both urban and rural residents by 2020, which sends a good message for debt-ridden Western countries. It is good for Chinese citizens, as the higher income will increase consumption, and at the same time it is encouraging for European countries such as France.

China's new goal is to rely more on domestic consumption rather than foreign investment and foreign trade for economic growth. More importantly, such a development model will encourage the expanding middle class to spend more on goods exported from European countries, travel overseas and send more students abroad. Further industrialization and urbanization in China will also offer more opportunities for European technologies and knowledge.

All these trends will help unlock the potential for several European countries.

No other French politician can say they enjoy such a close rapport with President Xi and Premier Li Keqiang as I do, and I will use this advantage and knowledge to further strengthen ties between our countries, as well



as Asia and Europe as a whole.

Xi is experienced, direct and straightforward, and he has enough knowledge about Europe. My relationship with Li dates back

several years to when he was Party secretary of Liaoning province. He is down to earth and open-minded, and his team is extremely professional.

Policymakers in Europe should be aware that, like Xi and Li, all 25 other members of the Political Bureau of the CPC's Central Committee are equally important and capable. In other words, Europe should have the utmost confidence in the Chinese leadership.

In economic development, we share a win-win strategy and are aiming for reciprocity. In the future, Europe will be an important destination for Chinese investment. China has announced it will invest \$100 billion a year abroad. Europe must adapt its rules to meet success with Chinese initiatives. Research and innovation are also main priorities for both China and Europe.

China and Europe can bring together a world vision of sustainable development. It's an important priority of the Chinese government and it opens the way for success at the climate change conference in Paris in December.

It's an important priority of the Chinese government and it opens the way for success of the Paris Climate Change Conference in December 2015. China and Europe can bring together a world vision of sustainable development.

There's no doubt in my mind that the main part of our future cooperation must be cultural. In fact, both Europe and China must be interested in each other's civilization. Each country has to learn about the others. In the past, in 2003 with SARS crisis and in 2008,



I learned to like China. It does not mean that I agree with all the Chinese positions, but I understand and I respect them.



when France's president threatened to boycott the opening ceremony of the Beijing Olympics over Tibet, I had the opportunity to discuss the issues deeply with Chinese authorities. I worked to understand both positions and to promote respect for the Chinese point of view.

This is a cultural matter. For a long time, I read a lot of Chinese books, listened to Chinese music, learned Chinese poetry — I learned to like China. It does not mean that I agree with all the Chinese positions, but I understand and I respect them.

Ultimately we must consider that our mutual economic success will be founded on our mutual cultural respect. We are always afraid of what is unknown, but with the relationship between China and Europe, nobody has to be afraid. Nobody should go alone into this dangerous world. Finally our destiny is a common one.

The author is a former prime minister of France.

Five steps to more vibrant EU-China ties

What the numbers tell us is that both the Europe Union and China are elephants in world trade. Their bilateral trade, measured in value of exports and imports, surged four-fold from 125 billion to 450 billion euros in the past 10 years. This is largely due to China's opening-up when it joined the WTO, and to the EU's open trade regime.

But the EU and China both need to go further in the future: whatever the "new normal" is for China's economy, exports will remain a major engine of growth. Whatever the EU does, as it should, to improve its relatively low growth potential, exports will remain the most dynamic component of demand in the 10 years to come.

I see possible improvements in five directions:

• First, both China and the EU should be more proactive in fostering multi-lateral trade opening. China should increase its openness further than its WTO accession commitments of 15 years ago with a priority on services sectors. Opening up the economy would unlock China's growth potential by mobiliz-

ing human and financial capital to the most needed sectors. The EU should table bolder proposals to unlock the unfinished Doha Agenda and bring the US and others back to the negotiation table. The multilateral trading system remains the optimal forum to address many unresolved trade issues that bilateral or regional trade agreements are unable to tackle.

• Second, the EU and China should work together to address new obstacles to trade. Both being major players in regional and global value chains, they should focus on what matters most for oiling these chains, precautionary measures. The purpose of these measures is not to protect producers, as in the past, but to address growing consumer concerns in areas like health, safety, sustainability. Updated rules on the use of non-tariff measures will help to smooth EU-China bilateral trade. In this area, the EU should not put all its eggs in the Transatlantic Trade and Investment Partnership, important though it may be. China, on its side, should get ready to raise quality standards substantially.

• Third, the conclusion of EU-China investment negotiations should be hastened in order to rapidly open new opportunities on both sides, now that investment flows from China to EU are and will continue to be larger than the other way round. Investors

need to be assured that their investments overseas will be fairly treated and effectively protected.

• Fourth, the EU and China have a joint interest in partnership in support of global development efforts, notably in infrastructure. China is doing this through the Asian Infrastructure Investment Bank and along the "Belt Road" in order to increase the capacity and security of its trade routes as a contribution to its responsibility in ensuring Asia's geopolitical stability. The EU should launch a similar project for Africa for the same geopolitical reasons.

• Finally, both — the EU and China — should start considering and devising a comprehensive bilateral trade and investment legal regime that would also enhance technology cooperation and mitigation of climate change, thus providing economic agents on both sides with a stable, predictable and transparent roadmap capable of improving trust and confidence in the future.

What these suggestions have in common is that they have to be based on a global, long-term vision, built on mutual interest and on a common belief that trade and investment opening still have great potential to improve welfare. Provided, of course, that larger business relationships bringing more



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The author is former director-general of the World Trade Organization.



Jean-Pierre Raffarin

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Cover story

A new world, built by China and Europe

At the beginning of this century, the European Union introduced the euro, the single currency used in the eurozone, which marked a historical milestone for European integration and helped soften US-dollar hegemony.

At about the same time, China launched its "going out" strategy, through which Chinese companies have been encouraged to go abroad and invest in foreign markets. This came as, in 2001, China gained membership to the World Trade Organization, a magnificent step in the opening-up process of this populous country.



Chi Fulin

Then China began its moves toward foreign exchange reform and launched its internationalization of renminbi. This happened as the world was pummeled by the world financial crisis and currency debt crisis. The opening-up was further accelerated, though the yuan has not yet attained the same status as the euro or the US dollar.

I think that given this initial progress, the renminbi and the euro will enjoy sound development in the coming decade if some "great potentials" are explored.

Chief among these is the realization of the trade and investment potential found in the combined EU-China market, consisting of 18 billion consumers,

which could trigger favorable movement of both currencies. The renminbi could be further internationalized and the euro could be stabilized.

China has been the second-largest trading partner for the EU for consecutive years, and the EU is presently China's top partner in trade, the biggest source of imports and the second-biggest export market.

But there is still plenty of room for the European Union and China to map out a more ambitious blueprint in terms of bilateral collaboration on trade and investment.

China's domestic economy has been upgrading its development model gradually, including industrial transformation, urbanization of its population and changes in its consumption patterns. There also has been movement toward creation of a giant services sector.

In the next five years, China will transition into an even more services-driven economy. The services proportion of China's total GDP was expected to rise from 48.2 percent last year to 55-60 percent in 2020.

The country's services-led economic transformation is expected to unleash consumption worth as much as 50 trillion yuan (\$8 trillion, 7.5 trillion euros) a year. Consequently, the enormous potential of Chinese household consumption and the rapid expansion of service industries will create an immense market space for European industries and businesses.

Also, despite the industrial competition in each other's markets, the high degree of complementarity existing



between Chinese and European industries should remove hurdles hindering the extension of investment and trade in services sector.

In the coming years, the EU and China are likely to achieve a breakthrough in the construction of an EU-China comprehensive free trade area, in which the opening-up of services sectors will be key. That is to say, the scope of investment and trade collaboration should continue expanding.

Undoubtedly, such progress will be significant for the recovery of the European economy and its currency stability, in addition to giving a further push to renminbi internationalization through increasing trade.

Think tanks in Europe and China have important roles to play in the development of closer cooperation. A joint study on an EU-China free trade agreement is expected to take place soon with the aim of providing governmental stakeholders with independent recommendations based on objective analysis. The studies may cover a wide range of ideas, including the strategic significance of a comprehensive FTA and the practical benefits for both parties.

Structural reform is needed in both regions given that reform will have a vital influence on the future develop-

ment of both European and Chinese economies. Structural reforms in Europe could refer to labor market reforms, especially in southern EU countries such as Greece that have heavy debts on their shoulders.

It is vital for EU member states to push forward reforms in their home markets. But apart from domestic reforms in individual European countries, how member states work with each other at the EU level will have a direct impact on the future of the European economy, and especially that of the eurozone.

On the Chinese side, one challenging issue is comprised of restrictions caused by domestic structural reform lagging behind the pace of renminbi internationalization.

For instance, the liberalization of capital accounts is directly related to the internationalization of the renminbi. But structural reforms within China's financial system have not yet made significant progress.

There are still a number of issues in the financial market such as persistence of state-owned monopolies, the needs of the real economy and the struggles of small and medium-sized enterprises.

Before making further steps in the internationalization of the renminbi, China is in need of a financial market able to react effectively to the negative impacts of opening capital accounts. More fundamentally, the yuan's move in the medium to long term will depend on the prospects for Chinese economic growth.

From a global perspective, the

Chinese government has proposed the One Belt, One Road Initiative to connect Asia, the Middle East, Africa and Europe, which will bring more economic opportunities for China and Europe. The initiative, comprised of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, is based on ancient trade routes. Countries in these areas are responding favorably to China's initiative.

European countries have also shown great interest in the China-led Asia Infrastructure Investment Bank, accounting for 18 of the bank's 57 prospective founding member states, among which 14 are EU member nations.

Infrastructure construction stimulated by the bank will not only bring in a large amount of investment but also a wider scope for the euro and renminbi in terms of cross-border settlements. AIIB will serve a platform for the EU and China to deepen their currency cooperation. It will play a significant role in promoting innovation in financial mechanisms.

Europe and China can jointly work on a currency cooperation platform where financial collaboration can be strengthened. While aiming at an enhanced world financial system through fulfillment of the international functions of the euro and renminbi, they can confront global and regional financial risks together and push forward reforms of the international monetary system.

The author is president of the China Institute for Reform and Development.

The future of the euro and the RMB

The US dollar has been reigning as the world currency since at least World War II. There are signs that this may change and that new currencies are likely to challenge the hegemony of the US dollar.

Which currencies are the candidates for challenging the dollar?

Before answering this question it is useful to quickly discuss the conditions for a currency to become a world currency. There are essentially three conditions. The first one is size. Only countries with a large economy produce a currency that will be used everywhere in the world as a unit of account



Paul De-rauwe

and a medium of exchange. Large is to be understood both economically and financially. The country must have a large economy (measured by GDP) and large financial markets that provide a lot of choice for investors.

Second, it must be a country with a strong government that has influence in the world and that also provides

for domestic stability. This stability is to be understood both politically and financially. Politically unstable countries will not produce a world currency, nor will countries that fail to produce financial stability do so. Investors will not want to hold currencies that are associated with great uncertainty about its future value.

Third, a currency can only become a world currency if it is fully convertible, meaning foreigners can freely buy and sell the currency. If there are restrictions on the exchange of the currency that currency will never graduate to a world currency.

When we look around the world we must admit that not many currencies satisfy these three conditions. The currency that comes closest is the renminbi, next is the euro. So what are the chances for the RMB and the euro to challenge the dollar and to become the world currency? Let's start with the RMB and look at the three conditions.

It is clear that China is rapidly overtaking the US as the biggest economy in the world. It is likely that China will achieve this status within the next 10 years, even taking into account the recent economic slowdown. In addition, the potential for the Chinese economy to become much bigger than the US economy is a very real one.

Associated with economic size is financial size. Here China has more work to do. Until recently the Chinese economy was very much dependent on bank finance. Capital markets (bond and equity markets) were poorly developed. This is changing though, creating the prospects that China will have financial markets that can rival the US financial markets. However, it will take a longer time for China to surpass the financial size of the US than it will to reach a higher economic size.

China has a strong and stable political system, the second condition for producing a world currency. The key will be for China to achieve a sustainable growth path that reduces its growth dependence on exports and investment as well as reorients its economy toward more consumption. When this is achieved the conditions for long-term economic stability will be guaranteed, a prerequisite for creating a world currency.

Finally, full convertibility will have to be instituted. China has started to liberalize capital movements and has reduced exchange controls. There is still much to do in order to reach the goal of full convertibility, a situation where domestic residents and foreigners can freely buy and sell RMB against other currencies.

It is important to be aware that full convertibility will have important implications on the way savings are channeled toward investment projects in China. Today, a large part of this process is still under political and administrative control. In a world of full convertibility the Chinese authorities will have a much lower influence on how domestic investment projects are selected. When Chinese firms are free to borrow anywhere, financial markets rather than the Chinese authorities will decide about this. This, of course, is not without risks, but it is inherent in financial liberalization.

The RMB is a serious candidate to challenge the supremacy of the dollar. I would even go further and argue that in the long run it is almost inevitable that this will happen. The condition for this to occur is that China continues on the road of domestic and external financial liberalization.

The other currency that has some prospects for challenging the dollar is the euro. The prospects for the euro to become a world currency, however, are much slimmer than for the RMB.

The eurozone today has about the same economic size as the US. In contrast with China, however, there is little prospect that the eurozone's economy will become bigger than

the US economy. The reverse is more likely to happen.

The size of financial markets in the eurozone is still substantially smaller than in the US. Again, in contrast with China, there is little prospect that it will overtake the US. The European Commission has launched a plan to create a capital markets union. Even if this is successful it is unlikely to create financial markets of the size of the US financial markets and of the size of the future Chinese financial markets. This has much to do with a political dimension.

The main obstacle for the euro to become a world currency is political. The euro is a currency without a country. There is an absence of a unified nation with a central government that backs up the currency. This lack of political union was at the core of the eurozone crisis that erupted in 2010. It also leads to uncertainty as to the future of the euro. When such existential uncertainty exists about a currency, that currency cannot become a world currency. Whereas the RMB is very likely to become a world currency, challenging the supremacy of the US dollar, the euro is not.

The author is a professor at the London School of Economics.

Cover story

Three key moments in EU-China ties

By FU JING
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Yang Yanyi, China's ambassador to the European Union, vividly remembers when Beijing and Brussels knotted their ties in May 1975. She had just graduated from university and landed a job at a tourist company in Beijing to promote exchanges between China and the United States.

"Though I was not involved in exchanges between China and Europe, I sensed that the steam was building to deepen and expand the relationship between China and the West (the US and Europe)," Yang says.

At that time, China had not launched its opening-up campaign and small groups of teachers, lawyers, doctors, businesspeople and journalists from Europe and the US, arranged as tourists, had made visits to China. Some were even received by Chinese leaders, she recalls.

"Today is totally different from what happened four decades ago," she says in her office in a suburb of Brussels. "Two-way exchanges have now taken shape."

Yang says that more than 70 direct flights currently link China and Europe every day, with more than 6 million Europeans and Chinese paying visits to each continent every year. She says the China-EU relationship

is on the right track despite a few setbacks and recalls three events over the past four decades that have been pivotal for bilateral ties.

The first occurred on May 6, 1975, when China and the European Economic Community, which comprised Western European countries at the time, established diplomatic relations as the US and Soviet Union squared off in the Cold War.

"Against such an international backdrop, leaders from both sides showed extraordinary political courage... which helped write a historic chapter in the EU-China relationship," she says.

In 2003, the EU and China advanced relations to a comprehensive strategic partnership, boosting their roles in their relations with the international community.

"This is the second event of historic importance. Since then, we decided that our governmental heads should meet annually," Yang says.

The last influential event, Yang says, was President Xi Jinping's historic visit to the EU headquarters in Brussels, the first by a Chinese president.

"Xi has proposed to build four partnerships of peace, growth, reform and civilization between China and the European Union, which has enriched the strategic partnership," says Yang. "In my opinion, President Xi's visit has decided the direction, set up the



Yang Yanyi, China's ambassador to the European Union.

pace and boosted the levels of our relationship."

Looking forward, Yang says she is filled with confidence. She says both sides have paid a great deal of attention to each side's global positions and roles from a strategic point of view.

"We believe as the two major global forces, two big markets and two significant civilizations, we should work together to achieve world peace and boost development," she says.

Yang adds that both the EU and

China are at the same "key stage" of development and reform and are shouldered with development opportunities as well as challenges.

Another reason for her confidence is that both sides have worked from their common interests in maintaining global peace, boosting economic growth as well as pushing for common development and sustainable patterns.

"And lastly, we have set up smooth communication and exchange channels between China and the EU, especially on strategic, political and diplomatic fronts," she says. "We are thus very confident about the outlook of the EU-China relationship."

Yang says China is working with other countries in developing the Silk Road Economic Belt and the 21st Century Maritime Silk Road, as well as actively developing pilot free trade zones in Shanghai and Tianjin and in the Guangdong and Fujian provinces to explore and re-establish the "national treatment model," which is jargon for the equal treatment of foreign and domestic investors alike, and the "negative list management model," which allows investments if there is no law or regulation to prevent or forbid it.

"China's strong economic performance as well as changes taking place in Europe and across the global landscape has contributed to forging closer cooperative ties between China

and the EU," Yang says.

She says China's accelerated pace in innovating its industries, the information technology sector, urbanization, agricultural modernization and green growth, and the EU's relaunching of the process of structural reforms to build the medium-term growth potential, will create broader converging interest and generate greater market, investment and cooperation opportunities.

"It is very encouraging that both China and the EU are taking full advantage of the 40th anniversary of China-EU diplomatic relations to deepen their comprehensive strategic partnership featuring peace, growth, reform and civilization," says Yang.

China and the EU are working closely to further implement the China-EU 2020 Strategic Agenda for Cooperation, attaching importance to taking negotiations on a bilateral investment agreement on a "fast track."

"This endeavor is testimony to our shared vision to put in place a single comprehensive legal framework to secure predictable long-term access to Chinese and EU markets respectively and provide for strong protection of investors and their investments," Yang says.

Since late 2013, China and the EU have had five rounds of negotiations — a sixth will be held in June.

Allies in a multipolar world

EU AMBASSADOR TO CHINA CALLS THEIR TIES KEY IN A GLOBALIZING WORLD WHERE NO POWER WILL BE BIG ENOUGH TO GO IT ALONE

By FU JING and LIU JIA

In May 1975, Hans Dietmar Schweisgut was in the United States preparing his master's thesis when China and the European Union established diplomatic relations. Today, he is the EU's ambassador to China.

Since then, he says the two sides have made significant moves such as signing trade and cooperation agreement 10 years after inaugurating ties.

Other milestones include upgrading the relationship to a Comprehensive Strategic Partnership in 2003 and, in 2013, adopting the EU-China 2020 Strategic Agenda for Cooperation. The agenda is a roadmap for relations to the end of the decade, with a focus on peace, prosperity, sustainable development and people-to-people exchanges.

"In addition, the first visit by a president of China to the EU's institutions, that of President Xi Jinping in March last year, shows the importance that China attaches to our relations," says Schweisgut in an interview with China Daily.

"In the coming years, we must work hard to keep the momentum going and realize our true potential."



Hans Dietmar Schweisgut, EU's ambassador to China

Asked how the relationship will look in a decade, after 50 years of working together, the ambassador says he hopes to see much closer cooperation on strategic questions relating to important global issues.

"I don't think that any power will be big enough in a more globalized world in 2025 to go it alone," says Schweisgut.

He says Beijing and Brussels will be collaborating much more closely on a whole range of issues relating to security, terrorism, cyberspace, the environment and climate change, as well as international trade and the economy.

From a bilateral perspective, trade in goods has provided enormous mutual benefits, but he says that now the challenge is to exploit trade in services and investment, two areas of vast, untapped potential that he hopes will be realized well before 2025.

"The EU and China should also be key stewards of multilateral trade institutions — fundamental tools in a multipolar world," says Schweisgut.

"In addition, the EU and China should join forces with third countries in regional initiatives that generate sustainable growth and geopolitical stability."

Schweisgut also pins high hopes on relations between the peoples becoming wider and deeper, through cultural and educational exchanges and travel and tourism, as they now increasingly spend more time communicating in cyberspace. He says a free, unfettered Internet, especially in terms of social media, can only help to deepen exchanges between the people.

Schweisgut says both sides should not lose sight of the fact that the EU-China partnership is comprehensive and strategic, which he believes is a huge ongoing project in itself.

"There are a multitude of areas of

existing cooperation that affect the daily lives of our peoples and contribute to peace, stability and prosperity. We need to keep this positive momentum," he says.

He has pointed out some priority areas such as environment and climate change, connectivity, urbanization, partnership and innovation, and research and development. They also provide an impetus to negotiations on the proposed Comprehensive Investment Agreement.

"Of all these, perhaps the most pressing is the environment and climate change," he says.

Another factor is the international climate pact expected to be signed in Paris at the end of this year, setting out climate action starting in 2020. Schweisgut says he thinks the pace will herald a new era of enhanced multilateral climate cooperation and enhanced cooperation between China and the EU to meet emissions reduction targets.

In the face of important environmental challenges, such as air, water and soil pollution, he says it makes sense to step up cooperation on the new, clean technologies of the future.

In the area of trade, Schweisgut says two issues stand out. The first is negotiating an ambitious agreement that comprehensively opens up market access and protects investment between the EU and China. If successful, it could eventually lead to a broader free trade agreement.

The second issue is giving a firm boost to the World Trade Organization's central role in governing global

trade, as well as working together on the conclusion of the Doha Development Round by the Ministerial Conference in Nairobi in December. The Doha round is the current WTO trade negotiation round, aiming to lower trade barriers.

"Success in these negotiations would truly be a game-changer for our relationship and open up many mutually beneficial possibilities," he says.

Schweisgut says the European Union's Investment Plan is an ambitious initiative to unlock public and private investment in the real economy, such as energy and transport infrastructure, worth at least 315 billion euros over the next three years.

"From the start, the EU has made it very clear that it welcomes foreign participation in this plan and in particular China's," he says. "The Chinese government has also expressed interest, and both sides have started discussions in that direction."

For decades, EU funds have financed transport infrastructure, both within and outside its borders, because the EU believes there is a clear link between transport connectivity and economic development.

With Xi putting forward the concept of One Belt, One Road, Schweisgut says greater connectivity between the EU and China, and between all the countries along the way, would be a step in the right direction, especially for those who do not have direct access to international trade routes. The Silk Road Economic Belt and the 21st Century Maritime Silk Road initiatives are inspired by ancient trade routes.

Cover story: Comment

Facing the future as friends

EU-CHINA COOPERATION SETS EXAMPLE FOR NEW-STYLE OF RELATIONS

This year marks the 40th anniversary of diplomatic relations between China and the European Union, a bond I have devoted myself to especially when I spent six years working as ambassador extraordinary and plenipotentiary head of mission of the People's Republic of China to the EU. In remembering the past — and comparing it with today — I have strong memories filled with emotion.



Guan Chengyuan

The year 2003 was my first year in Brussels. It was also the year in which China and the EU announced they would build a comprehensive partnership. It was seen as a boost to the healthy, stable and constructive partnership the two sides had previously committed to in 1986. In 2003, the EU and China again pledged to set up and develop a comprehensive strategic partnership.

This path shows that the relation-

ship between the EU and China has leapt forward.

China is the largest developing country in the world, while the EU represents the largest union of developed countries in the world. Under the general direction of the China-EU comprehensive strategic partnership, the all-round cooperation between the two sides has expanded into various fields, setting a good example of the new type of relations between great powers.

Thanks to joint efforts by the two sides, the political mutual trust has been strengthened constantly. I was honored to have participated in 10 rounds of the EU-China summit and have witnessed the importance of these annual high-level meetings between leaders, in terms of guiding the direction of EU-China cooperation.

The establishment of the High-Level Economic and Trade Dialogue at vice-minister level in 2007 was certainly a great help in resolving frictions and disagreements that arose between the EU and China, thus significantly deepening cooperation.

EU-China economic and trade cooperation continues to expand. I



clearly recall that by 2004, the EU had become China's top trading partner and biggest export market. Meanwhile, China has also become the second-largest trading partner to the EU. This extraordinary picture has not changed during the past 10 years.

Last year, the trade between China and the EU exceeded \$645 billion, a remarkable increase of 250 times from May 1975 when the two sides officially established their diplomatic relations. The bilateral investment between the EU and China grew from nothing, but has been booming ever since. Europe is China's fourth-biggest source of investment, but the EU is seen as the top destination for Chinese investment among all the developed economies.

The cooperation has also witnessed fruitful results in the technology field. The amount of China's technology imports from the EU

almost equals the total volume that China imports from the United States and Japan.

Cultural exchanges between the EU and China have contributed to mutual communication between the two peoples. At the moment, about 280,000 Chinese students are studying in EU countries and 45,000 EU students are studying in China. With such intense personal exchanges, the foundation of EU-China relations has been further strengthened.

Admittedly, differences and disagreements remain inevitable even between close friends, and EU-China relations are no exception. I have gone through many of them myself. However, all the difficulties can be conquered as long as we face them together, as sincere friends do, through dialogue on the basis of equality and mutual respect.

Nevertheless, there are always people who are reluctant to see the thriving development of EU-China relations and will try to disrupt them in any way they can. We must not ignore these factions, but take them seriously.

I have realized that what we have achieved so far is attributed to the

joint efforts of both sides. The EU-China relationship — and its many positive achievements — has not been without difficulty. So we need to look after it.

During his first visit to the EU last year, President Xi Jinping stressed that the influence generated by the development of EU-China relations is so profound that it goes beyond bilateral relations and is gaining increasing global strategic significance.

As the EU and China represent the two great powers upholding world peace, the top two markets driving global economic growth, as well as two significant civilizations pushing forward human progress, a sound China-EU relationship is beneficial to both sides and conducive to world peace, stability and development.

All the facts give us faith to believe that the EU-China comprehensive strategic partnership will definitely achieve more in the future under joint efforts from two sides.

The author is former ambassador extraordinary and plenipotentiary head of mission of China to the EU. The views do not necessarily reflect those of China Daily.

Six years of joy, tears and growing together

CHINA'S INVESTMENT IN EUROPE SHOWS THAT THE COUNTRY NEVER STOPS LEARNING

Seven years ago I accompanied my boss, the former president of the European Commission Romano Prodi, on an official visit to China. I had been appointed European Union ambassador to China but had yet to take up my post. However, this visit would illuminate my six years as ambassador until the end of 2010.



Serge Abou

The emotion was indescribable when for the first time, under a clear Beijing spring sky and in brilliant sunshine, I saw flying together on Tiananmen Square and Chang'an Avenue the blue EU flag with its 12 yellow stars and the red flag of China with its five yellow stars.

It was a potent symbol: China's 1.3 billion people warmly welcoming 500 million Europeans. China was refinding its ancient glory and radiance, and Europe was building unity, extending its wings and values to almost all the European continent, adopting a common currency and negotiating a constitutional treaty.

My main mission as ambassador would be to develop and reinforce

China-EU relations, and in pursuing this I had four priorities: trade, investment, tourism and student exchanges. In all these areas considerable progress was made, but more importantly we got to know each other better.

I recall one day asking a Chinese leader: "Why do you invest so much in Africa and so little in Europe, which is far more promising?" He replied: "Because Europe is still too complex for us with your social, environmental, energy and business laws and regulations." Today there is more Chinese investment in Europe than the other way round, which once again underlines the fact that China never stops learning.

The task I faced each day in China was to press on with improving collaboration, and I believe that when I was in the country, and since then, we have done a lot. In my time there were hundreds of visits of delegations from both sides, from the yearly summit of heads of state or government to ministers, commissioners, MPs and public servants.

However, for me the most salient events I shared with the Chinese people were ones that deeply symbolized our working together, such as the opening of the Airbus factory in Tianjin by the former premier Wen Jiabao in 2009, a giant step for China in aeronautics; the opening ceremony of the new National

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The task I faced each day in China was to press on with improving collaboration, and I believe that when I was in the country, and since then, we have done a lot.”

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Center for the Performing Arts in Beijing, built by a French architect, in 2007, which gave Beijing the status of a new world capital in music and art; and the joint opening by the then president of the European Commission, Jose Manuel Barroso, and the then vice-premier Li Keqiang of the EU-China Law School near Beijing in 2008.

There were, of course, more solemn events, too. The saddest was the devastating earthquake in Sichuan province in May 2008. The mobilization of the Chinese people behind the People's Liberation Army

to rescue victims as well as the outpouring of help from around the world, including the EU, provided a shaft of light in all the darkness. I will never forget the image of Wen, who, surveying the death and the destruction, was reduced to tears, but found the strength to motivate and encourage rescuers even when it meant putting their own lives in danger. "I would never force you to proceed if you did not have the heart for it, but all the Motherland is depending on you," he seemed to say to them.

After that sadness there was the glory of the Olympics three months later: the beauty of the Bird's Nest, the main stadium, the originality of the Ice Cube, for swimming and diving; the majesty of the opening ceremony in which Zhang Yimou brought to life the procession of China's contributions to human culture. There was perfection in the organization and enthusiasm from tens of thousands of spectators from tens of thousands of spectators chanting, "Zhong guo jia you!" ("Go, China!"), and warm hospitality from the citizens of Beijing.

In 2010, the EU, for the first time in its history, took part in an international expo outside Europe, in Shanghai. The EU pavilion was modest compared to that of China. Nevertheless, I was amazed at how attractive it looked. More than six million visitors lined up for hours

to see the original copy of the Rome Treaty (the founding act of our union), the original football European Cup and various items symbolizing day-to-day life in Europe.

These are the main images that come back to me today but the most important thing for me was discovering the Chinese people. I traveled widely in the country and probably visited more cities and provinces than most Chinese do in a lifetime, meeting local leaders, visiting universities and talking to local media. In this context, I may well have been inspired, because two of the people I called on were Li Keqiang, who he was Party secretary of Liaoning province, and Xi Jinping, when he was Party secretary of Zhejiang province.

The last images I shall leave you with are ones I was treated to when I was invited to the celebrations of the 60th anniversary of the People's Republic of China in 2009. Among all the regiments of the PLA that passed in front of us, there were two made up of women. Each of these soldiers had movie-star looks, and their marching was impeccable. Perhaps not surprisingly it was they who drew the loudest cheers and applause from the tens of thousands who gathered to watch.

The author is former EU ambassador to China. The views do not necessarily reflect those of China Daily.

Cover story

Hope for the future

THERE WILL ALWAYS BE DISAGREEMENTS BETWEEN THE EU AND CHINA, BUT BOTH SIDES UNDERSTAND THAT THEIR "ETERNAL AND PERPETUAL INTERESTS" ARE IDENTICAL

By ALEX KIRBY

I do not feel like 40 years since we began our diplomatic conversation. It was a game-changing moment, because for decades China had been, for most Europeans, a deeply mysterious place. Today, by contrast, it seems almost homey. Leaving Beijing the last time I was there, I caught the metro near Renmin University of China, changed trains twice and in minutes was at the airport — easier than getting from Heathrow to central London. My wife, who has virtually no sense of direction, even learned to use Beijing's bus system. We feel at home in the Chinese capital.

So much has changed in these 40 years, and for both diplomats and journalists one of the most striking changes is technological. There are serious arguments that diplomats are no longer needed, and that communications are now so transformed that governments should speak directly to one another with no need for intermediaries living in imposing embassies. Diplomats, just like journalists, work in a world very different from 1975.

One obvious technological change in these four decades is in interna-

tional travel. Apart from a few fairly well-defined areas of London and other big cities, Chinese people were conspicuous by their rarity in the rest of the United Kingdom, and in most of Europe as well. Not today. It's as easy to find a flight from Beijing and many other Chinese cities to Europe's political and financial capitals as it is to fly from London to the United States or Australia. In the small country town where I live in southern England, Chinese faces and voices are now too familiar to excite comment.

That is as it should be, and it should give us hope for the future. It is usually much easier to quarrel with someone you do not know or understand than with a friend, or even an acquaintance. And that applies to states as well as to individuals. The European Union itself has helped to make the continent's hideous war much less likely (one good argument for the UK remaining part of the EU, despite some British politicians' pleas that the UK should leave it). The people of China and those of Europe can now get to know one another, building layers of trust and friendship, recognizing that what may separate us is far less significant than what unites us.



Alex Kirby, joint editor of the Climate News Network



That is certainly true in the area where I work: climate change. Especially since last year's agreement with the US on limiting greenhouse gas emissions, China has proved itself a global leader in trying to prevent

the world crossing the internationally agreed 2C threshold for the average rise in temperatures beyond pre-industrial levels. Beijing knows that there is no Chinese atmosphere, any more than there is a European or American atmosphere, and it is acting on that knowledge. I look forward to the day when it acts as bravely and wisely to conserve its wildlife.

But we live in the real world, not some idealized version of it. And in the real world even friends can disagree. Sometimes they manage to live with their disagreements, but not always. There are disagreements already between China and Europe — over human rights, for example, and the European arms embargo. It is possible to envisage other disagreements arising in the future, perhaps over foreign policy. What will happen then?

Technology changes, and so do other parts of life. One of the most significant changes in my lifetime has been the growth of a globalized world, and the way our understanding of how our countries' place in the world has changed, whichever country is our home.

We now realize that there is no distinct nationally governed atmo-

sphere. There is one global atmosphere, and if we do not learn to care for it equally we shall together pay the price for abusing it. Whenever I have visited China, I have been impressed and encouraged by the obvious understanding of this basic physical truth shown by Chinese journalists. If China's journalists are helping its citizens to understand the reality of a globalized world, then we can expect that the people of China will share that understanding and act on it.

So let the flow of people young and old between China and Europe continue — and grow. Before 1975 we could only imagine you. Now we know you, and we know we have so much to share. That way understanding will grow.

Lord Palmerston was a 19th century British politician. One quotation attributed to him is this: "England has no eternal friends, England has no perpetual enemies, England has only eternal and perpetual interests." He was wrong.

The "eternal and perpetual interests" of us all are identical. Knowing each other better will protect them.

The author is the joint editor of the Climate News Network.

Being happy with what you have

DENMARK CAN TEACH US ABOUT FEELING CONTENT

By TAMMY LIU

Today in any Chinese city, such as Chengdu, Xi'an, or Luoyang, it is common to hear Westerners ordering food in fluent Mandarin and to see waiters taking their order without surprise.

In European cities such as Lyon, Birmingham or Hamburg, it is also normal to see Chinese people speaking the local language fluently to the bartender and the bartender not being bewildered. Forty years ago, if a non-Asian foreigner had shown up at a restaurant in China, I can almost guarantee you there would be a group of people surrounding him, staring out of curiosity.

In terms of social psychology, having a language through which to interact with each other is a crucial first step of communication. However, to truly understand each other, language is only part of the picture. We have to open our minds to understand other people's culture with respect, along with the social values, critical thinking and life philosophy behind it.

One way of learning about others is through education. It used to be that

few students went overseas to learn. But decades after Europe and China established diplomatic relations, Chinese students have become a significant component of Europe's higher education landscape. The number of Chinese students studying in Europe keeps rising. These students have blended in on campus, in their local communities and wider society. Their understanding of European culture goes beyond complex table settings and the common phrases heard in movies, just as young European students realized long ago that not all Chinese do martial arts like Bruce Lee.

I have spent the last two decades researching and teaching on education and the pursuit of happiness. In doing my research, one European country that impressed me is Denmark.

My husband and I paid a short visit to Denmark in 2011, to find out what the children from the nation ranked by the UN's World Happiness Report as "the happiest country in the world" had been taught. My focus was whether a person had the ability to feel happiness. Even if someone were presented with happiness, he would not notice it if he didn't have the ability to feel it. I was curious as to why, out of



Tammy Liu, bestselling writer

all the developed countries that value social welfare, Danish people were the happiest.

Although it wasn't a long stay, I was confident about coming to a conclusion since I had a clear direction of research.

When asked why they were happy, almost all the Danish people I spoke to gave the same answer. They had lower expectations. They don't expect

to have much, to live a luxurious life or to achieve too much, which is why they are satisfied with and are more appreciative of what they have.

I know their answers sound a bit disappointing — it seems like a lack of ambition — but if we put some thought into it, it begins to make more sense. If we focus too much on what we don't have, we end up failing to notice what exists in our lives, and that way we lose the ability to perceive happiness. Furthermore if we always felt something was missing, it would be hard to find peace of mind and genuinely appreciate ourselves.

My husband and I saw a men's clothing store holding a sale, so I went and picked out some high quality coats and cardigans for both my husband and son. When I arrived at the cashier's desk to pay, I saw a sales associate, the only one on the shift at the time, patiently helping an old couple browsing through the clearance rack for sweaters. After the old couple left without purchasing anything, the sales associate came back and rang up my sale with a smile on his face. Back in China, this sales associate would probably be criticized for not knowing his priorities, but I stood there and felt

complete respect for him. I respect him for respecting his customers, for his work attitude, and for respecting himself.

You don't see a lot of cars on the streets of Copenhagen — people mostly ride bikes or walk. They move slowly, so I reckon that they breathe much slower as well.

On the other hand, the Western world pays great attention on developing children's intellectual skills through color. I've found that, especially in Denmark, they emphasize the importance of allowing children to discover their potential by playing around with colors, which I absolutely agree with and relate to on many levels. Aside from encouraging children to get to know colors, preschool also focuses on the development of children's movement, left and right cerebral hemisphere balance, and ways of solving problems, hoping to stimulate their minds.

I have profound respect for the education system in Europe and sincerely hope that young people in China and Europe will be able to participate in academic exchanges as a way of enhancing mutual understanding.

The author is a bestselling writer.

Last word

Powered by their passion and dreams

CHINESE CEOs ARE AMBITIOUS AND WANT TO LEAVE A LEGACY, WHICH IS DIFFERENT FROM WESTERN COUNTERPARTS, SAYS ADVISER

By ANDREW MOODY

andrew.moody@china-daily.com.cn

Steve Tappin says many Chinese entrepreneurs have a vision to be the Steve Jobs of their industry.

The founder and chief executive officer of Xinfu, a consultancy which advises CEOs across the world, says what differentiates Chinese bosses from their Western counterparts is often their passion.

"The fundamental difference is they are powered by their dreams. They talk about wanting to be the Apple of their industry and, if not now, in 100 years. They want to build a legacy."

"Western business leaders tend to be much more corporate. They have very narrow time horizons and talk about how they score on benchmarks such as how they treat their staff or on environmental criteria. Bah bah bah."

The engaging and often effusive 48-year-old was speaking in the business lounge on the 18th floor of the Kerry Hotel in Beijing's central business district on one of his now many trips to China.

As well as running Xinfu, he is now also a famous face on TV, presenting *CEO Guru*, a sixth series of which is set to air on BBC World in May.

He is also set to publish a new book, *Secrets of Chinese CEOs*, based on interviews he has done with some of China's top CEOs, including Li Shufu, chairman of car giant Geely, and also Guo Guangchang, chairman of the Fosun Group.

Last year he also did a BBC documentary, *China's Billionaires' Club*, on the China Entrepreneur Club, whose members include the heads of some of China's top companies.

"This organization is unlike any other business organization. It consists of China's elite entrepreneurs and they travel together and take part in events. You don't get that caliber of people networking in that way in Western business organizations."

Tappin believes it is only a matter of time before a Chinese company becomes a global giant.

"I think the best known Chinese companies now are the best of what we could call the 1.0s or 2.0s. I think there is as yet an unknown 4.0 out there which will take everyone by surprise."

The British guru is particularly keen



WANG ZHANGFEI / CHINA DAILY

Steve Tappin says there is much the West can learn from the Chinese business arena.

to forge links between Chinese and Western CEOs. He currently co-chairs the Zhusan Global Fellowship, which brings together 30 of China's top business leaders with the same number of similar figures from the West to promote cross-cultural understanding.

"I think there are still quite a few problems in China, particularly with joint ventures where the Western management and their Chinese partners are in a different place in terms of their ambition and time frames of what they want to achieve. I think it is more serious than many people think and is something of an unexploded bomb."

He also believes that many foreign multinationals are dangerously complacent about their performance in China.

"I think their head office might give them a score of 7 out of 10. I think they are just a 5," he says.

"This is becoming more critical because the China operation used to be just a nice thing that grew at 20 to

30 percent a year. Now it is an absolute strategic priority."

Tappin, who is from the Yorkshire spa town of Harrogate in the United Kingdom, qualified as a certified accountant before working for ICI.

After doing an MBA at Cranfield and University of Washington, he went into management consulting, first with KPMG and then with PA Consulting.

He set up his own company, Edengene, which helped large corporations set up new businesses. During this time he helped British Telecom set up BT Broadband.

He eventually sold a major chunk of his shares in the business, which he says made him financially independent for life.

"From that point on I wanted to do something I was passionate about and really believed in."

In 2009, he set up Xinfu, which offers a personal confidant service to CEOs. Some of his clients have been bosses of major corporations.

BIO

STEVE TAPPIN

Co-founder and CEO of Xinfu, television presenter and author

Education

•Certified Accountant (ACCA), Leeds Beckett University, 1986-90

•MBA, Cranfield University/University of Washington, 1993-4

Career

•Various divisions, ICI (Imperial Chemical Industries), 1987-92

•Management consultant, KPMG, 1994-97

•Managing partner, PA Consulting, 1997-2000

•Founding CEO, Edengene, 2000-03

•Founding CEO, Leaders Reloaded, 2003-04

•Managing Partner, Heintz & Struggles, 2004-07

•Co-founder and CEO, Xinfu, since 2009

•Presenter, BBC *CEO Guru* television series, since 2013

•Author of *Secrets of CEOs* (2008), *Dreams to Last* (2012), and *Secrets of Chinese CEOs* (2015)

•Book: *Leading Go: The Pathway To Success* (2014), written by David R. Hawkins

•Film: *Star Wars* (1977, dir. by George Lucas) and *Rocky* (1976, dir. by John G. Avildsen)

•Music: Leeds United football anthem, *Marching on Together*, written by Les Road and Barry Mason; *Now We Are Free*, the main theme from the film *Gladiator* by Hans Zimmer and Lisa Gerrard; *Lanka's Theme* from *Samsara* by A. R. Rahman

•Food: Xiao long bao (Shanghaiese soup dumplings)

This involves Tappin, who has an air of open honesty, almost taking on the role of a therapist and often addressing personal issues in one-to-one meetings with CEOs.

"They can get very personal. We have had sessions where a CEO actually came out (as being gay)," he says.

"CEOs are rarely bland but also rarely balanced. They have often had extreme events in their background, even a parent dying or committing suicide when they are at an early age or facing extreme poverty."

Tappin says it is often important for CEOs to rebalance their priorities.

"We had one CEO who we forced to replot his diary, so as to make sure he put his wife and family commitments first. Previously, he was about 230 days a year and they all had to work around this."

He says the overall aim is to put the CEO in a position to make the right decisions when he or she has to.

"They face a lot of pressure and it is a very lonely job. They invariably have three or four big points in a year where they have to make critical strategic decisions and they have to get most, if not all of them, right."

"Some of my role might be talking through those decisions since they might not have anyone else to do that with. The CEO has to think about all

the implications, balancing the long and short term and the interests of all the different stakeholders."

Xinfu not only works with CEOs but whole management teams as well. The company also uses a number of professionals, including corporate psychologist Ian van der Hooft, visiting fellow at Cranfield, Brian Noble, the rugby league coach, and Patsy Rodenburg, an acting coach who has previously trained James Bond actor Daniel Craig on presence and coached Hugh Jackman for the Oscars.

"We try and bring in a whole range of skills where we can. We have a strong team to draw on."

Tappin says he has been very heavily influenced by Sir John Harvey-Jones, the late former chairman of ICI and also another TV management guru.

"He actually mentored me for five years in my business career and he helped me through a boardroom battle, which I actually lost. He was a brilliant man of great integrity and the best mentor I have ever had in my life."



