

# China's 12<sup>th</sup> Five-Year Program (2011-2015)



# ***Technology and innovation will serve as a key of economic restructuring and industry upgrading***

- Increase applications of new technology, new materials, new machinery in traditional manufacturing industries
- Increase policy incentives and capital investment to nurture the following seven strategic emerging industries:
  1. energy-saving and environmental protection
  2. new-generation information technology
  3. bio-technology
  4. high-end equipment manufacturing
  5. new energy
  6. new materials
  7. new energy cars



# ***Green development, building a resource saving and eco-friendly society***

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## **Selected targets of the 12<sup>th</sup> Five-Year Program**

Share of non-fossil fuel in primary energy consumption	To reach 11.4%
Energy consumption per unit GDP	To lower 16%
CO <sub>2</sub> emission per unit GDP	To lower 17%
Major pollutants emission (e.g. COD, SO <sub>2</sub> )	To decrease 10%

# A special focus on Hong Kong

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## # Continue support of Hong Kong high value-added service industry development

- Support HK in becoming a RMB offshore centre and an international asset management centre
- Support HK development as a high-value products inventory control and distribution centre
- Consolidate and enhance HK roles as an international financial centre, international trade centre and international maritime centre

## # Support Hong Kong in developing six competitive industries as new growth areas

- Medical services, educational services, cultural and creative industries, innovation and technology, testing and certification, environmental industry

## # Deepen HK/Mainland and HK/Guangdong economic cooperation

- Continue implementation of CEPA
- Implement the Framework Agreement on Hong Kong Guangdong Cooperation to form a world class metropolitan cluster
- Support Guangdong “early and pilot measures” (先行先試) for Hong Kong

# Implications for Chilean Companies



## 5 areas to work on

1. Increase opportunities for bilateral trade
2. Explore the potential to actively develop cooperation in investments
3. Extend cooperation for emerging industries
4. Give a leading role to companies with an enterprising and explorer spirit
5. Lean on institutional mechanisms and trade facilitators to raise the level of service

## Exports from Chile

- Food, wine, fruits, seafood & fish
- Natural resources, minerals, wood
- Tourism & professional services

## Imports from China

- Vehicles & auto parts
- Household appliances & products
- Textiles
- Computers & telecom products

## Opportunities to invest in Chile

- Mining, forestry, infrastructure, energy, industry, etc.

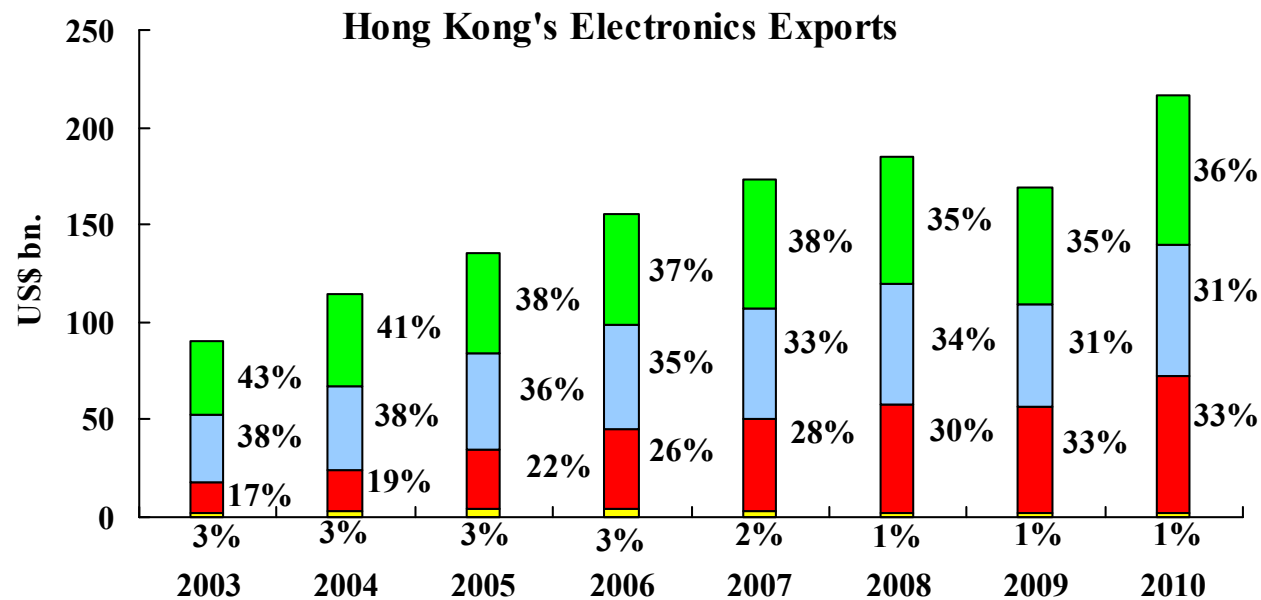
# Implications for Hong Kong

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- Opportunity for Chilean companies to enter the Chinese mainland market with Hong Kong companies, to buy or sell
- In light of China's expected growth, South America and Chile can become food suppliers
- Due to the strengthening of the cooperation and trade ties between China and Latin America, there is a need to have 2 main actors (Hong Kong and Chile) that will act as a bridge and platform for the other markets

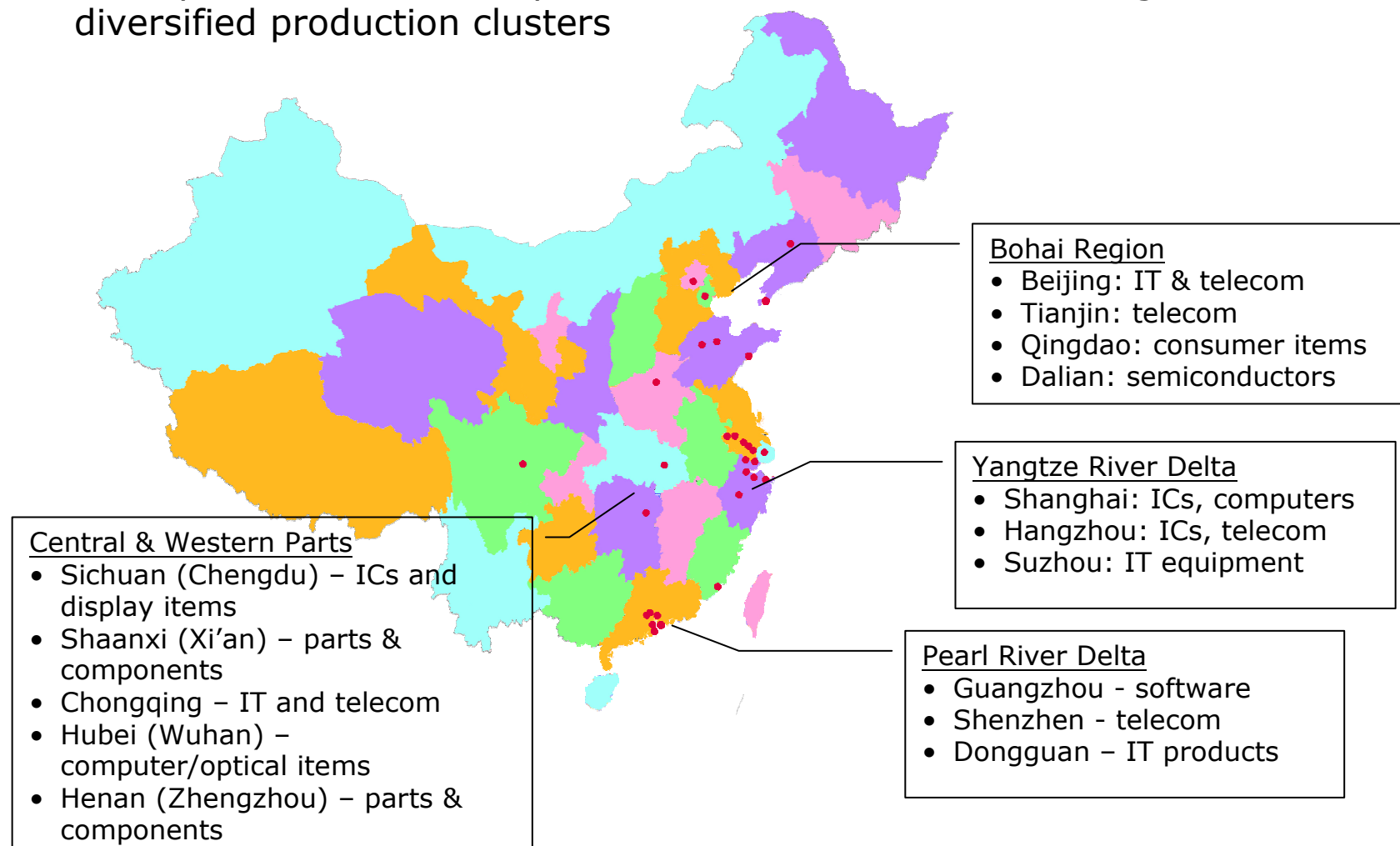
### 3a. Regional distribution and supply chain management

- HK is well positioned to handle high-value and time-sensitive products such as high-end fashion products, wine and electronics due to its free port status, efficient customs and logistics sector, world class airport, etc.
- RDC for multinational electronics companies with production in China and other Asian countries such as Intel, IBM, Fujitsu, etc.



## 3b. Regional distribution and supply chain management

- Re-exports of electronics parts from China to China due to growth of diversified production clusters



## **4. Maritime centre**

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### **A preferred place where local and international companies would like to obtain maritime services**

- Strong historical expertise in core maritime services (e.g. ship management, ship chartering, ship broking)
- Advantages in conducting US\$ base debt and equity finance for ship building, fleet operation, etc.
- Over 100 insurance companies and brokers to underwrite maritime insurance
- Inherit hundreds years of maritime law from England and expertise in arbitration
- Strong presence of ship owners, ship operators, ship charterers and others to generate businesses
- Strategic location to conduct Asian business
- A very good offshore tax system

**Thank You !**