



DANISH-CHINESE BUSINESS FORUM

丹麦中国商业协会

UNDER THE PATRONAGE OF HIS ROYAL HIGHNESS THE PRINCE CONSORT OF DENMARK

Oral Report by Chairman, Nils Foss Annual General Meeting, 27th April 2010

Dear Members

In my report to you today I will highlight some important points from the written report and look into the fast moving Chinese economy and the consequences for our members.

Danish-Chinese Business Forum's members

By the end of December 2009 Danish-Chinese Business Forum comprised of 148 members. Our members include more than 500 executives from large and small/medium-sized companies as well as many of the major Danish educational institutions. This indicates the strength of Danish-Chinese Business Forum's network, which provides our active members with essential possibilities of knowledge sharing. Moreover, Danish-Chinese Business Forum offers our members access to a wide variety of experienced China experts, which increase their opportunities for success on the Chinese market.

Due to the financial crisis we lost some members in 2009 but I am sure we will continue to expand throughout 2010 and it is our goal to reach 160 members by the end of 2010. In addition, we will increase the number of staff in order to obtain an even better contact to our members in 2010 and we want to improve this contact further in 2011. I will come back to this point later.

Activities in 2009

One of the major activities of Danish-Chinese Business Forum in 2009, apart from our member meetings, was the participation in COP15. During COP15, Danish-Chinese Business Forum organised a high-level event in Bella Center in close cooperation with the Chinese Embassy in Denmark. At this event, CEOs from member companies within energy and cleantech met with the Chinese high-level COP15 delegation. The event was a success as ideas were exchanged as well as valuable future perspectives for our member companies were discussed with the Chinese delegation.

Activities planned for 2010

This year, Danish-Chinese Business Forum will participate in EXPO 2010 in Shanghai. This important event will be a great opportunity for our member companies to present themselves and their solutions targeted to the Chinese market. We are very happy to say that His Royal Highness the Prince Consort of Denmark will support our member activities at EXPO 2010 in the end of August. This makes it possible for us to invite high-level officials and key Chinese decision makers to be present at the different events. In that way EXPO will be a good base for our member companies to further expand their business relations in China.

Another big event that Danish-Chinese Business Forum will take active part in is the World Climate Solutions 2010 in September in Copenhagen. In this connection we will organise delegation tours in Denmark for Chinese delegations within the building sector, the industrial sector, the transport sector and the energy sector. Apart from these four delegations, we are also expecting a high-level official Chinese delegation to participate in the event. For our cleantech members this is a very good opportunity to further develop their contacts with key Chinese decision makers.



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The celebration of the 60 year-anniversary of the Danish-Chinese diplomatic relations is taking place in May 2010. We consider the celebration of this event a very important signal to the Chinese authorities. On behalf of our members, Danish-Chinese Business Forum is through this event working to further strengthen the close relations between our two countries. Therefore we hope that many of our members will attend our reception on May 10 at the University of Copenhagen. We know that this will be appreciated by the Chinese Embassy here in Copenhagen.

Why is China so important to us?

The development of the Chinese Economy

2009 has been a year where the world economy has witnessed a severe downturn due to the global financial crisis. While many Western economies are still trying to recover, the Chinese economy has overcome the global financial recession with high growth rates.

The growth rate for 2009 was 8.5 percent and in the last quarter of 2009, China revealed double digit economic growth of impressive 10.7 percent. First quarter of 2010 continues this trend with a GDP growth of 11.9 percent. China is now the world's second largest economy, behind the US, overtaking Japan. In its latest estimate, the IMF has predicted a growth rate of 10 percent for 2010. As you can see China is moving very fast.

The performance of Chinese export in February 2010 was much better than most had predicted, as the Chinese export rose 45.7 percent that month from a year earlier. Due to this massive growth in the export, China has recently superseded Germany's export value and is now the world's largest exporter.

The service sector is also developing very quickly in China. In 2009 the sector constituted 40 percent of the GDP. The prognosis for 2010 is 58.6 percent, which shows the speed with which Chinese society is changing.

The Chinese consumer market has, according to McKinsey Global Institute, potential to become the largest consumer market in the world. In 2009 the Chinese Prime Minister Wen Jiabao made the promotion of domestic consumption a significant fundament in the drive to maintain economic growth in the long term. McKinsey thus anticipates that the Chinese consumer market is likely to become the world's third largest by 2020.

To illustrate the speed of the Chinese development, Professor Fogel from Chicago University predicts that judging by purchasing power parity (PPP) China's gross domestic product (GDP) will by 2040 be 40 percent of global GDP, ranking first in the world – far more than the 14 percent share of the United States.

With the Chinese economy booming again and the perspectives for the next decades looking very promising, a stronger focus on China is necessary. Therefore, we will strongly encourage our members to further increase their activities in China the coming years, in order to get a bigger share of this continuously growing market. The train is moving very fast and we have to be on that train. It is important to recognise that The Strategic Partnership Agreement with China signed in October 2008 is an essential platform for expanding the commercial relations with this fast moving market.



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In this connection it is also necessary to point out that it is of great importance for the Danish Government to understand how to further develop the good relations with China as well as how to intensify the present efforts.

Good relations with China mean good business for our members.
Excellent relations with China mean excellent business for our members.
Bad relations mean, yes you all know what that means!

I would like to stress the significance of continuously developing the personal relations with the Chinese, not only on the short-term but also on the long-term basis.

Concluding remarks

I would like to thank the ministries and our partners in Denmark and China as well as the Danish Embassy in Beijing and the Chinese Embassy in Denmark for a very good cooperation in the past year. This cooperation is of great importance in the daily work of Danish-Chinese Business Forum. We are looking forward to an even closer cooperation in 2010 to the benefit of our members.