

MONTREAL MICROECONOMICS

December 09, 2003

1. THE PURPOSE OF MY PRESENTATION TODAY IS TO ADDRESS FOUR ISSUES: A) WHY YOU HAVE TO PAY ATTENTION TO CHINA; B) WHO SHOULD EXPORT TO CHINA; C) WHO SHOULD INVEST IN CHINA; D) AND WHO WILL BE FACING CHINESE COMPETITION IN CANADA.
2. MY UNDERLYING POINT THROUGHOUT IS THAT ALL CANADIAN COMPANIES NEED A CHINA STRATEGY.

WHY PAY ATTENTION

3. CHINESE GDP GROWTH THIS YEAR WILL PROBABLY BE OVER 8.5%. OVER THE LAST FIVE YEARS IT HAS AVERAGED 8%; OVER THE LAST TEN 9%; PROJECTIONS FOR 2004 ARE 7.5%;
4. CHINA IS THE 6TH LARGEST ECONOMY AFTER USA (US\$10T), JAPAN (US\$4T), GERMANY (US\$2T), UK (US\$1.5T) AND FRANCE (US\$1.4T). AT 7% GROWTH, IT WILL SURPASS FRANCE BY 2005, UK BY 2008 AND GERMANY BY 2011, MAKING IT THE THIRD LARGEST ECONOMY BY THE END OF THE DECADE, ASSUMING GROWTH REMAINS AT TREND FOR THESE COUNTRIES.
5. THE ECONOMY CONSISTS OF: THE AGRICULTURAL SECTOR,

WHICH EMPLOYS 324 MILLION WORKERS, 43% OF THE LABOUR FORCE, BUT PRODUCES ONLY 15% OF TOTAL OUTPUT. THE VALUE OF ITS OUTPUT HAS BEEN GROWING BY ABOUT 2.7%, WHICH IS LESS THAN A QUARTER (11.6%) OF THE GROWTH OF THE MANUFACTURING SECTOR.

6. MANUFACTURING IN 2003 IS 52% OF OUTPUT. IT EMPLOYS 81 MILLION WORKERS, ABOUT 10% OF THE LABOUR FORCE. MANUFACTURING HAS DRIVEN THE ECONOMY FOR THE LAST DECADE, INCREASING AT AN AVERAGE GROWTH RATE OF 17% PER YEAR. FOREIGN INVESTED ENTERPRISES, INCLUDING CANADIAN FIRMS SUCH AS CELESTICA, NORTEL, BOMBARDIER, PORTS INTERNATIONAL, STILL ONLY ACCOUNT FOR A SMALL PORTION OF OVERALL PRODUCTION, BUT ARE HUGELY IMPORTANT DRIVERS OF CHINA'S TRADE -- 52% OF CHINA'S EXPORTS AND 48% OF CHINA'S IMPORTS ARE GENERATED BY FOREIGN-INVESTED COMPANIES. AS WELL, FOREIGN-INVESTED COMPANIES PROVIDE THE COMPETITION AND GOOD EXAMPLES THAT DRIVE PRODUCTIVITY GROWTH

7. WITH TOTAL RECORDED FOREIGN DIRECT INVESTMENT FLOWS INTO CHINA SINCE 1990 TALLING US\$ 436 BILLION, AND OVER US\$55B PROJECTED THIS YEAR AND NEXT, SURPASSING IN THE PROCESS THE UNITED STATES AS FDI TARGET, GROWTH IN EXPORTS FROM FOREIGN COMPANIES AND COMPETITION IN THE MANUFACTURING SECTOR WILL CONTINUE TO BE STEEP.

8. CHINA'S EXPORTS OF MANUFACTURED GOODS ARE GROWING QUICKLY, BUT SOME OF THE MOST DYNAMIC SECTORS ARE SUPPLYING THE DOMESTIC MARKET -- MOBILE TELEPHONE HANDSETS, CARS, AND BUILDING PRODUCTS, FOR EXAMPLE.

9. SIZE AND SPEED OF GROWTH MATTER.

10. IN 1990, CHINA'S OUTPUT WAS 2% OF GLOBAL GDP; 0.8% OF USA GDP. TODAY IT IS 4% OF THE WORLD, 12% OF THE USA AND 28% OF JAPAN.

11. IN 1990, CHINA'S TOTAL TRADE WAS 2% OF GLOBAL TRADE IN GOODS. IN 2002, IT WAS 5% OF GLOBAL TRADE IN GOODS.

12. IT IS THE SAME STORY OF GROWTH IN THE SERVICES TRADE. TODAY, CHINA BUYS \$US 44 BILLION IN SERVICES - PRIMARILY SHIPPING, INSURANCE, TOURISM ETC, AND SELLS US\$37 BILLION.

13. CHINA ACCOUNTED FOR 3% OF USA GOODS IMPORTS IN 1990. TODAY IT ACCOUNTS FOR 11%. ITS EXPORTS OF GOODS TO CANADA IN 1990 WERE \$1.4 BILLION, THIS YEAR THEY WILL APPROACH 16 BILLION

14. IN 1960, WHEN PEOPLE STARTED PAYING ATTENTION TO JAPAN, THE JAPANESE ECONOMY WAS 13% OF THAT OF THE USA. 20 YEARS LATER IT HAD RISEN TO 33%.

15. IN 1960, JAPAN'S FOREIGN INVESTMENT ABROAD WAS EXTREMELY RESTRICTED, PRIMARILY BECAUSE OF INDUSTRY STRUCTURE AT THE TIME, AND BY LIMITS TO CAPITAL FLOWS. BY THE 1990s, JAPAN WAS THE WORLD'S LARGEST SOURCE OF FDI. IT HAD US \$1.82B IN FOREIGN INVESTMENTS ABROAD. DURING THE HEIGHT OF THE BUBBLE IN THE LATE 80s, JAPAN WAS EXPORTING \$1B EVERY THREE DAYS.

16. BEFORE NAFTA, CANADA'S TWO WAY TRADE WITH THE USA WAS 70% OF OUR INTERNATIONAL BUSINESS. TODAY THIS DEPENDENCE HAS RISEN TO 85%.

17. BOTH OF THESE TRANSITIONS - JAPAN'S IMPACT ON THE GLOBAL ECONOMY AND NAFTA - PROFOUNDLY CHANGED THE PLAYING FIELD FOR CANADIAN COMPANIES.

18. WHAT IS HAPPENING WITH CHINA WILL HAVE EQUALLY TECTONIC SIGNIFICANCE

WHO SHOULD BE SELLING TO CHINA

19. IN 2002, CHINA'S MOST IMPORTANT IMPORT SECTOR WAS ELECTRICAL MACHINERY AND ELECTRONICS, ACCOUNTING FOR 25% OF THE TOTAL. THESE GOODS CONSIST PRIMARILY OF INTEGRATED CIRCUITS AND SEMI-CONDUCTORS.

20.MACHINERY ACCOUNT FOR 18%. THESE CONSIST OF COMPUTERS AND COMPONENTS AS WELL AS AUTOMATIC DATA PROCESSING EQUIPMENT.

21.FROM THERE, AT 9%, IT IS BASE METALS AND PRODUCTS - FOR EXAMPLE IRON AND STEEL ; AT 8%, MINERAL PRODUCTS, INCLUDING OIL AND GAS; EQUIVALENT VALUES OF CHEMICALS, FOR EXAMPLE CRUDE OIL, ORES, SLAGS AND ASH AND SO FORTH.

22.LIQUID CRYSTAL AND SEMI-CONDUCTOR DEVICES, MOBILE PHONE MANUFACTURING EQUIPMENT, AUTOMOBILES WERE THE MOST RAPIDLY INCREASING IMPORTS IN 2002.

23.CANADA'S EXPORTS TO CHINA MATCH CHINESE MARKET DEMAND TO SOME EXTENT: CHEMICALS, ELECTRICAL MACHINERY AND ELECTRONICS, MINERAL PRODUCTS, ARE AMONG OUR MOST IMPORTANT EXPORTS TO CHINA.

24.HUNDREDS OF SMALL AND MEDIUM SIZED COMPANIES ARE ALSO DOING WELL, EVEN IF THEY DON'T NECESSARILY SHOW UP ON THE MACROECONOMIC NUMBERS.

25.FOR EXAMPLE: OUELLET FOR SPACE HEATERS, SMART TECHNOLOGIES FOR COMPUTER GENERATED GRAPHICS ON DISPLAY BOARDS, CUMMINS WESTPORT LNG POWERED ENGINES ON BEIJING AND CHONGQING MUNICIPAL BUSES, AND

SO FORTH.

26.THE CHALLENGES OF ENTRY ARE STRAIGHTFORWARD: TERMS OF TRADE AND MARKET CONDITIONS.

27.THE TARIFFS THAT IMPACT THE MOST ON CANADIAN MAJOR EXPORTS INCLUDE THOSE ON AUTOPARTS AT 24%, CHEMICALS , AT AS HIGH AS 16% AND ON PAPER AT AS HIGH AS 8%.

28.EVEN THESE RATES ARE LOWER THAN THOSE OF INDIA, BRAZIL AND MANY OTHER IMPORTANT DEVELOPING MARKETS.

29.WTO TARIFF COMMITMENTS BY CHINA ARE BRINGING RATES TO LEVELS LOWER THAN THE OECD AVERAGE (9.8% vs. 15.4%), MOST NOTABLY ON AGRICULTURAL GOODS (13.6% vs. 36%).

30.LICENCING PROCEDURES FOR EXPORTS OF GOODS AND SERVICES INTO THE CHINESE MARKET VARY FROM SECTOR TO SECTOR.

31.BUSINESS ETHICS ARE IMPROVING, BUT JUST IN CASE, INSURANCE IS AVAILABLE FROM EDC AND CANADIAN BANKS. EDC HAS SEEN ITS INSURANCE BUSINESS INCREASE FROM __ 5 YEARS AGO TO __ LAST YEAR. IT SERVED __ FIRMS LAST YEAR IN THE PROCESS. IT CAN BE ONE OF YOUR MOST IMPORTANT PARTNERS. [note ALISON'S COMMENT]

32.GETTING PAID REMAINS THE NUMBER ONE ISSUE...

- 33.FORTUNATELY, WHEN YOU ARE PAID, IT IS MUCH EASIER THAN IT EVER WAS TO CONVERT FUNDS TO FOREIGN CURRENCY AND SEND THEM BACK HOME -- AT LEAST FOR PROFITS ON AN INVESTMENT OR PAYMENT FOR GOODS AND SERVICES.
- 34.IP PROTECTION FOR THE GOODS THAT YOU SELL IN CHINA IS ALSO IMPORTANT. THE MAIN IPR-RELATED PROBLEMS FACED BY FOREIGN COMPANIES DOING BUSINESS WITH CHINA INCLUDE: (A) LOCAL PROTECTIONISM, (B) ADMINISTRATIVE FINES THAT ARE LOW AND ARE OFTEN NOT ENFORCED IN PRACTICE, (C) LACK OF ACTION TAKEN AGAINST FACILITATORS, (D) RARITY OF CRIMINAL PUNISHMENT, (E) LONG WAITS FOR PATENT OR TRADEMARK APPROVAL OR FOR TRADEMARK REVIEW COUPLED WITH A FAILURE TO PROPERLY PROTECT IP DURING THIS APPROVAL PERIOD, (F) THE FACT THAT INFRINGING GOODS ARE OFTEN ONLY DESTROYED WHEN THE LABELS/MARKS CANNOT BE SEPARATED FROM THE GOOD AND (G) CONTRACTUAL DISPUTES OVER WHO OWNS THE IP.
- 35.DESPITE THESE PROBLEMS, JUST OVER THE LAST FIVE YEARS, CANADIAN FIRMS HAVE SOLD CDN\$10B WORTH OF GOODS AND SERVICES TO CHINA, AND CANADIANS HAVE BENEFITED FROM SOURCING \$68B OF CHINESE IMPORTS. LITTLE OF THIS TRADE AND ECONOMIC ACTIVITY EXISTED 10 YEARS AGO.
- 36.SO, IF YOU HAVE EXPORT CAPABILITY, AND THE FINANCIAL RESOURCES TO UNDERTAKE MARKET DEVELOPMENT

ACTIVITIES, YOU MUST BE LOOKING AT CHINA.

WHO SHOULD BE INVESTING IN CHINA MANUFACTURING SECTOR?

37. THIS IS A VERY COMPLEX ISSUE, AS IT INVOLVES A LARGE NUMBER OF STRATEGIC DECISIONS, AS WELL AS MANY HUNDREDS OF MINOR ONES.

38. THE KEY ISSUES THAT YOU HAVE TO THINK ABOUT ARE MANY, BUT INCLUDE THE FOLLOWING:

THE PURPOSE OF INVESTMENT: TO LOWER YOUR PRODUCTION COSTS AND IMPROVE YOUR COMPETITIVENESS IN ORDER TO SELL TO THE CHINESE MARKET OR THIRD MARKETS, INCLUDING CANADA;

THE SIZE OF YOUR INVESTMENT, AND COSTS IN HUMAN AND OTHER RESOURCES, ESPECIALLY SENIOR MANAGEMENT TIME;

WHETHER TO INVEST WITH A CHINESE PARTNER OR GO IT ALONE;

WHERE IN CHINA TO INVEST, AND OBTAIN THE BEST TERMS AND CONDITIONS;

HOW TO ASSESS THE NATURE OF THE DOMESTIC COMPETITION, IN AN ECONOMY THAT IS STILL AS MUCH SOCIALIST AS IT IS PRIVATE, AND WHERE PURCHASING DECISIONS MAY HAVE LITTLE TO DO WITH EITHER PRICE OR QUALITY;

HOW TO OBTAIN THE BEST LEGAL PROTECTION;

HOW TO PROTECT YOUR INTELLECTUAL PROPERTY;

HOW TO DEVELOP AN EXIT STRATEGY IF THINGS GO BAD.

39.THERE ARE THOUSANDS OF SUCCESSFUL INVESTMENTS IN CHINA. THERE ARE THOUSANDS OF FAILED INVESTMENTS IN CHINA, OR INVESTMENTS THAT HAVE NOT RETURNED THE COST OF CAPITAL.

40.SUCCESSFUL CANADIAN INVESTMENTS INCLUDE LARGE FIRMS SUCH AS BOMBARDIER, CELESTICA AND NORTEL, AND SMALLER FIRMS SUCH AS PORTS INTERNATIONAL.

41.BUT MANY FIRMS HAVE NOT HAD SUCCESS. THE PRINCIPAL REASONS FOR FAILURE HAVE INCLUDED: LIMITED MARKET RESEARCH, LACK OF COMMITMENT, POOR ALLIANCES, UNREALISTIC EXPECTATIONS, LOW PRIORITY ACCORDED TO THE PROJECT BY SENIOR MANAGEMENT, POOR DISTRIBUTOR RELATIONS, RIGID INTERNAL MANAGEMENT PRACTICES, LACK

OF EXPORT EXPERTISE. IN VIRTUALLY EVERY CASE, ONE CAN PROBABLY POINT TO A LACK OF DUE DILIGENCE BEFORE MAKING THE DECISION TO INVEST.

42.THERE IS NO FAILURE PROOF STRATEGY. BUT THERE IS NO MAGIC INVOLVED EITHER.

43.AS A POTENTIAL FOREIGN INVESTOR, YOU MUST KEEP TWO THINGS CLEARLY IN MIND.

44.FIRSTLY, AND FROM AN INVESTOR'S POINT OF VIEW, CHINA IS STILL A DEVELOPING COUNTRY.

45.BUSINESS ETHICS HAVE NOT ALWAYS CAUGHT UP WITH WHAT IS EXPECTED OF COMPANIES IN MAJOR TRADING NATIONS. AS IN OTHER LDCs, SMALLER FIRMS CAN HAVE MORE DIFFICULTY GETTING THE ATTENTION OF REGULATING AUTHORITIES THAN IS THE CASE FOR FIRMS WITH ESTABLISHED NAMES AND A HISTORY OF FOREIGN INVESTMENT. LEGAL RECOURSE IS NO BETTER OR WORSE IN CHINA THAN IN MANY OTHER COUNTRIES WHERE JUDGES ARE BADLY PAID OR LACK TRAINING IN ANYTHING OTHER THAN CRIMINAL LAW. REGULATORY TRANSPARENCY IS A PROBLEM, EVEN AS WTO RULES ARE IMPROVING THE SITUATION.

46.SECOND, IT IS STILL NOT, AS WE UNDERSTAND IT, A MARKET ECONOMY. THE TELECOMS SECTOR, THE ENERGY SECTOR,

MOST OF THE DOMESTIC AUTOMOBILE SECTOR, VAST SWATHES OF THE DOMESTIC MANUFACTURING SECTOR REMAIN IN THE HANDS OF GOVERNMENT INSTITUTIONS. THE LARGEST CHINESE BANKS, INSURANCE COMPANIES ARE GOVERNMENT OWNED. 99% OF COMPANIES LISTED ON THE SHANGHAI STOCK EXCHANGE ARE IN THE HANDS OF GOVERNMENT INSTITUTIONS.

47. YES, THERE IS A MARKET ECONOMY IN THE VAST CONSUMER SERVICES SECTOR, SUCH AS RESTAURANTS, TAILORS AND BARBER SHOPS; THERE ARE PRIVATELY OWNED CHINESE COMPANIES IN MANUFACTURING AND CONSTRUCTION; EVEN IF INSURANCE IS HIGHLY REGULATED, INDIVIDUAL CONSUMERS DECIDE ON IF AND FROM WHOM TO BUY INSURANCE.

48. BUT THESE COMPANIES, PERHAPS NUMBERING TWO MILLION OR MORE, ACCOUNT FOR LESS THAN A THIRD OF THE MANUFACTURING AND SERVICES ECONOMY

49. SO THE CHINESE ECONOMY REMAINS VERY MIXED AS FAR AS OWNERSHIP GOES, AND THIS GREATLY AFFECTS THE INVESTMENT ENVIRONMENT.

50. ALL THAT SAID, FOREIGN DIRECT INVESTMENT HAS TRANSFORMED CHINESE MANUFACTURING, AND THUS CHINA'S ECONOMY OVERALL AND ITS TRADE. THERE ARE MORE THAN 56,770 FIEs ACCORDING TO CHINESE STATISTICS, INCLUDING JOINT VENTURES.

51.THESE FIRMS, IN WAYS PARTICULAR TO THEIR OWN EXPERIENCES AND THEIR BUSINESS, DEVELOPED AN UNDERSTANDING OF THE RIGHTS AND OBLIGATIONS OF FOREIGN INVESTED ENTERPRISES; THEY FAMILIARIZED THEMSELVES WITH THE TAX AND FOREIGN EXCHANGE REPATRIATION SYSTEMS.

52.THEY DECIDED WHETHER THEY NEEDED A BUSINESS PARTY OR NOT. THOSE WHO DID ALSO UNDERTOOK SUCH VERIFICATIONS AS: CONFIRMING THAT THEIR POTENTIAL PARTNER HAS BEEN REGISTERED WITH THE STATE ADMINISTRATION OF INDUSTRY AND COMMERCE, AND HAS A VALID BUSINESS LICENCE; DETERMINED WHO CONTROLS THE COMPANY AND HAS SIGNING AUTHORITY; ASSURED THAT THERE IS ENOUGH TRANSPARENCY AND ONGOING COMMUNICATIONS WITH THEIR PARTNERS SO THAT PROBLEMS CAN BE IDENTIFIED AND RESOLVED, PREFERABLY WITHOUT RECOURSE TO WHAT CAN BE A COMPLEX JUDICIAL SYSTEM.

53.DUE DILIGENCE IS JUST AS IMPORTANT IN CHINA AS IT IS ANYWHERE ELSE. AND DUE DILIGENCE IS GETTING EASIER.

54.ON THE GROUND, IN CHINA, THE GOVERNMENT OF CANADA MAINTAINS AN EMBASSY IN BEIJING, AND CONSULATES IN SHANGHAI, GUANGZHOU, CHONGQING AND OF COURSE THE SPECIAL ADMINISTRATIVE REGION OF HONGKONG. EACH OF THESE OFFICES PROVIDES BASIC MARKET INTELLIGENCE, INFORMATION ON THE LEGAL AND REGULATORY

ENVIRONMENT, ADVICE ON BUSINESS PRACTICES AND SOURCES OF SPECIALIZED SUPPORT SUCH AS LAW OFFICES - THERE ARE A NUMBER OF CANADIAN LAW FIRMS IN CHINA - ACCOUNTING FIRMS, ADVERTISING AGENCIES, POLLING AND PRODUCT PLACEMENT EXPERTS ETC.

55. ANY MANUFACTURING ENTERPRISE FOR WHICH LABOUR IS A KEY INPUT, AND WHOSE MANUFACTURING REQUIRES A SIGNIFICANT AMOUNT OF PROCESSING MUST DETERMINE IF IT CAN BENEFIT FROM DEVELOPMENTS IN CHINA. AT A MINIMUM, YOU SHOULD KNOW IF YOUR COMPETITORS HAVE REACHED THE CONCLUSION THAT ITS PRICE STRUCTURE WILL BE SIGNIFICANTLY ENHANCED IF IT MANUFACTURES IN CHINA.

NOWHERE TO HIDE

56. COMPANIES THAT HAVE NO INTENTION OF SELLING OR INVESTING IN CHINA MAY THINK THAT CHINA'S TRANSFORMATION IS OF NO INTEREST TO THEM.

57. THINK AGAIN. BECAUSE CHINA'S GROWTH IS AN INTERNATIONAL TRADE PHENOMENON, AS MUCH AS A DOMESTIC EXPANSION PHENOMENON.

58. THE PRINCIPLE PRODUCTS FOR EXPORT TO CANADA ARE LIGHT INDUSTRY CONSUMER GOODS, INCLUDING FURNITURE, TOYS, TEXTILES, CLOTHING AND FOOTWEAR, CONSUMER

ELECTRONICS ETC. CHINA IS ALSO MOVING UP THE SCALE IN THE MANUFACTURING OF AUTOMOBILE PARTS, MACHINERY, AND PRECISION INSTRUMENTS.

59.THESE IMPORTS FROM CHINA WERE VALUED AT IN 1995. LAST YEAR, THEY WERE VALUED AT \$16B.

60.IN 1995, THERE WERE NO RECORDED EXPORTS OF __ TO CANADA. LAST YEAR, THESE WERE VALUED AT \$__. [IT'S PRETTY HARD TO DISAGGREGATE THE NUMBERS HERE, BUT I'D BE COMFORTABLE STATING THIS IN ANY CASE.]

61.WHAT IS MORE, CHINA'S EXPORT PROFILE AND CANADA'S IMPORT REQUIREMENTS FROM SOURCES BEYOND THE UNITED STATES ARE ALMOST A PERFECT MATCH.

62.SO WE CAN EXPECT MORE CHINESE GOODS SOLD AT RETAIL AND WHOLESALE IN THE VERY NEAR TERM.

63.CANADIAN MANUFACTURERS OF FURNITURE, HOUSEWARES, AUTO PARTS ETC ARE ALREADY FACING THIS COMPETITION. IN THE NEAR FUTURE, THIS WILL EXPAND TO APPLIANCES, FASHIONABLE CLOTHING, COMPUTERS, CELLPHONES AND UPSCALE CONSUMER ELECTRONICS.

FINAL COMMENTS

64. IN CONCLUSION, WE HAVE TO GET USED TO THE IDEA, AS WE DID AT THE OUTSET OF THE JAPANESE CONSUMER PRODUCTS INVASION, AND AS WE DID WHEN THE IMPACT OF NAFTA BECAME EVIDENT, THAT WE MUST ADAPT TO A NEW BUSINESS ENVIRONMENT.

65. AS I SAID AT THE OUTSET, EVERY FIRM MUST HAVE A CHINA STRATEGY, EITHER TO MAKE MONEY FROM CHINA'S GROWING MARKET, OR TO ENSURE THAT YOU HAVE A GRASP OF A NEW, EMERGING COMPETITIVE ENVIRONMENT. YOU MAY NOT BE IN CHINA BUT CHINESE FIRMS AND FOREIGN INVESTORS ARE, AND THEY ARE NOW OR IN THE FUTURE EYEING YOU AS A COMPETITOR.

66. SECONDLY, ALL OF THESE DEVELOPMENTS, THE INCREASING GDP, THE RISE IN IMPORTS AND EXPORTS, FDI IN CHINA, AND THE STIRRING OF CHINESE INVESTMENT ABROAD, SHOULD NOT BE FEARED BUT WELCOMED. IF ONE BELIEVES THAT A GLOBALIZED, INTERDEPENDENT WORLD CONTRIBUTES TO RISING STANDARDS OF LIVING AND STRONGER UNDERPINNINGS IN SUPPORT OF GLOBAL PEACE AND SECURITY, THEN CHINA'S REMARKABLE ACHIEVEMENTS ARE A SOURCE OF GLOBAL STRENGTH.

67. WE WELCOME THIS VERY SIGNIFICANT ADDITION TO THE WORLD OF TRADE AND ECONOMICS. WE THUS ALSO HAVE A STAKE IN CHINA'S SUCCESS.

68.THANK YOU.