

Congratulatory Letter to 2012 Annual General Meeting of China Business Council for Sustainable Development (CBCSD)

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Honorable Mr. Peter Bakker, Dr. Dong-Soo Hur,
Dear Council members, Representatives, Ladies and Gentlemen,

On behalf of China Enterprise Confederation, China Enterprise Directors Association, CBCSD and in my own name, I'd like to warmly welcome all the council members, member representatives and friends from the business community for your presence at CBCSD 2012 Annual General Meeting convened today. My sincere appreciation also goes to Mr. Peter Bakker, the newly-appointed President of WBCSD, and to Dr. Dong-Soo Hur, President of KBCSD who come all the way to attend this meeting. I'd also like to congratulate and thank all the enterprises for your efforts and achievements in pursuing sustainable development.

Thanks to the tremendous support by the Chinese government authorities, WBCSD and various social sectors, and the unremitting efforts of its members, CBCSD has been working

effectively over the years for corporate sustainable development, serving as a bridge and platform to facilitate exchanges and cooperation among enterprises, government organizations and institutions, as well as articulating the voice of the business community. A number of milestone projects conducted by CBCSD, such as Energy and Climate Change, HSE, compilation of CSR reports and sustainable development reports, have been highly valued and well recognized by the Chinese government, the business community and the public. CBCSD has also made concrete progress in deepening exchanges and cooperation with WBCSD, and its counterparts in Korea, the US, Japan, etc.

Such valuable practices have helped to lead a way for more Chinese enterprises to grow in a sustainable manner. Nevertheless, we should be clearly aware that considering the current situation and future tasks, what we have accomplished is still far from where we should be.

In 2008, triggered by the US subprime crisis, a financial crisis rapidly spread worldwide and grew into a world economic crisis, by which developing economies were seriously affected as well. Developed economies, drawing lessons from “manufacturing hollowing-out”, are revitalizing their real economy by accelerating industry restructuring. The US officially launched the Advanced Manufacturing Partnership (AMP) in 2011, and affirmed in the 2012 State of the Union Address that manufacturing industry is the key to the country’s economic growth and job creation. It is no

doubt that developed economies, with their solid technical foundation, outstanding human resources, powerful R&D strength and sound market mechanism, will regain their dominance in many manufacturing areas once prioritized their industrial mix. China's manufacturing industry is the world's largest in terms of the total output. According to the World Bank, the added value of global manufacturing was USD 9,108.1 billion in 2009, of which China accounted for 18.56%, or USD 1,691.1 billion. The figures in 2010 were even bigger. Also, of the 22 statistical categories, the added value of China's manufacturing industry in 2009 ranked first in 12, second in 9 and fifth in 1. Unquestionable as our strength in this aspect is, the overall level of China's manufacturing industry is barely comparable to that of the developed economies. The huge gap lies in our products of low added-value, over-consumption of energy and raw materials, insufficient protection of environment, occupational safety and health, etc. We should devote to closing the gaps through constant learning, pursuing and hard-working. The Chinese government has made it clear to "firmly root in the solid real economy" and improve the competitiveness of China's manufacturing industry to a new high, raising stricter requirements to enterprises in energy conservation and emission reduction in the 12th Five-Year Plan period. It is important for Chinese manufacturing enterprises to fully aware the gap, forge ahead with industrial transformation and upgrading to echo the call of the times - low carbon, environmental protection and sustainable development. We should keep increasing the added-value of products, consolidate and improve the superior

position in the value chain, and strive for a higher overall competitiveness of “made in China”.

I hope that CBCSD will continue its work in various aspects, give full play to its strength in cross-sector collaboration and the function of its members, set up the exemplary models, promote industrial structure optimization and upgrading in some key areas, and enhance the capability for comprehensive utilization of energy and resources. It is also expected to vigorously cultivate and push forward the growth of emerging industries such as high-end equipment manufacturing, energy conservation and environmental protection, biomedicine, new energy vehicles, new materials, etc., and meanwhile more openly – both in attitude and through real actions – promote exchanges and cooperation of domestic and foreign enterprises in sustainable development, share the advanced ideas and experience, fully showcase new approaches of domestic and foreign business communities in environment and resource management, and work together for a sustainable future of the world. I am convinced that CBCSD will do an even better job in the future in promoting the sustainable development of Chinese enterprises and the transformation of China’s economic development pattern.

Finally, I wish the AGM a round success. Thank you all.