

This is a raw transcript of the In-Focus forum on China (“Growing Fast and Growing Green”) of the World Cities Summit, held at Marina Bay Sands, Singapore, on 3 July 2012. The panel comprised:

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  - **HONG Zhi Hua**  
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**Dr Liu:** “Ladies and gentlemen, very good morning. Welcome to the In Focus China Forum. Today we have invited five experts from China to introduce to you the Chinese cities development. I would like to ask the experts to spend about 10 minutes each tell us your views, to share with us. Afterwards, we have 30 minutes to exchange views and I will take five minutes in the beginning and the in the end to summarise. Today first we would like to invite Mr Li Tie. He is, he’s from China’s Centre for Urban Development, National Development and Reform Commission of China. The second speaker is Dr Tang Jie. He’s the Vice Mayor of Shenzhen and the third speaker is from Beijing and he is Deputy Director of Beijing Municipal Urban Planning Commission, Zhou Nansen. And the fourth is Feng Lun, he’s the chairman of the board, Vantone Holdings and last is Dr Hong Zhi Hua. He’s the Executive Vice President of the Yanlord Group and he’s also the Vice CEO of the Nanjing Eco Island Development Corp.

This is a very meaningful meeting. First, we would ask Mr Li Tie to tell us about China’s urbanisation from the national point of view. Before I had heard about Mr Li’s talks, I think today he will tell us about the general trend of China’s urbanisation and the other two experts will talk from the point of view of the individual cities. First is Tang Jie and then Zhou Nansen. One is about Shenzhen and the other is about Beijing. Later, the two speakers, they are developers. They’ll tell us about the commercial behaviour of developers and what they can do to contribute to China’s development. Feng Lun, he represents the famous Vantone Group and the Nanjing Eco Hightech Island. This project is in Nanjing. It is in Jiangxinzhou near Nanjing and the main shareholder is from Singapore but the speaker today, Mr Hong, he has close ties with Shanghai. So he can talk from both from the vantage point of both Singapore and China. So this is a brief introduction. First I would like to invite Mr Li. Mr Li has a very interesting background.

He studied geography before and he has close relationship with urban planning and he also studied Europe's medieval history so he has the history background and the geographical background. He has taken part in the study of cities."

**Mr Li:** "Thank you Mr Liu Thai Ker for the introduction. After '87, I have been engaged in the study of China's rural area and from there, I shift my attention to the city area, to the city urbanisation. Now I would like to spend 10 minutes to talk about China's urbanisation. First, in May 3 we have the conference on EU-China urbanisation partnership held in Brussels. Mr Li Keqiang, Vice Premier, had a talk with Mr Boroso (?). They signed a joint declaration and this shows China's government has paid great attention to the urbanisation. China now has a large city population. Many people worry that what the consequence be for China's urbanisation. The first question will be the 690 million urbanisation population in the city, will that increase the carbon emission, will that bring risks to the roads? Second, many friends in Europe are concerned about the opportunities brought about by China's urbanisation, what kind of investment opportunities because there's huge consumption and investment market. So from this point of view, we can see China's urbanisation has a great consequence for the world. Therefore, Mr Li Keqiang has emphasised that and China's urbanisation want to be sustainable. And the second point is on reform, they want to borrow from the experience of Europe. This for China is a very important signal.

Next I want to talk about China's current situation on urbanisation. China's urbanisation is different from the other countries, mainly because we have very high speed. Now, it's about, before it's 36 per cent and now the urbanisation rate is about 51.3. This is higher than other countries in the world and we estimate the rate urbanisation will slow down but to what extent the rate will be going down. And there are also be changing land use in urbanisation. Before, we have a high speed in the coastal town, coastal cities and now the west and the central region, we see fast urbanisation rate. We see the, we see the fast urbanisation rate in the central and the western region. And we can see the urbanisation speed has gone up very much in the inland other than the coastal land in the recent years. This is a real change. And secondly is the scale of urbanisation and we can see our administrative towns of about 50,000 towns but we also have 20,000 towns and that to me these towns are small and medium size and these are very important. We can see we have five cities that surpass 10 million in population and 200,000 to 400,000 you can see the numbers here in this picture. Because of this change, and we have 20,000 in the small and medium cities. These are the focus of our policy. However, what kind of issues we need to solve?

Two issues. First is the urbanisation of the rural migrant workers We have to give them more public services, that to me is a lot of the rural workers cannot enjoy the same benefits and then we also have a lot of the other migrants who are benefits. We have to do reform. And to these migrant workers, we have to improve our public services so that they can enjoy the same or equal benefits as the other citizens in the city.

The second issue is in our urbanisation. We have to really do land reform because the land urbanisation speed is surpassing the population urbanisation speed and we can see as the economic growth comes from, and the fact that the low cost of the rural workers.

Secondly, is the contribution of the land. If we have the same situation as India and a lot of Southeast Asian countries, we have a lot of the labour. However, China has a policy. We can't force the rural people to give up their land so next step we have to really compensate the rural areas to do reform so that we can be better prepared for the further urbanisation. The third is to support the small and medium cities and in China, we have too many megacities who attracts a lot of the resources. So in the future, we need to inject these resources to medium and small cities. So what methods should we take to support these neighbouring small and medium cities? First is in the distributing of the administrative work resources, we have to give the small and medium towns more support. Secondly, we have to have special farms and the third we have to really invest in infrastructure, especially in traffic, transportation. The third is we have to support a lot of the transformation of the industries.

The last is we want to talk about urbanisation and its impact to the enterprises and it's a very important investment sector. So we would have the demand for housing and the consumption and infrastructure. And we can see a lot of the cities in China are facing the lack of infrastructure support and a lot of these cities need to sell their land in order to support the further development of the cities. So we are facing challenge. We need inflow of investors into China and we need to do some reform, some infrastructure development and the management has to be privatised. At the same time, we need investment of consumption. For example, this 690 million people to over 200 million are from rural areas and these people have the ability to settle in the city for the long run. So we need to really improve our services to them so that they can have the ability to consume and this is very important opportunity for us.

The third is in our investment opportunities is how can we choose the investment. We pay attention to the housing in the big cities because lack of resources and we believe that in the core areas, the price of housing in big cities will keep going up because of the population. At the same time, the neighbouring cities, the small and the medium cities will cause a better resource distribution. China's urbanisation covers a lot of areas.

The Chinese Government is determined to do a better job so that the cities can be sustainable and we hope that the international investors and friends will come to Chinese cities to invest. We would like to thank the Singaporean Government to organise this In Focus: China session. Thank you."

**MC:** "Thank you, Mr Li. We are very pleased to have the Vice Mayor of Shenzhen, Tang Jie, to talk about Shenzhen's development and its cooperation outside. So next Mr Tang, please."

**Mr Tang:** "...to thank the invitation for me to have this opportunity to speak, to share Shenzhen's experience with everybody. From the topic, this is about Shenzhen and about the Shenzhen's economic transformation and this very suitable for Shenzhen. Shenzhen has always been in the process of transformation. In the last 30 years, it has changed from a small fishing village to a metropolitan and from agriculture-dominated city to industrial-driven metropolitan and also shifted from a planning economy into a

market economy opening to the outside world and it is an outward looking economy. I will briefly introduce Shenzhen's development.

We can see from this map, the front part is Hongkong and the island area is, the hinterland is Shenzhen. I've always when I introduced Shenzhen I will tell them this is Hongkong's neighbour and they still don't where we are. After you have seen this map, you will now where we are. 150 years ago, Shenzhen and Hongkong belonged to the same district. 30 years ago, Shenzhen story started. Mr Deng Xiaoping visited Guangzhou 30 years ago. Then Shenzhen's many poor people escaped into Hongkong to seek a better life. In order to (-inaudible-) they ran to Hongkong. Many people said to Deng Xiaoping at that time we need to take strict measures to control the border. Deng Xiaoping said no, this is because our policies are not good, it's not because of our people. Then he went back to Beijing, Shenzhen has become China's first economic zone. In 30 years, the GDP has increased 10,000 times and Shenzhen and Hongkong, before we are only 1000th of Hongkong's GDP now it's Hongkong's GDP is 73 per cent. This is a picture of Shenzhen in 1980s. Maybe you cannot see very clear as the hill there is Hongkong and this is Shenzhen in 2005, the same place and this is looking at Shenzhen from Hongkong.

Every time when I send the picture to our foreign friends, they are all amazed to see Shenzhen change from 30,000 people, little city, to 14 million people and this is 2010, Shenzhen CDB. When look afar, the city is spreading away, is spreading further into outskirts areas. So our GDP in Singapore is 70 per cent and trade is, holds 9.1 per cent of total China's trade. And the net export about half, about 50 per cent of China's net export for the last few years has been 30 per cent of China's net export in average. Shenzhen is the fourth largest container port in the world. In the process of transformation, we need to see. This is a chart of the past five years, the change in the lowest salary, China's lowest salary, minimum salary has increased substantially. The average, in Shenzhen, the salary has increased substantially. This is the biggest challenge we are facing now. Cheap labour, the era of cheap labour is not longer here. Our average GDP is about \$20,000. We have to think about when we reach \$20,000, \$30,000 and \$50,000 rely on to develop Shenzhen. And this is a chart on increasing our industry's value to, to move our industry up the value chain. Before, we relied on making t-shirts and making apparels and shoes and suitcases. That's 30 years ago. And later we move to the IT industry. At that time, many products made in China was actually made in Shenzhen. Now this is where we're at our third stage. We actually make, we make things in Shenzhen.

We have our own brand, for example, Huawei, Shun Hing (?). These are two main systems, not just two companies. They are a big industrial block. They will propel Shenzhen into the largest wireless manufacturing phase. When people asked me where Shenzhen is, I said it's Hongkong's neighbour and they don't, they still don't know where we are. And then I said, this is where Huawei is and then said, I know Huawei. Before 30 years ago, it only had seven to eight people. Now they have 150,000 employers and has many branches in the world. Dong Qi is the same way, 30 years ago, only has seven to eight people. Now they have 100,000 employees and they are really famous for

wireless manufacturing. And we have seen a lot of R&D activities in Shenzhen and the R&D proportion in GDP is over 3.7 per cent and this has a very high level.

What we need to do is to increase the quality of the city and make our city an innovative city, not just for companies. We also want to create more universities, set up are more universities to train more talents. So far we have seen a lot of patents in Shenzhen. Twenty years ago, we only have patents in the hundreds, ten years ago it's in the thousands. Last year, the patent is close to 70, 000 and in PCT application, Shenzhen in the last seven years is 40 per cent of whole China, the PCT applications. Of course, Dong Qi and Huawei are the two major players. Huawei ranks the third in the world. For Shenzhen, if you want to overcome the problem of rising labour costs, we need to increase our level, our standard of design.

Unesco has named Shenzhen as the city of design but now we have top-class designers in Asia. Shenzhen's apparels are on par with Korea. It's still behind Japan. It's considered one of the best in Asia, their designers. Shenzhen's apparels are about 40 per cent of the whole China apparel production. In the future, we want to do more on the IT industry and move to new material, new energy source and finance.

I would like to tell you a story. In Chenghai , this 15 square metres land, three years ago, it was still a wasteland. Now we want to build a modern service area, it means you can have a free exchange of R&D and foreign companies, they can send loans to the Chinese companies. Now this goes back to the beginning life. Shenzhen and Hongkong in the future will become more integrated area and now the combined GDP of Hongkong and Shenzhen is about 400 billion. Thank you."

**MC:** "Thank you, Mr Tang. Beijing's development has been a focus for a lot of people. Today, we are very happy to get Mr Zhou Nansen, who is the Deputy Director Beijing Municipal Urban Planning Commission. Mr Zhou, please."

**Mr Zhou:** "Good morning, everyone. I'm pleased to be able to participate in this summit. Yesterday, last night, I went to the Lee Kuan Yew City Prize ceremony and I think the important things is that it's a world city and sustainable. This is what I would like to say today, sustainable Beijing. In the recent 10 years, we can see Beijing's development has four characteristics. First, the scale has really fast and also the explosion of the population and we have about 21 million people last year. Outside, the population is 37 percent and the land is about 60,8000 kilometres and 42 per cent are hill land. The land increase is also huge. Every year is about 33 kilometres and for urbanisation, you can see 2010, Beijing has reached 86 per cent of urbanisation, which is the second in China after Shanghai.

In the 10 years, we have raised eight per cent and our economic growth is growing very fast and then last year, we have 1.6 trillion and our average income is over US\$2000. At the same time, Beijing's economic development form has been transformed and we can see that the service sector is occupying more percentage now. The third is the city's functionality is still concentrated in the centre and half of the people are still living in the city centre. 80 per cent of our R&D and finance are in Beijing and we believe that a

central area is really important. The first area is the perfection of the infrastructure and we see seven million people travelling the public transportation each day and this year we are going to open up new lines and we can see that there will nine million people travelling on public transportation and our railway is expanding and power supply is huge. We can see that the service quality has improved tremendously in the recent years.

In general, Beijing is in a growth point of urbanisation and we are really moving into the new city and a new rural area development. Beijing's development is facing huge challenge and we need to talk about the following areas. First is the explosion of population and the limited resources. Secondly is to optimise our sectors. The third is the gap between the rural and the city areas. The next one is to raise our soft power. After Olympics in 2008, Beijing set a target to develop a world city and we would like to have innovation through technology and culture so that will push forward development of the city.

By 2020, we want to raise this city into a service of 100 per cent and its urbanisation rate will be 80 per cent. So we'll have a few policies and we need to develop a group of new cities, such as Shenzhou, Shunyi, Xingcheng in 2010, new cities land supply occupies 85 per cent of the entire place by 2011, and we want to have about 700 kilometres in operation to really realise our target of our transportation services, and the way we would like to do comprehensive development of the land so that we can ease the pressure from transportation. This third is to speed up, to build our airport and high speed bullet train so that we can really push forward the development. The third is we need to improve our ecology of the city and to (40:26) so that we can every 500 metres we can see park and a green area. Next is to preserve our historical areas so that we can upgrade our protection of the older cities. Beijing is a megacity, how can we plan to manage the city well? We need to learn from others so I would like to thank the organisers and thank the experts for your experiences."

**MC:** "Thank you, Director Zhou. Next let's invite Dr Feng Lun from Vantone to share his views on China's real estate market. Welcome, Dr Feng."

**Dr Feng:** "Dear friends, good morning. I'm very happy to share my experience in urbanisation from the point of view of a company. First I would like to introduce Vantone. We have a 21-year history and our area is in real estate. We can summarise in three sentences. First, we are a privately-run company, a private real estate company, not a government-run company. In Beijing, we are one of the largest. In seven sentences, we are a professional developer in real estate market and our business covering development, management and investing and as well as management. Our operations model is similar to CapitaLand. We have exchanged views with CapitaLand and third is our current business has four areas.

First is developing housing and offices and this sector, this area of our business. Of the 143 listed companies, we are number 17<sup>th</sup>. The second is in industrial real estate, for example, the industrial spaces. This year we should be the second largest in China and the rented factory area is over one million square metres. The third is asset

management. In revenue, we are number one in China and the fourth is fund management. In real estate companies, we are number two in fund management so we have four areas of business. In the future, of course, we will develop more businesses like in education, et cetera.

Our development is closely associated with urbanisation in the past few years. We are relatively old real estate company. We want to think about how the word 'contribute' in the urbanising process, how to be liked by the people and to let people feel we contribute to their lives. If we just want to make money and then this will not be welcomed by the city leaders and will be seen as exploiter and not a builder. How do we play our role as a builder? And we want to be a partner not exploiter in the city's development. We studied a trend of China's urbanisation. In the last few years, I have visited Singapore several times. When we studied China's urbanisation, we face four problems. First, if we expand the city in two large areas. In Shandong, they joked with us, we're saying you're in Shangdong's 22<sup>nd</sup> ring. You can say if Beijing continuously expand and Shangdong eventually will become a ring road, become a ring of Beijing. Our company has offices in the east and the west. Every day, we will spend three and a half hours just to go from the west side office to the east side office. An average worker in Beijing will probably spend about four hours on the road so this is big problem. The second problem is brought about by the waste of resources, carbon emissions, pollution so Beijing always been criticised for its environment and air quality.

The third is with equal urbanisation and real estate development, we neglected other areas, for example in the renewable energy resources, education, medical, healthcare. We have neglected in these areas. When we build these new cities, we just want to build houses so we need emphasise a holistic development of city. The fourth is most criticised in China, the costs keep rising. This city is too expensive to live in and people cannot even afford the development of the next generation of development.

We have discussed with Singapore counterparts, for the last three to four years we have started. How do we build a vertical city, compact city? We learnt from Hongkong, Tokyo their experience and how do we form intense cities, high quality and sustainable city. We call this a vertical city. After three years of study, we have formed this model, a prototype, one square kilometre area, we want to build up this area so this scale in Beijing, Wanjing takes about 17 square kilometres. It takes 20 years to develop. Now, it's about eight million square meter build-up are. By doing this, we can save a lot of land resources and also can build it up very fast. We also want to build a healthcare industry. Recently, we have a lot of these exchanges with Singapore to learn Singapore's experience in healthcare, how to bring the healthcare into the vertical city development. And locally, we have received many supports from the government because this is a good model to use the land wisely and economically. Next we will be doing the same thing in Xian and Wenzhou. In Singapore, we have been doing this study. Every year, we have a design competition, a worldwide design competition and soon we'll have a second design competition. I welcome everybody to come to the competition. I wish to learn from Singapore's experience in managing a high density city so our company can create a long term value for the urbanisation process and our development can be sustainable. Thank you."

**MC:** “After the Suzhou Industrial Park, Jiangsu (?) and Singapore had further cooperated on another project, Singapore-Nanjing Eco High Tech Island. Now let’s look at the video.

**Mr Liu:** “Next, now we will like to invite Mr Hong Zhi Hua, the Deputy CEO of Nanjing-Singapore Eco Island Development Company. Now Dr Hong.”

**Dr Hong:** “Dear Mr Liu Thai Ker, ladies and gentlemen, good morning. Just now we watched this video. This video was made three years ago. Today, we showed it to everybody to share with you. This project was initiated three years by Mr Li Yi-Shan, Minister of State of Singapore’s MTI. Singapore and China have cooperation project in Tianjin called the Tianjin Eco City. That area is about 30 square kilometres. While talking about this project, they are talked about Singapore has a very good relationship with Jiangsu. In 1994, Singapore has built Suzhou Industrial Park in Suzhou and now 18 years past, now we look at the Suzhou Industrial Park today it has become a very modern industrial city and the two leaders thought well, building upon the Tianjin Eco City, maybe we can do a mini eco city in Nanjing. They initially thought of building a small area of three to five square kilometres. And then Mr Jong Shenqian (?) of Yanlord and Liu Xing Ling (?) from SembCorp and Mr Liu Thai Ker have taken 24 Singapore companies to do in Nanjing to do a study trip. Then Nanjing has introduced, recommended, eight places. In the end among, the eight places, we accidentally noticed Jiangxinzhou, a small island in the Yangtze River, close to Nanjing City and we said, oh, this is the place we really want. Therefore we persuade the government officials and decide to build Singapore-Nanjing eco island and this project was supported by the Singapore-Jiangsu Economic Collaboration Council and was named as a flagship project. During the foundation many senior leaders from both sides of government has attended the ceremony.

This island is a little island in the Yangtze River. If you do development, you need to have approval from the Zhanjiang Irrigation Commission’s approval. This island is actually a flood-prone island. That means when Zhanjiang’s flood, this whole island may be flooded. Last year in November, the commission has finally gave approval and this island will become the third island after Chongming island become the third development island. And this project was led by Yanlord, SembCorp and state-owned enterprises in Nanjing. Singapore’s side has played a very important role. This project in the beginning was placed on a high foothold. It will be run based on the market growth. Both will contribute capital. In the whole planning process, we have invited Mr Liu as our planning advisor.

In the beginning, in the initial stage of planning, we emphasised to protect the environment and to use high technology so this project is named high tech island. Because of the unique location and because of the long tradition of Singapore-Nanjing cooperation tradition, this project has received quick attention from the Singapore side, and now this project, the total area is about 15.21 square kilometres. The time of development will be 2009 to 2020 and the planned population is about 150,000 and the total investment will be 150 billion RNM and we will borrow Singapore’s idea of combining work-life and entertainment together. We have planned appropriate

proportion for these three major functions and we want to build a beautiful and sustainable development model.

The next I want to briefly talk about three areas. First, we want to retain the original eco system and the lifestyle. China's urbanisation is very fast but we also neglected environment protection and destroyed the uniqueness of the area and destroyed the lifestyle of aborigines. So while we are doing the planning, we put top priority to keep original lifestyle and keep the original ecosystem. So the area is 15 square kilometres but the build-up area is only half so the other half will be green land, forest and the agriculture land and the original resident in the island can all be settled in the island itself so we keep the original farming style. There are 8000 grape vineyards. We will keep some of the original vineyards and some will be developed into high tech areas and we will also use advanced agricultural technology to improve the current farming style. We also train the residents on the island so the residents can have a better life. Second is to protect water resources. And now the water bodies are in the original state. It is a flood-prone area. There are many water bodies on the island. Before we didn't protect it properly and people just dump their waste water into the water bodies so the pollution is very heavy. And we also have a waste water treatment plant on the island. The technology is not so advanced so the pollution is heavy. So after the development, we will improve this situation, especially the waste water treatment plant. Then helped by SembCorp, they will help to upgrade the waste water plant. So this is a very meaningful step. We will use some advanced technologies to increase the utility rate of water resources. The third is to ride on the high tech industry to improve the level of urbanisation. We believe under the joint effort of Singapore and Nanjing and based on our original concept, we can make this island a very good, interesting island. Nanjing is a very hot city and this island will be a green oasis in Nanjing so I welcome everyone here to show interest in this project."

**MC:** "Thank you Dr Hong. Next is panel discussion. I'll invite Mr Liu, Dr Liu as the moderator."

**Mr Liu:** "First I would like to thank the experts for their speeches. You have shared very excellent views on China's city development. First I would like to ask some question so we can discuss this freely. Afterwards, we will open the discussion to the floor to see if anybody has any other questions. First, after careful study you feel China's, you feel China's urbanisation should be paying more attention on what specific area?"

**Mr Li:** "It is not that we should pay more attention to small and medium cities. What I want to say is that you see the migrant workers, what is their future. Their household register reform will have impact on the migrant workers. There are some resistance to the migrants workers. They cannot settle in the cities but if you don't have the proper policies, don't give them job opportunities, then they will have problems. Second, in major cities, they have some self protectionism system there. We believe the bigger cities are saturated now and we have to really do a better distribution of our population. This is in the mind of the central government. Thank you."

**Mr Liu:** “As traveller to China, I also hope that you small and medium cities will have great development and to reach an international level so that we can have more tourism in China. Next is the Vice Mayor and the economic transformation in south of China is apparent to everybody. Shenzhen has played an important role. I would like to ask you Shenzhen’s transformation because Shenzhen is in between Hongkong and Guangzhou, what is the other relationship and what is your position on that?”

**Mr Tang:** “Please ask him to turn on the microphone, translator can’t hear. He didn’t turn on the microphone. Please ask him to turn on the microphone, okay, better now. Without Hongkong, we won’t have Shenzhen and vice versa, without Shenzhen there wouldn’t be Hongkong. So far these two cities are China’s first level scientists and engineers corporation area. Hongkong advanced very much in science and technology than Shenzhen. In engineering, advanced a great deal. A lot of Hongkong R&D results is implemented in Shenzhen. Shenzhen, is marching into testing point for China and Shenzhen and Hongkong will become a combined financial centre and we believe from the prediction of Hongkong organisations, our economic power has surpassed London and we hope we can in 10 years reach New York level. This is what Shenzhen and Hongkong would like to do. And Shenzhen and Guangzhou have a lot of cooperation. Shenzhen compared with Guangzhou lacks, in terms of its age, Shenzhen is so new and Guangzhou has a long history. However Shenzhen is more modern. And these three cities, as Mr Li knows in our urbanisation is unprecedented in the world and within 100 kilometres, we have three megacities with over 10 million people in each and this is a topic China needs to further study. Thank you.”

**Mr Liu:** “And I believe that a lot of people don’t know as much as I do about Shenzhen. In the 80s, I went to Shenzhen, I saw the rice fields. The only building was a wood public toilet and your development is so amazing, it’s breathtaking. And not only economically, but also in your innovation area, you have advanced so quickly. And I would like to ask Mr Zhou because Mr Zhou is in Beijing and he’s in-charge of infrastructure development so his speech focused on that. I would like to ask you currently the issues that Beijing facing in infrastructure are grave. However, government invested huge amount by 2020 and 2030. The functionality from the point of view of infrastructure in Beijing, what kind of improvement or expectation you would like to see?”

**Mr Zhou:** “Beijing’s development has to be supported by infrastructural development. From that point of view and for the rail development is our main focus. And this area for our prospect, we can see two networks. One is you can see city and the rural area, it’s about 1000 kilometres and the next is also, network is also 1000 kilometres for the inside the city when to link the new city when it’s in the old city. In terms of solid waste treatment, we would want to have to entirely clean treatment, 100 per cent, not only in the centre of the city but also in the rural area we have to reach 80 to 90 per cent. Our investment focuses on transportation and new energy sources to apply them into infrastructure developments so that we can have a low emission, low carbon emission. Thank you.”

**Mr Liu:** “Mr Feng, CEO, you don’t know that the recent months, he has been studying in the Lee Kuan School of Administration. I can see that Singapore has a lot of experiences that you can learn. I want to ask you two questions because you are often in Singapore. What type of experience is useful to you? The next question is Wan Tong has a lot of projects in China which are improving continuously in the last 21 years. What are the main improvement from Wan Tong?”

**Mr Feng:** “Thank you for your question. I am in Singapore, I want to learn from Singapore the entire management of public sector and I am in Lee Kuan Yew Business School taking a course and I think in the urban development, Singapore and the mainland China are very different. There are two areas. Singapore uses the city and the country as one force so the resources can be a municipal resource and also a national resource. So it’s planning, implementation and management and also the use of resources are very effective. Mainland China is a big country so each city is very complicated - national level, municipal level. So then you can see the administration power is different and the policy in China is very, very complicated, so much more complicated than that of Singapore. Local government has a lot of say for example land use. The central government said you cannot each time use (-inaudible-) but this is not set by the local government, it’s from the Beijing central government. So local government cannot do large scale development. They have to use other ways to do that development. Singapore doesn’t have that complication. And also in Singapore, it’s very stable, a stable political place. However in China, we are constantly transforming. Every government is five or 10-year shift so we don’t have long term plan. So we have four directors going one direction and then the fifth one comes and then they have to be in the middle so you have all directions. So when we do investment and one government says go to the east, then we try to plan and to implement. Then the new one says go to the west so it’s very difficult for us.

I think Singapore’s stable politics and also effective government can have a long term view of its development. 47 years of the history of Singapore and each year they upgrade. However in China, we’re left behind because too much change. Beijing’s 30-year strategy is how to implement because a lot of leaders will change and in our company, we started on our own after 20 years of practice. Our main change has three events, and from somebody normal to become a commercial person. A lot of the private enterprises started not with entrepreneur but they have to become entrepreneur. Secondly, not a corporation but to become a corporation. Before, ’93 China didn’t even have a corporate law so before that all the corporation enterprises were like family groups or community groups. Then after ’93 we start to have a system of enterprises. The third change is from its products. How can we use commercial models and with international perspective? So now we will seek international perspective with China in the heart so we can have, we have to see if our business model can be tested, not just using the experience. The second is we need to have a Chinese heart because we are in China. The third is we have to have specialised abilities. Why do we say we want to learn from Singapore for its vertical city because Singapore can have a lot of, most advanced experience because these are specialised, the expertise we want to learn, and expertise is very important. We emphasised that real estate developers will become

service provider. It's like diamond. It's not mine however you have to rely on me to make this diamond beautiful. This is what we do. Thank you."

**Mr Liu:** "Two minutes for Mr Hong. Your introduction tells us that Singapore's characteristics such as integration of life-work and entertainment and also protection of ecology. So it's development with Nanjing. How can we complement each other?"

**Mr Hong:** "You all know Mandarin is an Asian capital of six dynasties. In the reform area, we feel that the country's reform, we're not very close to the country's reform. Nanjing is not affected by the macroeconomic policy adjustment. This project has created a strong wind in Nanjing. For Nanjing to become a megacity, international metropolitan, it must improve its competitiveness. So this project has brought Nanjing a fresh of air, the current Nanjing leaders has organised all the district party secretaries and the leaders to come to Singapore to learn its experiences because they feel Singapore's experience is worth learning. Second is planning, all the planning has major impact in Nanjing. In the old days, you can change the plans randomly, just like my colleagues have said the success can easily supersede the previous leaders' plan. Why Suzhou can be successful is because of the consistence of the planning. The third is the project has brought a high tech concept in Nanjing. Now with this project, every district in Nanjing has created a high tech area in each district. In the old days, in the day time, it's very vibrant but in day time it's very quiet. So we bring in Singapore's concept of combining work-life and entertainment together. So we want to change this planning into reality in 10 year's time."

**Question:** "I want to ask Shenzhen's Vice Mayor, Mr Zhou. The city government, what do you think is the best way to attract investors into the city? Please summarise it briefly."

**Mr Zhou:** "For Beijing, to draw investors, we feel we need to increase a very conducive investment environment. We need, Beijing has pushed this slogan, 'technology driven development'. We gave very priority policies, incentives to the investors. Another one is from the special layout of the city, we need to get high tech industries and a priority in land use overall. We want to improve the investment environment to draw investors to invest in Beijing."

**Mr Tang:** "I think this issue will be faced by all the cities. At different stage of the development, the answers will be different but one thing will be consistent - to draw investors, the company must be able to make money. If they cannot make money, they won't come to the city. So at different stage, the condition to make money will be different. In the beginning will be the land price, tax incentives and after you make some profit, you get tax reduction. These days, they are not enough. It very much depends on the competitiveness."

For Shenzhen, there are three conditions. One is the industrial change in Shenzhen. For a company to come to Shenzhen, to decide whether they invest or not, it depends on, he needs to look at its suppliers. If he has plenty of suppliers, then he will invest in Shenzhen. Anyone doing wireless communication in China, any industry related to

wireless communication, they will come to Shenzhen because it has the best industrial change in this area. Secondly, you must have talent. If you have talent, you have skilled works and management staff and this is what government needs to do. So two things they need to do. One is you have to have many training institutions. Second you have to provide a good environment to the talents in Shenzhen. Shenzhen has become China's most, one of the most important returning overseas Chinese students. Now there are about 3000 companies set up by returning overseas Chinese students. So the value is about S\$60 million and some of their companies are already listed overseas. With these conditions, there are also many risk investors. Another thing is education so when these students come back from overseas, their children's education won't become an issue. So these are all important things the government needs to look at. The government should have high efficient, should be transparent and no corruption."

**Mr Liu:** "Because of time limitation, I'll only summarise in a few sentences. First, I would like to thank all the speakers. From my own personal view today after hearing your speeches, I have more understanding of China's urbanisation. Second is China's cities, although they are facing a slew of problems, but it is still in the continuous improving process so I expect the economic development and the city development will be very bright. Thank you."

[End of transcript]