



Parliament of Australia

Report of the House of Representatives
Standing Committee on Economics
Delegation to China

28 July to 6 August 2014

© Commonwealth of Australia 2014
ISBN 978-1-74366-196-3 Printed version
978-1-74366-197-0 HTML version

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0
Australia License.



The details of this licence are available on the Creative Commons website:
<http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.

Members of the Committee

Ms Kelly O'Dwyer MP, Chair

Hon Ed Husic MP, Deputy Chair

Mr Scott Buchholz MP

Dr Jim Chalmers MP

Mr David Coleman MP

Mr Pat Conroy MP

Dr Peter Hendy MP

Mr Kevin Hogan MP

Mr Craig Kelly MP

Mr Clive Palmer MP

Members of the Delegation

Ms Kelly O'Dwyer MP

Leader of the Delegation

Mr Pat Conroy MP

Deputy Leader of the Delegation

Mr Scott Buchholz MP

Dr Peter Hendy MP

Mr Peter Banson

Delegation Secretary

Table of Contents

Members of the Committee	iii
Abbreviations	v
Chapter 1 – Introduction	1
Background.....	1
Context for the Committee’s visit	2
China’s economy.....	2
The Committee’s current inquiry	2
Chapter 2 – The Delegation’s discussions	4
Economic reform in China.....	4
Banking and non-bank finance sectors.....	5
Shadow banking.....	5
Chinese investment in Australia.....	6
State-owned enterprise reform	7
Free trade negotiations.....	8
Environmental policy in China.....	9
Urban development in Chengdu	9
Shanghai Pilot Free Trade Zone.....	10
Conclusion	11
Appendix A – Program of meetings	12

Abbreviations

CBRC	China Banking Regulatory Commission
CDB	China Development Bank
CIRC	China Insurance Regulatory Commission
CSRC	China Securities Regulatory Commission
FIRB	Foreign Investment Review Board
FTA	Free trade agreement
GDP	Gross domestic product
ISDS	Investor-state dispute settlement
PBOC	People's Bank of China
RMB	Renminbi
SMEs	Small to medium sized enterprises
SOEs	State-owned enterprises

Chapter 1

Introduction

Background

Since 2011, an annual parliamentary committee visit to China has been included in the official outgoing delegation program of the Commonwealth Parliament. The visit rotates each year between House of Representatives, Senate and Joint Committees, and this year the House of Representatives Standing Committee on Economics nominated and was selected to undertake the visit.

The intention of the annual visits is to strengthen the parliamentary and bilateral links between Australia and China, and to fulfil a commitment in the memorandum of understanding between the Australian Parliament and the Chinese National People's Congress to seek broader contacts through committee visits.

The main aims of the Economics Committee in undertaking the visit were to gain a deeper understanding of the Chinese economy, and to learn about China's economic reform agenda, its banking and non-bank lending sectors, its trade and investment relationship with Australia, and where opportunities might exist to strengthen ties between our two countries. Discussions also extended to areas including health, education, environmental policy, social development and security.

The delegation visited the cities of Beijing, Chengdu and Shanghai. The program of activities in each city was well-targeted and relevant to the

delegation's aims, allowing delegates to gain a substantial insight into developments across China and issues being faced in individual provinces, and a better understanding of where opportunities exist to strengthen Australia's relationship with China.

The delegation felt very welcome in every region of China it visited, and was warmly received by parliamentarians and Government officials, business representatives and academics. It was clear that Australia is held in high regard in China, and the delegation found good opportunities to build on the strong bilateral relationship between our two countries.

The delegation wishes to record its appreciation of the work that went into preparing for the visit, including the briefings provided by the Department of Foreign Affairs and Trade and the various arrangements made by the International and Parliamentary Relations Office of the Department of the House of Representatives. The delegation would also like to thank Australia's Embassy in Beijing, and Consulates in Chengdu and Shanghai for their work in developing the programs and the excellent support and hospitality provided during the visit.

This report outlines the matters discussed and places visited with a broad focus on China's economy and reform agenda and in the context of Australia's trade and investment relationship with China. The program of meetings is included as an appendix to the report.

Context for the Committee's visit

China's economy

Following a remarkable period of growth over recent decades, China is targeting gross domestic product (GDP) growth of 7.5% in 2014, which follows 7.7% in 2012 and 2013. This target represents China's plans to rebalance its economy towards a more sustainable market based system, consumption-driven and open to trade.

China's 12th Five-Year Plan, endorsed in 2011 and in place until 2015, emphasises higher quality and inclusive growth, as China attempts to solve issues of poverty and increasing wealth disparity among its citizens. The Plan prioritises the following seven industries, with the aim of increasing their contributions to GDP from 2% to 8% by 2015:

1. new energy
2. energy conservation and environmental protection
3. biotechnology
4. new materials
5. new IT
6. high-end equipment manufacturing
7. clean energy vehicles.

China is currently the world's second-largest economy, largest holder of foreign exchange reserves, largest manufacturer, and second-largest destination for foreign direct investment.

However, the country is facing some serious economic problems. Debt levels in China have been rising rapidly, with the credit to GDP ratio currently at around 210%, raising concerns for investors and leading to speculation about a credit crisis. In addition, housing prices in China have been falling over recent months, leading local

authorities in some cities to loosen property restrictions in an effort to tempt buyers back into the market. If the market continues to soften, expectations are that this could lead to a drop in GDP growth and have impacts across the economy, particularly in areas such as construction and steel production, and public infrastructure investment.

Other aspects of China's economy currently attracting interest, particularly in the context of its economic reform agenda, include the shadow banking sector and State-owned enterprises (SOEs), both of which are discussed in more detail later in this report.

The Committee's current inquiry

The House of Representatives Standing Committee on Economics is currently undertaking an inquiry into Australia's foreign investment policy as it applies to residential real estate, which was referred to the Committee by the Treasurer on 19 March 2014.

While the inquiry is not focused on investments coming from any particular country, questions have been raised by submitters, witnesses and commentators about the level of investment by Chinese individuals and enterprises in Australian residential real estate.

The ways in which Chinese investors may be obtaining funding to purchase property in Australia has also been queried, particularly in terms of the sustainability of China's so-called 'shadow banking' sector. The lack of transparency within the non-bank financing industry in China has fueled speculation that poor asset quality in shadow banking entities could not only

lead to a financial crisis in China but could also cause problems for countries with exposure to Chinese foreign investment.

In this context, the Committee was interested in utilising its visit to China to gain a better understanding of China's banking system and lending processes, including those within the 'shadow' financing industry.

Chapter 2

The Delegation's discussions

Economic reform in China

At the Third Plenum of the 18th Chinese Communist Party Congress, a package of reforms were endorsed which were aimed at reforming China's economy over the coming years. The reforms include opening the financial sector to more competition both domestically and internationally, interest rate and capital account liberalisation, setting up a deposit insurance system, enabling the establishment of privately-owned banks, further liberalising cross-border capital and financial transactions, development of domestic capital markets and allowing greater flexibility in the exchange rate.

The delegation was told that the Chinese government recognised that for a long time growth had relied on high input, and that innovation was now the key to China's economic future. The delegating of power from the government to the market is seen as important, as are measures to reform governance arrangements in SOEs. The government's anti-corruption campaign was also quite prominent during the delegation's visit.

The National Development and Reform Commission told the delegation that the Third Plenum reform decisions were being implemented in an orderly manner, focusing on 15 key areas:

1. sustaining a mixed ownership economy'
2. market modernisation
3. administrative reform
4. fiscal reform
5. rural-urban integration

6. opening up of financial system
7. political reform
8. legal reform
9. anti-corruption
10. culture management
11. welfare reform
12. social management
13. environmental regulation
14. military modernisation
15. party personnel talent pooling.

Some areas of note among the reforms being currently contemplated were improvements to property rights and private ownership of property, creating fair and open market systems, improving taxation and budget systems, opening of border and inland regions and changes to policies to assist small to medium sized enterprises (SMEs).

The Ministry of Foreign Affairs stressed the importance of the transition in China's growth strategy from monetary policy to structural reform, and the signalling of the opening up of financial markets and international trade.

In Chengdu the Delegation learned that Sichuan Province has been chosen by the Central Government to pilot many of the economic and social reforms, which is promoting urbanisation and the growth of the middle class. One of the reforms being piloted in Chengdu is the balance policy between urban and rural land and communities, which aims to achieve three key goals:

1. greater equality in basic services between urban and rural areas

2. more democratic autonomy for villagers as part of addressing better quality public services
3. property rights clarification, protecting rural residents' property rights and improving the efficiency of land use.

The reforms appear to be having a positive impact in Chengdu, with good investor sentiment and a high level of representation by large foreign companies, including a growing number from Australia.

Overall, the economic reform agenda appears to enjoy strong support within China, and is seen as a move in the right direction for China's economy. One businessman the delegation met with in Chengdu noted Chengdu's GDP per capita is \$10,000 compared with Australia's at \$23,000 with the same population size. However, the many of the reforms seem to be proceeding slower than was hoped, with the trade-off between reform and the growth target looming as one of the main potential areas of constraint. Some people with whom the delegation met were of the view that real economic change in China was unlikely to be seen for many years to come.

Banking and non-bank finance sectors

The Chinese banking system is dominated by five large banks which are majority government-owned and, according to the China Banking Regulatory Commission (CBRC), currently have a market share of around 45%. Government stakes are also maintained in many of the smaller banks. The central bank in China is the People's Bank of China, which

formulates and implements monetary policy.

The delegation heard from CBRC that the banking sector had enjoyed good profitability over recent quarters, and that competition in the banking sector is growing. CBRC advised that the average liquidity ratio is currently 46%, well above the regulated minimum of 25%, and that the average loan to deposit ratio for commercial banks is 65.9%, below the maximum of 75%.

The regulator also informed the delegation that new capital rules were issued in 2013 in line with Basel III requirements, and in some cases more strict. CBRC closely monitors the impact of prudential requirements on the banking system, and holds quarterly meetings with the Chairmen of the major Chinese banks.

The central bank has historically had considerable control over banks' lending and deposit-taking activities. The delegation understands that these regulations have eased, but was interested nonetheless in the extent to which the interest rate restrictions continue to impact on China's economy. The delegation was told that these restrictions mean that investment risk is not being priced appropriately, and that the banks tend to lend principally to SOEs on generous terms, leaving SMEs with fewer options for raising capital.

Shadow banking

China's non-bank finance sector is made up of a variety of entities such as trusts, leasing companies, credit-guarantee companies and money-market funds. Known collectively as shadow banks, they are a diverse set of institutions and structures used to

perform banking functions outside regulated depository institutions.

The delegation was told that non-bank financial institutions are supervised either by CBRC, China Insurance Regulatory Commission (CIRC) or China Securities Regulatory Commission (CSRC). However the delegation also heard that the shadow banking sector isn't regulated nearly as closely as traditional banking activities, and there is often very little transparency about what shadow banks are investing in or how their loans are performing.

From several discussions on the subject during its visit, the delegation understands that the shadow banking entities are largely controlled by banks, allowing them to do business off the balance sheet and thus avoiding the usual regulations. Some people the delegation met with were concerned that much of the financing activities of these entities relate to the property sector, and that due to this the banks were actually much more exposed to the falling property market than the official data implies.

It is clear that China is taking steps to tighten its oversight of the shadow banking industry, in an attempt to slow rising debt levels and bolster financial stability. The delegation understands that regulators have been asked to enforce rules aimed at limiting the growth in loans created outside the formal banking system, while at the same time being careful not to move so forcefully as to instigate a run on the shadow banking sector.

Chinese investment in Australia

Chinese investment in Australia has been growing strongly over recent

years, and China is currently Australia's 6th largest direct investor. As at the end of 2013, the stock of Chinese investment in Australia was approximately \$31.9 billion.

The China Development Bank (CDB) told the delegation that it regards Australia's investment environment as welcoming, and low risk in respect of considerations around the pricing of capital. CDB advised that the top five countries in which it is investing are Russia, Venezuela, Australia, India and Brazil, and noted that its investment decisions need to take into account the national strategy, but also have regard to China's needs such as natural resources.

Australia's agriculture industry continues to attract strong interest from China. CDB told the delegation that it was looking to strengthen cooperation with Australia in respect of Chinese investments in the sector, for example in developing railways in Western Australia to transport resources produced by Chinese companies. Shanghai Zhongfu Property Holding Group is investing heavily in the Ord River project in Western Australia's Kimberley region, and told the delegation that it expected to be exporting concentrated sugar syrup and timber back to China by the end of the year. In addition to its existing and planned Australian property developments, Shanghai Zhongfu indicated an ongoing interest in Australian agriculture, including potentially buying cattle properties and exporting beef to China.

Chinese investment in Australian residential property was discussed during several of the delegation's

meetings. It was made clear that Australia is considered an attractive, safe option for investing in property, with a transparent regulatory environment and good prospects for capital returns. Also said to be contributing to the incentives for Chinese people to buy property in Australia and elsewhere are the land management regulations preventing rural land in China from being used for other purposes, and the leasehold system for acquiring urban land, which restricts leases to a maximum of 70 years.

Australia's foreign investment policy was raised with the delegation several times during its visit. Members of the National People's Congress and government officials told the delegation that the Chinese Government would like SOEs to be treated the same as private companies when acquiring interests in Australian businesses or investing in Australian real estate. They argued that SOEs are the safest and strongest companies in China, and should not be subjected to more rigorous screening processes than private investors. Despite the Australian Government's efforts to explain to China the application of its foreign investment screening arrangements, perceptions clearly remain that Australia's Foreign Investment Review Board (FIRB) policies treat China unequally against other countries.

The delegation explained that Australia's policy requires all foreign government investors to get prior approval in order to make a direct investment in Australia, regardless of the investment's value. The review process ensures that proposed investments are not contrary to the

national interest, and applies equally to all foreign government investors, irrespective of the country of origin. The delegation added that all applications to FIRB by SOEs for proposed investments had been approved, albeit some with conditions.

State-owned enterprise reform

As part of the Third Plenum reform agenda, the Chinese Government has indicated that it intends to work on transforming SOEs into modern companies being managed and operating under normal business governance arrangements.

China has identified six large SOEs to be involved in a pilot program to attract private investment and improve corporate governance, which will include transferring control of state equity to state-owned holding companies. The stated aim is to reduce political control over SOEs by designing the holding companies to focus on maximising shareholder value rather than advancing the government's policy positions.

The pilot program involves encouraging private and foreign ownership in SOEs under mixed-ownership structures, and more power is expected to be delegated to SOE boards, including the ability to appoint senior management and to set performance targets.

The delegation heard that SOEs will in future be expected to bear full responsibility for their decisions and take their own risks operating under market rules, and that they would be allowed to fail if unprofitable under enterprise bankruptcy regulations. The delegation was informed by several people, however, that there remain

many SOEs, some very large, which are currently not turning a profit.

The reforms to SOEs appear to have strong support in China, and are seen as essential to the success of the broader economic reform agenda. Some people the delegation met with in the business community in China noted that it can be difficult to tell the extent to which Chinese companies are connected to the State, describing what can be a blurry line between SOEs and private companies. They expressed the hope that the reforms, if successful, will lead to greater transparency in respect of government ownership and influence in the business sector.

Free trade negotiations

Negotiations between Australia and China on a free trade agreement (FTA) were the subject of several discussions during the delegation's visit. It was noted that twenty rounds of negotiation have now taken place, and that both countries have a willingness to complete the agreement, so a middle ground needs to be found on several issues.

In discussions with the Ministry of Commerce, the delegation was told that the biggest challenge from the Chinese side was giving market access to Australian agricultural products, while on the Australian side the challenge was Chinese SOEs entering the Australian market. It was noted that, aside from the usual quarantine regulations, there are currently no barriers for the export of agricultural products like fruit, vegetables, dairy and meat to China, but the FTA will specify the amounts of particular goods that will be accepted. One large Chinese company that the delegation met with

was strongly in favour of an FTA with Australia which includes agriculture, as it would greatly improve the business conditions under which they could grow produce in Australia for export to China.

The delegation heard that, in addition to Australia, China is currently negotiating trade relationships with Switzerland, Korea, Korea-Japan, Iceland, and a second version of their agreement with ASEAN. The Ministry of Commerce noted that China already has an FTA with New Zealand, which has been very beneficial and is considered China's best FTA. New Zealand was considered to have a more liberal approach than Australia to mobility of personnel, and while this is not as important as other issues, China noted that it would like to be able to bring its engineers and experts along with its capital investments to build projects in Australia.

There was also some discussion on the potential inclusion of investor-state dispute settlement (ISDS) clauses in free trade agreements. The Ministry of Commerce advised the delegation that China understands that Australia has such a mechanism in only a small number of its trade agreements, but nonetheless would like such an instrument to be included in the China-Australia agreement. Inclusion of ISDS clauses in the proposed FTA would empower businesses from one country to take legal action against the government of the other country for alleged breaches of the agreement, including for policies that are deemed to discriminate against those businesses in favour of the country's domestic businesses.

Environmental policy in China

The delegation observed first-hand during its visit some of China's environmental and pollution related problems. During its discussions, the delegation heard about China's plans to address pollution and climate change, which include a reduction in production quotas for steel, cement and glass, the closure of 50,000 small coal-fired furnaces and the removal from the roads of up to six million ageing high-emissions vehicles.

Currently the world's largest emitter of greenhouse gases, China has pledged under the United Nations to reduce its carbon dioxide emissions per unit of GDP by 40-45% by 2020 in comparison with 2005 levels. The delegation also understands that China has pledged to increase forest coverage by 40 million hectares. Chinese authorities advised that the country's actions on the environment are driven by several factors, including energy and water security, pollution control, transformation of the economy away from energy-intensive industry, and establishing itself as a leader in advanced energy technologies.

As part of its agenda to address its environmental problems, China has established pilot emissions trading schemes in seven cities and provinces: Shenzhen, Beijing, Shanghai, Guangzhou, Tianjin, Hubei and Chongqing. The National Development and Reform Commission is overseeing the schemes, and told the delegation that the trials are showing promise, and that progress is being made towards a national emissions trading scheme which is expected to be introduced in the next two to three years. The delegation also heard views, however,

that performance of the carbon markets has thus far been disappointing, with an oversupply of carbon credits and lenient punishments for non-compliance cited as key problems.

Urban development in Chengdu

With a population of over 90 million people and economic growth still in double digits, Sichuan Province is benefiting from China's national policy to stimulate and encourage development in its western provinces. The delegation heard that multiple preferential policies of the Central Government apply to Sichuan and other western provinces, including a concessional rate of business tax at 15% compared with rates of up to 33% in middle and eastern China.

Known as the third consulate city of China, and its most liveable city, Chengdu is the capital of Sichuan Province and is regarded as one of the world's fastest growing cities. As part of its West China Development Strategy, the Chinese Government has offered a number of incentives to attract more foreign companies to Chengdu, and the delegation understands that over 260 Fortune 500 companies currently have representation in the city. During its discussions in Chengdu, the delegation heard about several large infrastructure projects underway in the city, including a second airport, a hydroelectric power plant, residential apartment buildings in rural areas for farmers and a large-scale expansion of the city's Metro subway network.

The largest and most ambitious project currently underway in Chengdu is the development of a new residential and commercial zone known as the Tianfu

New Area. The delegation met with the Administration of the New Area, and was told that it will cover an area of 1,578 square kilometres to the south of Chengdu and consist of one city with six functional zones, with the whole project expected to be completed by 2030.

The Tianfu New Area is designed to be a modern urban area with residential, industrial and commercial components, focusing on modern manufacturing and high-end services, expected to include information technology, new materials, space flight and aviation, logistics, finance and trade industries. The delegation was advised that the provincial government expects the population of the New Area to reach six million by the time of its completion.

Shanghai Pilot Free Trade Zone

While in Shanghai, the delegation visited the China (Shanghai) Pilot Free Trade Zone, which covers an area of 29 square kilometres in the district of Pudong. The first free trade zone in mainland China, it is being used as a testing ground for a number of economic and social reforms.

Approval to establish the zone was granted in August 2013, and it is expected to be progressively developed into a specially supervised customs area including the following features:

- preferential treatment providing equality for capital coming from within China and from overseas
- approval of overseas investments by Chinese companies within 5 days
- acceptance of cargoes from other countries with less restriction
- separate settlement of accounts within the zone
- marketisation of interest rates

- unrestricted conversion of currencies
- reducing restrictions on the use of Renminbi (RMB) overseas

During discussions with the Shanghai Pilot Free Trade Zone Administration, the delegation was told that foreign investment in the free trade zone is governed by a 'negative list' approach, which means that direct foreign investment is permitted in any sector except those prohibited by inclusion on the negative list.

Foreign invested enterprises registered in the free trade zone are able to open special accounts to hold RMB funds acquired through foreign exchange settlements, which may then be used outside the zone in trade activities, direct investments in companies or for repaying loans of six months or older. When funding leaves the special accounts to elsewhere in China it is treated as overseas capital. The delegation was interested to hear that special account funds cannot be used to invest directly in overseas property.

Conclusion

Members of the delegation were very pleased to have the opportunity to visit China as part of the Australian Parliament's annual committee delegation program. The program enabled the Committee to arrange a focused visit with meetings targeted at the Committee's interests. In addition to strengthening the parliamentary and bilateral links between Australia and China, the focused nature of the visit will result in a significant contribution to the Committee's current and future work.

The delegation held fruitful discussions in Beijing, Chengdu and Shanghai, and concluded the trip with a greater understanding of the economic situation in China and the ways in which Australia's trade and investment relationship with China could be enhanced and consolidated.

China has set itself ambitious economic reform targets, which are intended in the long term to bring about comprehensive fundamental change. The reform process will be challenging, but is already resulting in positive change, with the lifting of many central controls and the gradual opening up of several sectors to foreign investment.

It is hoped that China's economic reform process will result in better regulation and greater transparency in its non-bank financial sector, and that efforts to transform SOEs into modern mixed-ownership businesses gain sufficient traction nationally and provincially to realise the goals endorsed at the Third Plenum.

The delegation was pleased to hear about Australia's growing trade and

investment relationship with China, and to see the steadily increasing number of Australian-owned businesses operating in various parts of the country. There are clearly many opportunities for Australian enterprises in China, and it is hoped that these opportunities will expand into new sectors as the Chinese Government's reform agenda progresses.

Finally, I would like to thank the National Peoples' Congress for their hospitality during our visit; the Department of Foreign Affairs and Trade, through the Ambassador and Consuls in China, for the program; and Peter Banson, the Economics Committee Secretary, for his excellent stewardship of this report.

Ms Kelly O'Dwyer MP
Delegation Leader

25 September 2014

Appendix A

PROGRAM OF MEETINGS

MONDAY 28 JULY

Delegation arrives in Beijing

TUESDAY 29 JULY

Briefing with Embassy officials

- Mr Justin Hayhurst, Deputy Head of Mission
- Adam McKissack, Minister-Counsellor (Treasury)
- Patrick D'Arcy, Counsellor (Reserve Bank of Australia)
- Susan Corbisiero, Trade Commissioner, Austrade
- Rob Williams, Counsellor (Agriculture)

Accompanied by:

- David Warner, Second Secretary (Economic)

Embassy briefing by Ambassador Frances Adamson

Working lunch with Chinese economists

- Ambassador Frances Adamson
- Professor Chen Taotao, School of Economics and Management, Tsinghua University
- Mr Beng Neoh, Managing Director, Asia, AMP Capital
- Adam McKissack, Minister-Counsellor (Treasury)
- Patrick D'Arcy, Counsellor (Reserve Bank of Australia)
- David Warner, Second Secretary (Economic)

WEDNESDAY 30 JULY

Meeting with AustCham members

- Tom Luckock, Norton Rose Fullbright
- Zhongmin Zha, Westpac
- David Shaw, Westpac
- Dave Martin, SpaceFrame
- Jason Jin Sun, Deakin University
- Tony Voutas, Asia Pacific Access
- Chris Dai, PCF Capital Group
- Glenn Sheldon, Mining Associates
- Jason Dong, Westrac
- Nick Coyle, AustCham

Accompanied by:

- Lina Wong, Counsellor (Treasury)
- David Warner, Second Secretary (Economic)

Meeting with China Banking Regulatory Commission

- Li Wenhong, Deputy Director-General, Policy Research Department
- Dr Xu Jieqin, Director, Micro Prudential Policy, Policy Research Department
- Han Lulu, Assistant Contact Point, Micro Prudential Policy Division, Policy Research Department
- Xiong Liping, Director, Bank Risk Analysis, Policy Research Department

Accompanied by:

- Lina Wong, Counsellor (Treasury)
- David Warner, Second Secretary (Economic)

Meeting with National Development and Reform Commission

- Lian Qihua, Deputy Director-General, Department of Economic System Reform

Accompanied by:

- Lina Wong, Counsellor (Treasury)
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Meeting with China Development Bank

- Jin Tao, Deputy Director-General, Global Cooperation Department
- Yu Yan, Deputy Director, Asia Pacific Division, Global Development Department
- Wang LinYE, Project Manager, Global Cooperation Department

Accompanied by:

- Patrick D'Arcy, Counsellor (Reserve Bank of Australia)
- Lina Wong, Counsellor (Treasury)
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Meeting with Financial and Economic Committee, National People's Congress

- Mr Peng Sen, Vice Chair, Financial and Economic Committee
- Fu Shuangjian, Member, Financial & Economic Committee
- Zhang Yubi, Deputy Director-General, Financial & Economic Committee
- Chu Lin, Cadre, Financial & Economic Committee

Accompanied by:

- Justin Hayhurst, Deputy Head of Mission
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Dinner with Financial and Economic Committee, National People's Congress

THURSDAY 31 JULY

Meeting with Ministry of Foreign Affairs

- Li Kexin, Deputy Director-General, Department of International Economic Affairs
- Zhang Song, Deputy Director, Department of International Economic Affairs
- Gao Jin, Third Secretary, Department of International Economic Affairs

Accompanied by:

- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Meeting with Ministry of Commerce

- Fang Qiuchen, Deputy Director-General, Department of American and Oceanian Affairs
- Fang Hao, Deputy Director, Department of American and Oceanian Affairs
- Zhao Jie, Deputy Director, Department of International Trade and Economic Affairs

Accompanied by:

- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Dinner with Chinese investors

- Yujun Zhong, Chief Representative, CITIC Pacific Mining Beijing
- Gavin Yang, Deputy General Manager, International Real Estate, Dalian Wanda
- Li Mang, Deputy General Manager, Corporate Banking Department, Bank of China

Accompanied by:

- Lina Wong, Counsellor (Treasury)
- Mariko Lawson, Second Secretary (Economic)
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

FRIDAY 1 AUGUST

Depart Beijing/Arrive Chengdu

Consulate Briefing

- Consul-General Ms Nancy Gordon
- Jeff Turner, Trade Commissioner
- Nahoom Oh, Consul
- David Warner, Second Secretary (Economic)
- Cecilia Zeng, Government Relations Manager
- James Zhan, Office Manager, Austrade
- Jin Xin, Interpreter

Meeting with Sichuan National People's Congress

- Yang Wen, Vice Chairman of Financial and Economic Committee of Sichuan Provincial People's Congress
- Peng Zongliang, Vice Director of Foreign and Overseas Chinese Affairs Committee of Sichuan Provincial People's Congress
- Liu Jurong, Member of Sichuan Provincial People's Congress, General Manager of FAW Volkswagen Chengdu Branch
- Chen Weilang, Member of Sichuan Provincial People's Congress, Chairman of Sichuan Weicheng Accounting

- Yan Dengcheng, Office Director of Foreign and Overseas Chinese Affairs Committee of Sichuan Provincial People's Congress
- He Di, Deputy Office Director of Foreign and Overseas Chinese Affairs Committee of Sichuan Provincial People's Congress
- Jiang Ting, Principal Staff of Foreign and Overseas Chinese Affairs Committee of Sichuan Provincial People's Congress

Accompanied by:

- Nancy Gordon, Consul-General
- Jeff Turner, Trade Commissioner
- Nahoom Oh, Consul
- David Warner, Second Secretary (Economic)
- Cecilia Zeng, Government Relations Manager
- James Zhan, Office Manager, Austrade
- Jin Xin, Interpreter

Tour of City Planning Museum

Meeting with Tianfu New Area Administration

- Zhou Mi, Vice Director-General, Tianfu New Area Administration
- Tian Kun, Vice Director-General of the General Office
- Liu Yutong, Director-General, Investment Service Bureau

Accompanied by:

- Nancy Gordon, Consul-General
- Jeff Turner, Trade Commissioner
- Nahoom Oh, Consul
- David Warner, Second Secretary (Economic)
- Cecilia Zeng, Government Relations Manager
- James Zhan, Office Manager, Austrade
- Jin Xin, Interpreter

Visit to Xinglong Lake Project

Dinner with Australian business representatives

- Ching Lee, Chairman, AustCham West China
- Henry He, Vice Chairman, AustCham West China
- Tang Yong, Chief Operation Officer, New Hope Group
- Simon Ding, Director, Australia Eastern Elevators Group (China)
- Steven Guo, General Manager, Chengdu APEX Economic & Cultural Development
- Carol Yang, Center Manager, Servcorp
- Liu Heng, Australian Coffee Shop in Deyang

Accompanied by:

- Nancy Gordon, Consul-General
- Jeff Turner, Trade Commissioner
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

SUNDAY 3 AUGUST

Depart Chengdu/Arrive Shanghai

Dinner briefing with Consul General Ms Alice Cawte and consulate officials

- Liu Bing, Senior Trade Commissioner, Austrade
- David Warner, Second Secretary (Economic)

MONDAY 4 AUGUST

Meeting with Shanghai Pilot Free Trade Zone Administration

- Cao Yan Wen, Deputy Director, Fiscal and Financial Services Bureau, Shanghai Pilot Free Trade Zone Administration

Accompanied by:

- Alice Cawte, Consul-General
- Eu-Niz Chan, Vice-Consul
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Meeting with Financial and Economic Affairs Committee, Shanghai People's Congress

- Pan Zhi Chun, Chair, Financial and Economic Affairs Committee
- Ma Xinsheng, Vice Chair, Financial and Economic Affairs Committee
- Hang Hong, Member, Financial and Economic Affairs Committee
- Xun Yi, Member, Financial and Economic Affairs Committee
- Cheng Minji

Accompanied by:

- Alice Cawte, Consul-General
- Eu-Niz Chan, Vice-Consul
- Jin Xin, Interpreter

Meeting with Shanghai Zhongfu Property Holding Group

- Pui Ngai Wu, Chairman
- Jia Huayan, Vice President

Accompanied by:

- Alice Cawte, Consul-General
- Eu-Niz Chan, Vice-Consul
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Dinner hosted by Consul-General with Chinese academics

- Professor Li Weisen, Vice Dean, School of Economics, Fudan University
- Professor Chen Bo, Deputy Director, Institute of Shanghai Free Trade Zone Studies, Shanghai University of Finance and Economy
- Professor Xu Mingqi, Deputy Director, Institute of World Economy, Shanghai Academy of Social Sciences
- Dr Pan Jia, School of Economics, Fudan University

Accompanied by:

- Alice Cawte, Consul-General
- Timothy White, Deputy Consul-General
- Liu Bing, Senior Trade Commissioner, Austrade
- David Warner, Second Secretary (Economic)

TUESDAY 5 AUGUST

Meeting with Shanghai Stock Exchange

- Ms Lee Chian, Global Business Development Department
- Mr Fu Hao, Global Business Development Department
- Ms Gao Bei, Global Business Development Department

Accompanied by:

- Eu-Niz Chan, Vice-Consul
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Visit to Shanghai Urban Planning Museum

Working lunch with AustCham Financial Services Working Group

- Michael Wadley, Wadley Business Consulting
- Owen Caterer, CatererGoodman Partners
- Cameron Hume, Travelex
- Chris Chase, ANZ
- Lanny Xu, Ironfish
- James Bruce, Senior Relationship Manager, AustCham Shanghai

Accompanied by:

- Alice Cawte, Consul-General
- Liu Bing, Senior Trade Commissioner, Austrade
- Ray Lu, Austrade
- David Warner, Second Secretary (Economic)

WEDNESDAY 6 AUGUST

Meeting with Baosteel and tour of steel mill and port facilities

- Ji Tongxiang, Assistant President, Director of Transportation Dept.

Accompanied by:

- Alice Cawte, Consul-General
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Meeting with Zhenhua Heavy Industries and site visit

- Fred Huang, Executive Vice President, Zhenhua Heavy Industries
- Xiang Xudong, Party Secretary & Senior Deputy General Manager, ZPMC Changxing Branch
- Ye Hui, Vice Managing Director, ZPMC Product Service Centre
- Lu Jianhua, General Manager, ZPMC Inspection Branch
- Wang Wenjian, Assistant to General Manager, ZPMC investment Department
- Li Huaidong, HSE Manager, ZPMC QHSE Department

Accompanied by:

- Alice Cawte, Consul-General
- David Warner, Second Secretary (Economic)
- Jin Xin, Interpreter

Depart Shanghai/Return to Australia