

白執

BARBATELLI
& PARTNERS
MANAGEMENT
CONSULTANT
SHANGHAI COMPANY LTD.

Shanghai's future

Economic vision of China's head of the spear city development

DDIM – Fudan – Bocconi – Campus Abroad

Shanghai , July 2017

Carlo Nizia – Barbatelli & Partners Consulting

Carlo Nizia

- MBA graduate at Chapman University California
- 20+ yrs in Fiat Chrysler Group in Financial Services (VP Asia Pacific and CEO China operation)
- Consultant for
 - Automotive distribution Group
 - Leasing Companies
 - SMEs coming to China
 - COO Barbatelli & Partners
- Resident in China (Shanghai) since 2007



Barbatelli & Partners

- Over 30 years China experience with participation of Studio Ambrosetti, B&P with professional know-how, concrete results, multiple solutions and one stop consultancy services to give SME clients the competitive edge needed to emerge in the Chinese market
- Services for
 - Entry strategy
 - HR management
 - Taxation
 - Financial and Treasury issues
- Partner with Fudan-Bocconi, has participated at the last Bocconi & Jobs Shanghai meeting

Chinese Market

白執

BARBATELLI
& PARTNERS
MANAGEMENT
CONSULTANT
SHANGHAI COMPANY LTD.

In his new book *Grave New World*, Stephen King says: "For better or worse, China is simply too big to be ignored."

In 2010, average Chinese growth hovered around 10%. It is now between 6% and 7%.

the government's direct debt, which at less than 40% of GDP

ratings agency Moody's downgraded China's credit rating

SOE debt stands at 115% of GDP

foreign currency reserves stand at more than \$3tn and its annual current account surplus is \$200bn.

Global Payments Innovation

- Global Payments Innovation (GPI) initiative to offer faster, more transparent and traceable cross-border payments for Chinese companies.

The initiative was launched in December 2015 by SWIFT, a global member-owned cooperative that provides financial messaging services. Since then, nearly 110 banks operating across more than 200 countries and regions, including almost all *Belt and Road* countries, have joined the initiative.

- Other Innovative Payment methods:



Belt and Road Initiative

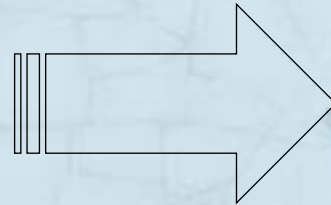
At the Belt and Road Forum for International Cooperation held on May 14 and 15 2017, a joint communiqué was issued vowing to jointly work on a long-term, stable and sustainable financing system.



Evolution of the Silk Road

白帆

BARBATELLI
& PARTNERS
MANAGEMENT
CONSULTANT
SHANGHAI COMPANY LTD.

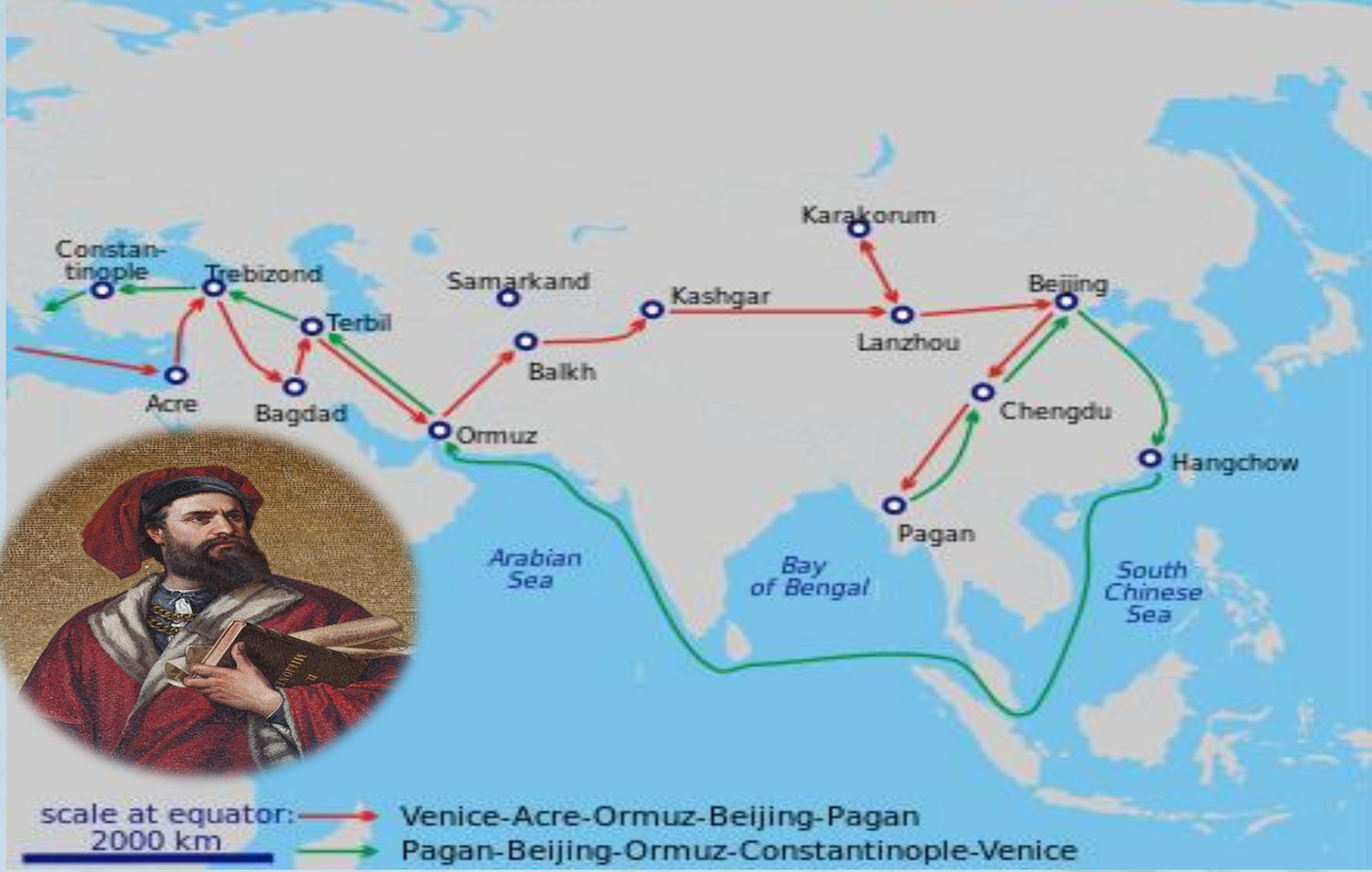


白帆

BARBATELLI
& PARTNERS
MANAGEMENT
CONSULTANT
SHANGHAI COMPANY LTD.

MARCO POLO TRAVELS - IL MILIONE

1270 - 1290



Belt and Road Key Factors

- Land and Sea Vectors
- Africa inserted in Sea route
- Russia included in Land route
- India excluded
- Bank rolling initiative
 - Special fund created by China
 - New Development Bank (BRICS Bank)
 - AIB (Asia Infrastructure Bank)
- New transportation infrastructure developed
- China is the leading member of the initiative

Belt and Road Numbers

- 1.3 Trn USD projects have been initiated
 - 7 times larger than the MARSHALL plan to rebuild Europe after WWII
- 4.4 bn people reach in 65 countries
- 30% Global Economy
- Financing
 - Special China fund 40 bn USD
 - AIIB special fund 100 bn USD

KEY INFLUENCERS MOVE FROM WEST TO EAST

Belt and Road vs. Globalization

Belt and Road

- Common good
- Transit of goods and flow through region
- Increase GDP in participating countries
- Anchor system with funding for infrastructure development
- Consensus and forums for cooperation

Globalization

- Deregulation
- Easy speculation
- Flow to and from G8 nations
- Top down decisions G20
- Increase gap between rich and poor
- Funding through G20 / World Bank
- Financial crisis 2008
- Main contributors peeling away
 - BREXIT – US -

Shanghai

- Starting point in the Maritime Belt and Road
- Test city of all new policies in China
- Slated to be Leading City in China and Asia for
 - Shipping
 - Stock Exchange and Finance
 - Gold Exchange
 - Stock Exchange (joint HKG-SH)
 - SH Clearing House (RMB-Foreign Currencies)
 - New Development Bank
 - Free Trade Zone
 - Technology and Innovation (Internet and Biotech)

Shanghai – XI Party Congress

- May 8th 2017 –
- further **opening-up of the economy** and measures to **improve the investment climate**.
- Shanghai will further **develop the ‘four centers’** of economy, finance, trade and shipping centers in line with reforms and innovation.
- **China’s Belt and Road Strategy**, Shanghai will facilitate an open economy.
- Shanghai Committee will **promote Party Management** as core of leadership.

Shanghai – XI Party Congress

- May 8th 2017 –
- further **opening-up of the economy** and measures to **improve the investment climate.**
- Shanghai will ease market access restrictions in emerging industries, simplify administrative approval procedure, and provide financial support for corporations.

Shanghai – XI Party Congress

- May 8th 2017 –
- Shanghai will further **develop the ‘four centers’** of economy, finance, trade and shipping centers in line with reforms and innovation. It will further develop the Shanghai Pilot Free Trade Zone and Science & Technology Center on the basis of innovation-driven development and economic transition.

Shanghai – XI Party Congress

- May 8th 2017 –
- China's Belt and Road Strategy, Shanghai will facilitate an open economy and encourage various enterprises to “go-out”.
 - New Development Bank
 - SH Financial and Stock Exchange Center
 - FTZ and beneficial policies for start-ups
 - Technology and Innovation use and support services

Shanghai – XI Party Congress

- May 8th 2017 –
- Shanghai Committee will **promote Party management** so as to ensure that it remains the core of the leadership.
- In terms of political reform, Shanghai will continue to reform the judicial system, establish a sound social credit system, and promote legislation in key areas.
 - IPR protection
 - Credit system - Social and Financial
 - FTZ Negative list and investment areas expanded
 - RMB Internationalization
 - Talent Pool from overseas

Shanghai – Talent pool

- After joining the WorldSkills International (WSI) in October 2010, China has dedicated itself in the development of world skills. It is now bidding to hold the 46th WorldSkills Competition (WSC) in 2021 in Shanghai.
- A total of 21 competitive events will be held, including woodworking, flower arrangement, hairdressing, baking, mobile robotics, welding, mechatronics to name just a few.
- Internships agreement with Italy and France for Graduating Students.
- Fresh graduates will be able to find work in FTZ or special innovation district .
- Overseas returning talents have favorable policies.
- High talents from abroad will have also favorable foreign expert policies.