

April 3-4, 2016 WUN China Strategic Workshop Summary Report Maastricht University Campus Brussels, Belgium

The WUN China Workshop **"Understanding China's FDI and Global Supply Chains: China, Europe and the World"** was held on 4th April 2016 at Maastricht University Campus Brussels, with an opening dinner on the evening of the 3rd. This workshop was hosted by WUN Global China Group, as part of the WUN Conference and AGM 2016 at Maastricht University, the Netherlands.

The WUN Global China Group has focused on two-way understanding of China through equal research partnerships with particular attention paid to China's social and economic development. Using the framework of the "belt and road" policies of President Xi Jinping, this WUN Strategic Workshop focused on China's external international FDI and global supply chains interpreted through examples in food, health and higher education. Research leaders from Africa, China, Canada, Australia, France and the Netherlands were brought together to assess international research priorities, and to shape a priority research and business plan for WUN scholars and partners.

The WUN Executive Director Prof John Hearn and WUN China Group Co-Chair Prof Fanny Cheung gave a welcome introduction and comments to all the participants. The event commenced with a keynote speech by the Chinese Ambassador to the EU, H.E.Yang Yanyi. Ambassador Yang pointed out that China is moving from a manufacturing economy to an innovation-based and consumer economy. After 30 years since the opening up, China is experiencing a period of new reform and restructure, currently contributing to 25% of global economic growth. The 'belt and road' approach is to build knowledge and innovation partnerships and to accelerate business development. The Chinese Minister-Counsellor for Education Mr Li Jianmin opened the afternoon session with a keynote speech on China-Europe bridges. He stated the high-level people to people agreement would be the framework for China-Europe cooperation. Scholarships and exchange programs are major instruments. Ministries (MOST, MOE, MOH, NDRC, NSF) can support and fund agreed initiatives. These two keynote speeches set the scene for our workshop.

The workshop program included morning and afternoon sessions, chaired respectively by Prof Dawn Freshwater from UWA, the Chair of WUN Understanding Cultures and Prof Fanny Cheung from CUHK, the Co-Chair of WUN China Group.

The content of the workshop focused on two main topics: China's external international FDI and China's global supply chains with special cases in food, health, and higher education.

For China's external FDI, there were two panels covering China's FDI in the Asia Pacific Region, Africa and the Americas. The main issues arising from the presentations were as below:

1. The Asia Pacific panel. Chinese investments are opaque and national statistics greatly under-estimate levels of China's actual FDI. In response to this, both Prof Hans Hendrischke and Prof Gordon Houlden suggested that important programs concentrating on China's FDI tracking and corporate governance procedures should be set up. In addition, Prof Stephen Chiu stated that as a special zone of China, Hong Kong plays an essential role in bridging Mainland China and the world through trade and investment. Hong Kong is China's offshore financial Centre and half of inward FDI comes through Hong Kong, thus warranting increased attention.

2. The Africa/Americas panel. Analysis from Prof Ernest Aryeetey reveals that though China's investment increased rapidly from 7Bn in 2008 to \$26Bn in 2013, China's interests in Africa are mainly in the mining, energy and construction sectors, but is less in areas such as agriculture and education, which are regarded as areas in greater need of investment in Africa. Rolando Avendaño from OECD explored the evolving ties between Latin America and China based on the OECD China-Latin America Report 2016. During the past decade, China has become one of the region's most important trading partners. Based on the analysis of different channels through which China's new model will affect the region, including trade, finance, and skills, the report identifies potential strategies and policy responses to help Latin America strengthen its partnership with China.

In the session dealing with China's global supply chains, we had speakers from Australia, the Netherlands, China and Canada who touched on priority issues and selected cases in higher education, public health, food and environment security.

- 1. In higher education, Prof Robyn Owens from UWA talked on the special case of joint knowledge partnerships in research with Chinese universities and the resulting high number of joint publications. One recommendation was that given the size of China, the knowledge partnership would best benefit from focusing on a few partners and then define the academic, industry and local government framework. A-Prof Chen Qi from Renmin University of China discussed the role of Chinese Universities in the 'Implementation of the One Belt and One Road Strategy' and stated the One Belt and One Road strategy poses both challenges and opportunities for Chinese Universities. Chinese Universities should strengthen cooperation with each other as well as expand communication and collaboration with foreign counterparts so as to stride ahead in international talent development, establish high-level think-tanks, and conduct overseas education promotion, which will naturally lead to progress in internationalization and improvement.
- 2. In public health and food & environment security, speakers discussed current collaboration with Chinese colleagues. A-Prof Thomas Kraft touched on Sino-Dutch collaboration on disease surveillance. Prof David Olson looked at birth defects related to megacities (30M Chongqing) and monitoring adverse pregnancy outcomes. A workshop for all Chinese pregnancy cohorts interested in OPERA (Optimal Pregnancy Environment Assessment) will be held in Chongqing on 9-10 November 2016.

During the workshop, there was a media launch of the OECD China - Latin America Report <u>'The Latin American Economic Outlook 2016: Towards a New Partnership with China'</u> by Rolando Avendaño, Research Associate at the OECD Development Centre Paris. We will post this event to WUN website (www.wun.ac.uk).

Workshop Conclusions – Outcomes and Priority Research Projects

The priority research opportunities identified in the workshop were:

- 1. FDI Tracker. Develop better ways of monitoring China's external FDI
- 2. **Food Security and Safety**. Production efficiency of food, and regulation and integrity of food safety
- 3. Public health. Life course non-communicable disease and healthy ageing.
- 4. The rise of Universities. What are the criteria for a successful university.
- 5. Service Delivery. Infrastructure and effective and trusted support systems.

After a structured discussion of selected emerging themes and strategic opportunities at the end of the workshop, we look forward to setting up practical research programs, academic and

business action plans for WUN scholars and partners. We expect that a policy position paper can be generated from our workshop outcomes that may influence decision makers in building relevant China-International bridges. In fostering a two-way understanding of China, we look for "win-win" outcomes for both the short and longer term.

As WUN conference host, we thank Chinese Ambassador to EU H.E. Yang Yanyi and Minister-Counsellor Li Jianmin for their attendance and for giving key-note speeches, which were a great support to our workshop. We acknowledge all panelists and discussants in contributing to the overall success of our China Workshop. We also hope all the participants remain engaged and continue to contribute to the teamwork required to deliver successful partnership as we move ahead.

For further information on the WUN Global China Group, please go to www.wun.ac.uk

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