

Annual Conference 2014, Boao Forum for Asia

Session Summary

Boao Forum for Asia

No.8

April 9, 2014

Reflections on the Great Recession

Moderator

- HE Gang, Executive Editor-in-Chief, Caijing

Speaker

- Justin LIN Yifu, Professor and Honorary Dean, National School of Development, Peking University, Vice Chairman of the All-China Federation of Industry and Commerce

Key Points

- Justin LIN's book *Against the Consensus*, published in 2012, illustrates the key debate among the western and eastern view on the financial crisis in 2008. Mr. LIN believes that instead of looking for possible explanations from other countries, the United States should examine its internal monetary policies for the past decades, which he believes is the root cause for the crisis.
- LIN's theory "Beyond Keynesianism" encourages the cooperation between developed countries and developing countries to establish a win-win strategy through infrastructure investment by developing countries, which in return, increases the capacity utilization of developed countries.
- Using US dollar as an example, Justin LIN introduces the conceptual difference between national currency and international reserve and further validates his theory on the conflict of interests which occurs when a national currency is used as international reserve.
- Due to the deficiency exhibited in both the utilization of national currency (e.g. USD) as international reserve and Special Drawing Rights (SDR, which is a basket currency), LIN recommends Paper Gold, a new reserve currency to settle all international transactions, as it retains each country's currency as well as mitigates the potential conflict of interests.

Synopsis

The Root Cause of the Financial Crisis

Justin LIN's book *Against the Consensus*, published in 2012, illustrates the divergence in western and eastern viewpoints on the financial crisis in 2008. The West argues that the financial crisis was caused by the purchase of American sovereign debts at a very low rate, which pushed

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Boao Salon 6

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Asian Cultures & Competitiveness of Asian Enterprises

Moderator

- YANG Lan, Chair, Sun Media Group and Sun Culture Foundation

Panelists

- Bandula GUNAWARDANE, Minister of Education, Sri Lanka
- LI Zhaoxing, Former Minister of Foreign Affairs, China
- LIANG Zhiming, Executive Director, Laya Chemicals
- LONG Yongtu, Former Vice Minister MOFTEC
- Arun MAIRA, Member (Rank of Minister) of the Indian Planning Commission, Government of India
- PENG Long, President, Beijing Foreign Studies University
- WU Bing, Executive Producer, Iron Man 3; Co-Founder, DMG Entertainment Group
- YUAN Xingpei, President of Central Institute of Chinese Culture and History, State Council, PRC

Key Points

- The Asian culture is a rich, inclusive, and diverse one. Because of its diversity, it is a philosophically invalid question to summarize what Asian culture is, but each culture needs to be considered separately within Asia.
- In order to respect the differences between each culture, economic measures such as GDP should not be the only type of measurement to calculate the strength of each economy. Instead of using the existing set of KPIs, it is more important to ask questions regarding "why" to use a certain measurement.
- Economic cooperation should be achieved through integration and structural reform between Asian countries. To facilitate cultural exchange, many corporations from the private sector have

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EU Reform Agenda 2014

Moderator

- Jean-Pierre RAFFARIN, Former Prime Minister, France

Panelists

- Bernard CHARLES, CEO, Dassault System
- Lord MANDELSON, Former Secretary of State for Business, Innovation & Skills, UK
- James MCCORMACK, Global Head of Sovereign & Supranational Ratings, Fitch Ratings
- Jose Manuel GONZALEZ-PARAMO, Executive Board Director, BBVA
- François-Henri PINAULT, CEO and Chairman of the Board of Directors, Kering
- Thomas PIQUEMAL, CFO, EDF
- Michael TRESCHOW, Chairman, Unilever
- XIANG Bing, Founding Dean, Cheung Kong Graduate School of Business

Key Points

- EU, originally built in 1992 for political unity across Europe, has shown promising value for business and economic growth through multi-dimensional integration. Sustainable growth has been observed in many industries such as fashion and renewable energy.

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From Pre-IPO to Buyout: The New Growth Path for PE in Emerging Markets

Moderator

- Jame Di BIASIO, Executive Director, Haymarket Financial Media

Panelists

- Guy HANDS, Chairman & Chief Investment Officer, Terra Firma Capital Partners
- LI Jiange, Chairman, Shenyin & Wanguo Securities
- SHAO Bingren, President, China Private Equity Association
- Yibing WU, Senior Managing Director, Temasek International Pte. Ltd.
- Richard ZHANG, Partner, Apax Partners
- Wu Ying, Chairman, China Capital Group

Key Points

- In China, the distinctive investment culture has shaped PE into an express version with a short-term focus on the pre-IPO phase and equity investment only.
- The "return" of PE in China is a path for industry reform. Investment needs to be rationalized to focus on long term profit, and value-added needs to be emphasized through activities such as change in corporate governance, increase in efficiency and cost reduction.
- Hybrid ownership is a possible growth path for PE in both State-Owned Enterprises (SOEs) and the private

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New Findings on Climate Change

Co-Moderators

- Stephen GROFF, Vice President, Asian Development Bank
- RUI Chenggang, Director & Anchor, China Central Television

Panelists

- Olof PERSSON, President & CEO, Volvo Group
- Thomas PIQUEMAL, CFO, EDF
- QIN Dahe, Former Chairman, China Meteorology Administration, Academic, Chinese Academy of Science
- Ernest Ulrich von WEIZSACKER, co-President, the Club of Rome
- ZHANG Yue, Chairman & President, BROAD Group: leading AC companies in China.

Key Points

- The global climate is changing and the issue has become increasingly pressing to human health, social living, and economic growth.
- Efforts must continue to eliminate greenhouse gas, explore renewable energy, and increase energy efficiency.
- However, complications such as the ambiguity of jurisdiction among policy makers, the urgency for treatment, and the priority challenge over economic results still exist.