



Business and Glitz - An energetic opening day for the 2005 CAExpo at the multi-level Nanning International Convention and Exhibition Center.



The SUVs of China ready for market.

# And Nations, Numbers and Nanning

## —China and ASEAN Expand Global Profile

Report and photos by Lowell Bennett



Networking and negotiating at the 2005 CAExpo.

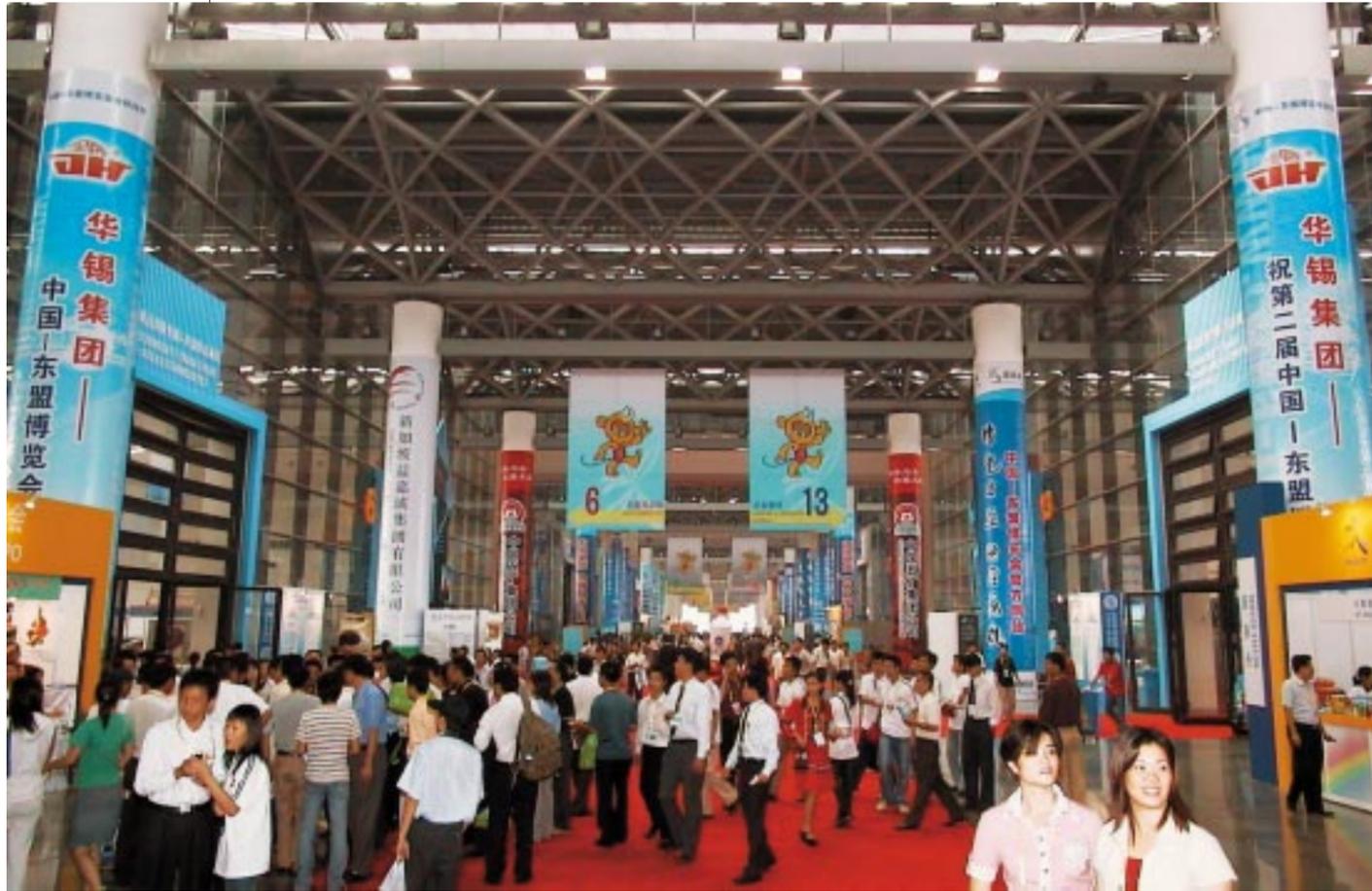
**I**n Nanning, the capital city of Guangxi Zhuang Autonomous Region, tens of thousands of officials, businesspeople and journalists braved a heavy morning downpour to hustle into the cavernous and pristine Nanning International Convention and Exhibition Center on October 19, 2005. There they mingled, ogled product and cut deals among some 3,500 exhibits promoting everything from relics to real estate and coffee to cars. The massive four-day networking affair exemplified a global-scale mercantile mentality, all-out governmental support and state-of-the-art Vegas-like glitz. The

numbers and regional implications ranged from impressive to astounding.

The event was the second annual China-ASEAN Expo (CAExpo) and among other milestones reached: negotiations concluded there resulted in contracts being inked for some 126 international transactions valued collectively at 5.29 billion US dollars. That's an increase of 6 percent in trade value over the prior year, according to Li Jinzao, deputy director of the CAExpo organizing committee and vice chairman of the Guangxi Zhuang Autonomous Region.

Indicative of the growing momentum in

*In the autumn of 2005 representatives of commerce and government from 11 countries came together for an event collectively symbolic of a rising nation and an accelerating transnational collaboration. China, in hosting a massive international business exposition bursting with Asian energy and culture, took another step towards a seemingly karmic fate: leading its ASEAN partners in advancing prosperity and stability throughout the greater region. And they met in Nanning, a progressive metropolis that is both beautiful and booming.*



A Full House—About 3,500 CAExpo exhibit booths hummed with international flavor.

transnational investment and cooperation between China and ASEAN nations, attending the CAExpo opening ceremony, and addressing thousands of assembled participants and members of the international media, were Chinese Vice President Zeng Qinghong, Thai Deputy Prime Minister Somkid Jatusripitak, Vietnamese Deputy Prime Minister Nguyen Tan Dung, Cambodian Prime Minister Hun Sen, Lao Vice President Choummali Sayasone, and Prime Minister Soe Win of Myanmar.

The high-level gathering was a notable continuation of last year's CAExpo, during which Vice-Premier Wu Yi stressed the need for increasing China-ASEAN collaboration. "Only when China and the ASEAN member nations seize the opportunity and enhance cooperation can the two sides succeed in acute global competition," she said.

**An Energized Expo**

Exhibit areas for the 2005 CAExpo at the Nanning Convention Center were sold out. Formatted throughout 15 integrated exhibition halls, within a total interior space of

150,000 square meters (1,614,600 square feet), were 3,000 exhibition booths and demonstration areas. Additional exterior space provided 26,000 square meters for another 500 booths. Added to that were 11 conference halls and meeting rooms, utilizing another 4,840 square meters of the massive convention center.

The number of enterprises applying for exhibition space at the expo exceeded expectations, with requests for more than twice the number of booths originally allotted by organizers. More than 1,000 of the 3,500 exhibition booths eventually installed were reserved by ASEAN nation enterprises, accounting for more than 40% of the total occupied floor space.

Major international players at the event included Siemens, Ericsson, Finnish STORA-ENSO, China Telecom, China Mobile, Japanese Ojipaper, NEC, Shanghai Baogang Steel Co., China-Aerospace, Tsinghua Tongfang, TCL Group, Skyworth Digital and many more high-profile enterprises. In support of their localized interests, representatives from 40 ASEAN-nation-based chamb-



Officials from ASEAN nations and Chinese Vice President Zeng Qinghong addressed the thousands assembled for the 2005 CAExpo opening ceremony.

ers of commerce also attended.

Evidencing the increasing importance of Nanning as an international metropolis and hub of regional commerce, several of the ASEAN member nations are expected to establish consulates in the city, including Thailand, Laos and Malaysia. Vietnam and Cambodia already have consulate-presence there.

**Pushing Prosperity**

The highly successful CAExpo further evidences a building momentum in the movement of 11 nations to fully realize a free trade zone (FTA), a greater region of commerce that will encompass a total population of more than 1.7 billion. For 11 years, ASEAN has remained among the top five of China's trading partners.

According to the ASEAN Secretariat, China-ASEAN trade volume accelerated at an annual rate of about 40 percent in the past three years. In 2004, trade volume surpassed 100 billion US dollars. The Secretariat's simulations further project a 0.9 percent expansion in GDP benefiting the ASEAN nations, and a 0.3 percent yield for China.

The China-ASEAN FTA, with collective national markets comprising 2 trillion US dollars in gross domestic product, is projected to become the world's third largest trading region, after the European Union and the North American FTA.

Mobilization, cooperation and speed have proven to be the watchwords in the conception of CAExpo and the accelerating development of ASEAN. Zhai Kun, a scholar with the China Institute of Contemporary International Relations, said, "Of all the FTA negotiations in which China has participated, the negotiation with ASEAN has by far proved to be the fastest and most fruitful."

**The ASEAN Asset**

In the first six months of 2005, cumulative bilateral transnational trade between China and the ASEAN 10—Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam—jumped 25 percent to exceed \$59 billion. At least partially seeding this rapid fruition was China's 2004 \$226-million direct foreign investment into ASEAN.

The overall aim of the ASEAN FTA is full transnational economic integration by 2020. Central to the plan, tariffs on some goods are projected to drop to between zero and five percent. By 2010, the accord will apply to the six more advanced ASEAN economies, with phase-in of Cambodia, Laos, Vietnam and Myanmar expected to be complete by 2015.

Already, with implementation of the "Agreement on Goods Trade" in July 2005, approximately 7,000 categories of products were detailed in the tax reduction list. Regional trade in those products is projected to realize a zero-tariff benefit by 2010.

**But Not All Business**

Demonstrating a scope of production, level of intricacy and a mind-blowing diversity of performance beyond anything this writer has ever experienced in the West, coordinated with the kick-off of CAExpo, Nanning also hosted the fifth annual Nanning International Folk Song Festival.

Designed to draw a younger crowd, featured this year were more modern beats intermingled with the traditional. The sold-out event, with a scope of production well surpassing the Super Bowl halftime extravaganzas of the US, centered on "Flying Song 2005," a spectacular rendered in four highly visual

and highly elaborate musical chapters, each named after a season.

Huge production numbers, acrobats, gymnasts, flying-wire acts, veteran local folk artists, really cute singing kids and uncountable numbers of unbelievably attractive highly-costumed dancers seamlessly combined with the performances of top Chinese pop stars from the mainland, Hong Kong, Taiwan and beyond. Building folk elements into their musical portfolio were major artists like Jolin Tsai, JJ Lam, and Jay Chow. Nanning also boasts a home-grown folk music legend, Sister Liu. 



The coffee of Vietnam is merchandised at one of 3,500 booths.



Vying for import—wine and spirits from Hanoi.