

China's Emerging Role on Sustainable Development

Presented by Mr. Sun Lihui

Director, International Cooperation Department,
CCCCMC

6 Oct, 2015, Bangkok

China Chamber of Commerce of Metals ,Minerals & Chemicals Importers and Exporters (CCCMC)

- Directly supervised by Ministry of Commerce (MOFCOM)
- 6200+ members in metals and minerals , petrochemicals, construction materials and hardware
- Responsibilities: policy advise, international business negotiation, trade dispute resolution, trade and investment facilitation and CSR promotion

Outline

1. Introduction of Chinese FDI

2. Impacts of Chinese Policies on Sustainable Development

3. Challenges facing the Chinese Foreign Investment

4. Responses from CCCMC

1. Chinese FDI

- **FDI Increased rapidly**
 - In 2014, China's FDI reached a record high of **\$ 123.12 billion**, up by 14.2% year on year, which **ranked No.3 in the world** for 3 years consecutively.
 - New trend: accelerating the pace of “going global” and improving the quality of “bringing in”

1. Chinese FDI

- **The Fluctuation of Mining Industry**

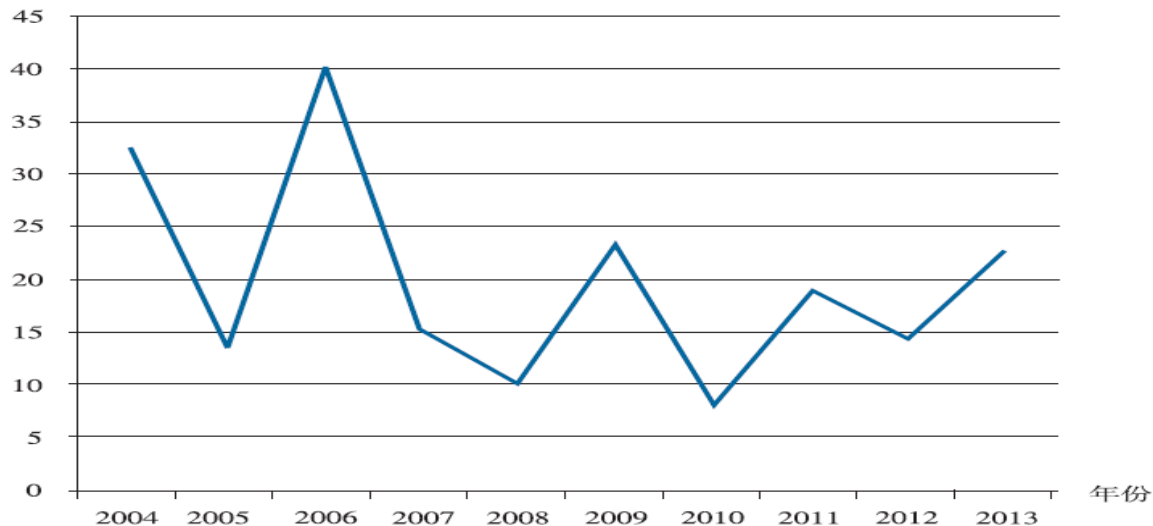


图 4-3: 2004-2013 年采矿业在境外投资中的占比变化 (单位: %)

- **“One Belt One Road” initiative becomes new engine of “going global”**

2. Impact of Chinese Policies on Sustainable Development

- **Regulatory Policies:**

- Measures for Administration of Overseas Investment (Oct. 2014)
- Provisions on Regulating Competition in Overseas Investment and Cooperation (March 2013)
- Trial Measures for Negative Credit Record in Overseas Investment and Cooperation and Foreign Trade (July 2013)
- Notice of the Ministry of Commerce on Strengthening the Categorized Administration of Chinese Personnel Dispatched Overseas for Overseas Investment and Cooperation (Oct. 2013)

2. Impact of Chinese Policies on Sustainable Development

- **Guidelines:**

- Guidelines on Environmental Protection in Overseas Investment and Cooperation (Feb. 2013)
- Guidelines on Fulfillment of Social Responsibility by Central Enterprises (2008)
- Guidelines on Green Sourcing (2014)
- Guidelines on Green Credit
- Notices on Strengthening the CSR practices of listed Companies
- Provincial and municipal level
- Business associations

2. Impact of Chinese Policies on Sustainable Development

- **Positive impacts:**

- Awareness of CSR and Sustainable Development improved
- Proactively integrated CSR/SD into their overseas business strategy
- Attached importance to the concerns from stakeholders and the government of host countries.
- Focus on mutual benefits and balance between the social, economic and environmental value

3. Challenges facing Chinese Foreign Investment

- Lack of professional human resources with international business management experiences
- Lack of professional 3rd party service providers with in-depth understanding of both Chinese and international business operation
- Lack of experiences on risk management to the investment projects
- Lack of systematic and comprehensive evaluation and due diligence analysis to the investment projects
- Lack of awareness of CSR management to the resource investment projects

4. Responses from CCCMC

- **Guidelines for Social Responsibility in Outbound Mining Investments**

Cooperation with GIZ, first ever CSR regulation in mining sector

8 core topics in the guideline: 1) Corporate governance; 2) fair operation; 3) Value Chain management; 4) Human rights; 5) Labor relations practices 6) Health and safety; 7) Environment 8) local community engagement

- **Chinese Mineral Due Diligence Guidelines**

Cooperation with OECD, following the international standards and regulations

- **Guidelines of Sustainable Investment and Operation of Chinese Overseas Rubber Industry**

Cooperation with DFID, mitigating the negative impacts to local environment and livelihoods.

4. Responses from CCCMC

- **3-Year Action Plan**

- One Objective:

- Promoting the sustainable development of Chinese Mining Investors

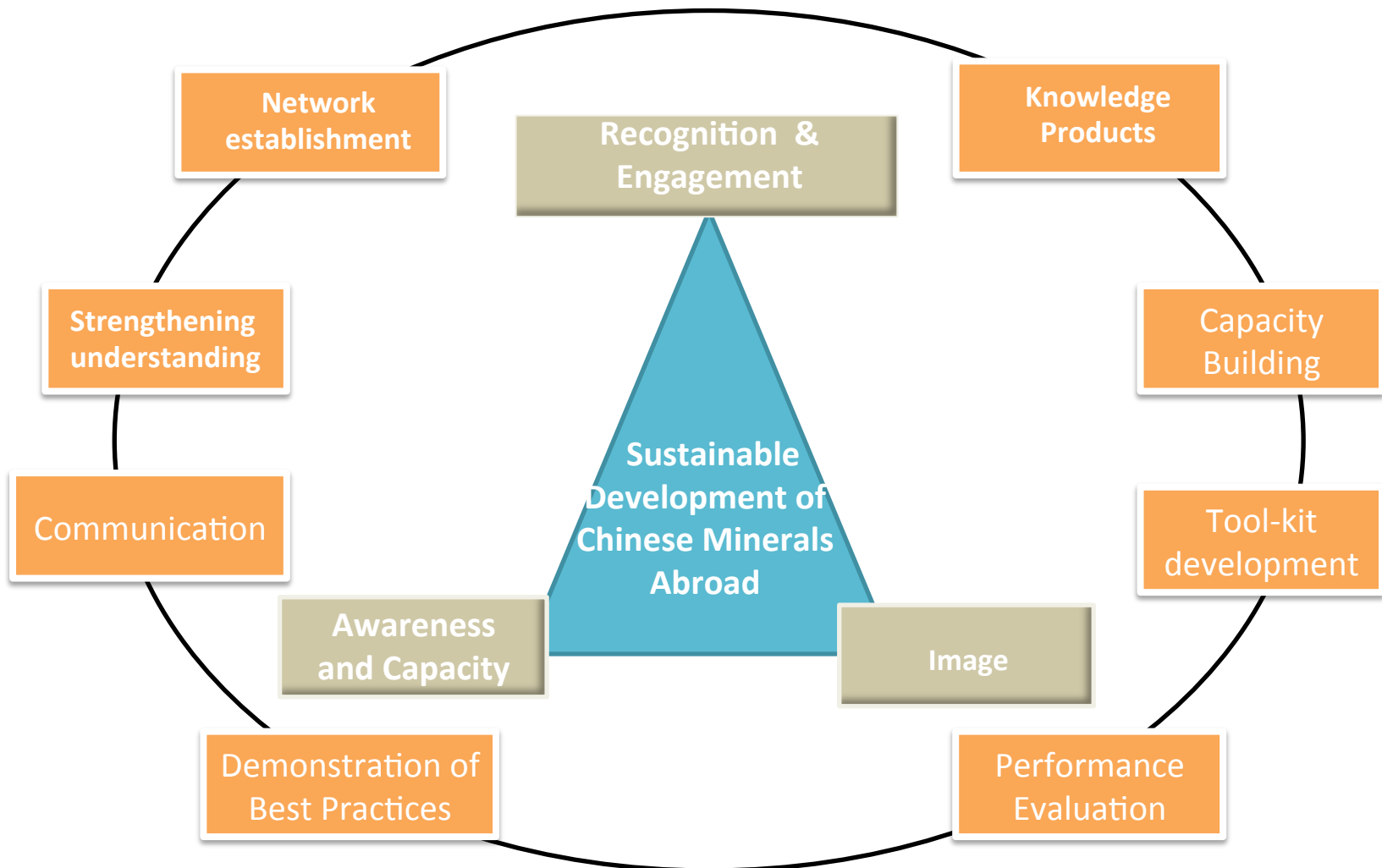
- 3 improvement areas :

- 1) Recognition and commitment

- 2) Awareness and capacity

- 3) Image among the international community

4. Responses from CCCMC Framework of 3-Year Action Plan - 8 Focus Areas & 25 Activities



4. Responses from CCCMC

- **Key Challenges**

- Limited policy support from the government. Binding and incentive mechanism is not sufficient
- No sufficient professionals in the area of sustainable development
- No funding support due to the dramatic shrinking of bilateral or multilateral cooperation fund.
- Domestically, no specific funding support on CSR/SD from the government, business association, foundation and companies
- Chinese enterprises are still in the learning curve on CSR/SD. Gaps between the corporate policies and actions.

Thank You!!!

For more information, please contact at
Email: leoslh@126.com