



Silk Road Initiative

丝绸之路项目

Инициатива Шёлковый Путь



Newsletter - Special Issue

Investment Forum Report

Issue 3 -July 2006



Xi'an Municipality Government
中国·西安市人民政府

BOAO Forum For Asia
博鳌亚洲论坛

Shanghai Cooperation Organization
上海合作组织秘书处

CICETE
中国国际经济技术交流中心



Dear Colleagues and Friends,

After months of hard work our Silk Road Investment Forum erupted practically like a volcano on 7 June. More than 400 people attended the opening session, including 5 ministerial delegations from member countries and representatives from about 15 other countries. Speeches, presentations, discussions and rich cultural programmes made for a memorable few days. The Silk Road Forum opened not only one, but several new processes, which should be continued.

Thanks for everything!

It was a true team effort where so many pieces of our Silk Road puzzle had to come together at the right time and in one place; Xian which even handed over the city keys to us for the duration of the Forum.

Excellent, complex inputs from all the Central Asian countries, from the city of Xi'an, from participating UN organizations (UNCTAD and UNWTO, and the Regional Centre in Bratislava), from the business community, from the Chinese Government, and from organizations like SCO, Boao Forum for Asia and China Group Companies Promotion Association.



Wojciech Hübner

Thanks for providing excellent translators' support and superb cultural programmes. Many thanks to the sponsors of our follow-up programme in Urumqi and Turfan. Thanks to the whole UNDP network in Asia from both Regional Bureaux, RBAP and RBEC.

The Forum has opened a number of important processes, so saying "Thank You"; I am hoping we will continue this journey along the Silk Road together. Considering the powerful history of the Silk Road, ours is a humble contribution. But 'Building Future based on Tradition' is as important as ever in today's challenging times.

*Thanks again,
Wojciech Hübner*

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Editorial



Xi'an City Wall

Dear reader,

Welcome to this special edition of the Newsletter, dedicated to the Silk Road Investment Forum. After months of preparation, the event finally came together on 7-9 June in Xi'an, China. In this issue you can read all about the Forum, including the Xi'an Declaration and summaries from the sector discussions (attached as an annex is the Investment Forum Agenda).

Thank you to all who contributed to and participated in the Investment Forum!

In this issue you will also find an article about branding of the Silk Road region, as well as an interview with Yuriko Shoji, UN RC and UNDP Resident Representative in Kazakhstan.

Since the last Newsletter, the SRI team has moved office and we are now located in an office building together with various embassies and organizations, including UN agencies UNHCR, ILO and UNFPA. The new space is light and airy, and with great views of Beijing, it did not take long for the team to feel at home (please note our new contact details on page 20).

Summer has arrived and over a month after the Investment Forum, we are up tying the last loose ends and preparing for a break to re-charge our batteries. The next events are already in planning stage however, and upon return from summer holidays we will launch straight into preparations for the Silk Road Mayors' Forum and for a Silk Road Show to take place along the Chinese Silk Road in September.

We take this opportunity to wish all of you a pleasant summer and look forward to continue our work along the Silk Road this autumn.

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Executive Summary

Investment Forum | Main Results

- A new regional tradition has been established to hold the Silk Road Investment Forum each year in one of the Silk Road countries. This was confirmed through the signing of a Xi'an Declaration. Kyrgyzstan is the main candidate for next year's event.
- The first 'Regional Investor's Guide to the Silk Road', covering 5 countries, was commissioned. The first draft of the Guide was distributed in English at the Forum, while the final version, which will take into account Forum discussions, will be published in English, Chinese and Russian this autumn.
- Important business contacts were developed among participants and business deals concluded.
- The preliminary version of a Silk Road map was prepared for the Forum with mini versions distributed among participants. The final, large-scale version of the map will be ready for the Mayors' Forum.
- The Forum re-confirmed strong ties with SRI's two strategic partners: the Secretariat of the Shanghai Cooperation Organization and the Boao Forum for Asia.

Participation and Discussions

- The opening ceremony gathered over 400 participants, with four Central Asian countries plus China bringing delegations at ministerial level. The Forum hosted representatives from about 20 countries with 86 keynote speakers, moderators and panellists.
- Forum Discussions and Presentations included country statements, opportunities in selected sectors (agro-based industries, tourism, energy and mining, transportation and IT), national investment needs, regional financing possibilities, as well as discussions on what specific opportunities the creative industries and the media can provide the region with. Side events included a roundtable meeting of the Silk Road Mayors, UNCTAD's Investment Advisory Council meeting, and a China launch of the RBEC's* Human Development Report for Central Asia.
- UNDP Regional Bureau for Europe and the Commonwealth of Independent States

Silk Road Experience

- The Forum provided insights into Silk Road history and presented cultural programmes from Central Asia (Kyrgyzstan and Uzbekistan) and China. These were warmly welcomed and resulted in the launch of a 'Silk Road Cultural Month' for May – June 2007. Furthermore, two Silk Road Car Rallies were discussed with the first one scheduled for autumn 2006 in China, and a regional rally taking place in 2007.
- The SRI Silk Road Mayors' Forum was confirmed as a key regional initiative of strategic importance. Tashkent re-confirmed its invitation to host the first event in autumn this year.
- A special two-day programme in Urumqi and Turpan (Xinjiang Province) followed immediately after the Forum. The mission included cultural events and meetings with local authorities for the Central Asia delegations.

The Silk Road Investment Forum

The first regional Silk Road Investment Forum took place in the ancient city of Xi'an on June 7-9. Aimed at revitalizing old Silk Road trade traditions, the forum brought together, for the first time, public and private sector representatives, primarily from China and Central Asia, but also from neighbouring countries and beyond, for discussions on regional investment opportunities.



The conference room ready for the opening

Background and organization

The conference was organized under the Silk Road Initiative (SRI); a regional UNDP program in association with UN Conference on Trade and Development (UNCTAD) and UN World Tourism Organization (UNWTO), which aims to enhance regional cooperation and integration among Silk Road countries in trade, investment and tourism (current member countries include China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan).

The conference was co-sponsored and co-organized by the City of Xi'an, BOAO Forum for Asia, Shanghai Cooperation Organization (SCO), China Group Companies Promotion Association (CGCPA) and China International Centre for Economic and Technical Exchange (CICETE).

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In addition to plenary sessions with key note speakers from the Chinese and Central Asian governments, private sector CEOs and high-level delegates from international organisations (including three UN agencies), the conference boasted individual presentations of the Central Asian countries, national investment advice and regional financing possibilities. Opportunities in the following selected sectors were explored:

- Agro-Based Industries
- Tourism Development
- Energy and Mining
- Transportation, Transit and IT

The conference also provided an ideal backdrop to officially launch the UNDP Central Asian Human Development Report in China. The report and an accompanying video

were presented to participants, as well as prospects for creative industries in the region. Furthermore, participants were treated to a wide variety of cultural performances from both China and Central Asia.

Significance

The completion of the Investment Forum marks an essential milestone for the Silk Road Initiative. A new regional tradition has now been established where the Investment Forum will be held annually on a rotating basis in Silk Road countries. The SRI believes regional cooperation is key to further growth and development in the area, just like the cooperative spirit that ensured prosperity along the ancient Silk Road trade route.

The Silk Road Investment Forum provides a platform from where such cooperation can be launched. It is an important



Khalid Malik speaking at the opening ceremony

first step in establishing networks, encouraging dialogue, bridging cultural divides and promoting awareness of a resourceful and exciting region. Furthermore, it signifies an opportunity to learn about each others' needs and capacities; realities and potentials; and to identify realistic ways of collaboration.

Cooperation and Integration

Realizing a conference at this level is not an easy task and the inaugural nature of the Forum presented a series of organizational challenges. Three official languages (English, Chinese and Russian) and participants from all over the world made for complex logistical arrangements. Juggling bookings, visas, and registrations all the while trying to confirm participation (especially of key speakers) and content, made the last month of preparations entertaining to say the least.

This is however nothing compared to the challenges ahead for many Silk Road countries to become equal players in the global arena. On the one hand there are physical barriers to trade such as poor infrastructure for roads, communication, energy, and health. On the other hand are less tangible obstacles; making them all the more difficult to surmount. Certain countries in the region still suffer from political instability which affects domestic and foreign policies. Complex tariffs and customs procedures make it plain difficult to conduct business. Tedious and expensive visa regulations coupled with ignorance of the region, keep tourists from visiting.

To overcome organizational challenges, SRI together with the city of Xi'an relied on UNDP country offices in Central Asia, as well as on its many international partner organizations. Indeed, the SRI was specifically designed to implement the ideals it promotes by acting according to those very ideals. Thus, through multilateral cooperation and organizational integration, SRI may harness and allocate resources in the most effective way, while involving relevant stakeholders. The idea is for these stakeholders to assume ownership of the Silk Road concept and sustain it until the Silk Road, once again, can sustain itself.

Results

The Investment Forum will provide a new, long-term mechanism for capacity building with a regional focus. It resulted in a symbolic Declaration confirming stakeholders' continued dedication to, and interest in, development along Silk Road, and in an announcement by the Kyrgyz Republic's Finance and Economy Minister, Mr. Japarov, to host next year's Forum in the capital of Bishkek.

The Forum also produced some business partnerships with the Chinese computer company Lenovo signing a letter of intent with the Ministry of Communications in Kazakhstan leading to a contract for 500 sets of computers (with the final agreement to be signed shortly after the Forum). Lenovo will set up a representative office in Kazakhstan. A tractor producer from China started discussions on possible cooperation with an Uzbek partner, and another Chinese company opened talks on real estate cooperation with a prospective partner from Kazakhstan. An Uzbek private sector company identified a partner in Xi'an that will cooperate in retail packaging and distribution of Uzbek products in China.



Akylbek Japarov, Minister of Economy and Finance of the Kyrgyz Republic

To facilitate investment and to disseminate information about the Silk Road area, the SRI commissioned an external investment expert, Mr. Peter Brimble to write an Investor's Guide to the Silk Road Region, the first draft of which was distributed among forum participants. The final version of the guide with forum discussions taken into account will later be published in the three languages of SRI (English, Chinese and Russian). Furthermore, a paper on branding of the region prepared by UNCTAD was distributed in three languages at the Forum.

In addition, SRI hired a publishing house to produce a Silk Road map (distributed in mini format at the Forum), including an old map showing the variety of routes from China to Europe, and a contemporary map depicting the four central Asian countries and western China, for easy reference of the area.



Mayor of Xi'an, Sun Qingyun

Beyond the Forum

For some participants, the Forum extended into a two-day trip to Xinjiang Province to continue discussions and solidify new friendships. Staying in a Silk Road theme hotel, at the gracious invitation of Silk Road entrepreneur Mr. Peter Wong, the delegation was awed by the fascinating landscape of Turpan and surprised at the uncanny resemblances in culture between China's western province and Central Asia.

The wide participation at the Forum demonstrates the broad interest in exploring and developing the Silk Road region. Mayors from different Silk Road cities met during the event and prepared for further discussions at the SRI's Mayors' Forum scheduled to be held in Tashkent, Uzbekistan in October. They also suggested launching a Silk Road Cultural Month in spring of next year, and preparations for this is already underway.

The next Silk Road Investment Forum is scheduled for June 2007 in Bishkek, Kyrgyz Republic. We look forward to an even greater success and hope you will join us!

Xi'an Declaration

Silk Road Investment Forum | 7-9 June 2006 | Xi'an, China

The first regional Silk Road Investment Forum was held in Xi'an, People's Republic of China from 7-9 June 2006. Senior government officials from the People's Republic of China, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Republic of Uzbekistan, mayors from cities along the Silk Road, joined by regional and international business leaders and international financial institutions from more than a dozen countries from Asia, Europe and the United States attended the Forum. The Forum was jointly organized by UNDP, UNCTAD, UNWTO (the Silk Road Initiative) and the Xi'an government in cooperation with the Shanghai Cooperation Organization (SCO) and the Boao Forum for Asia. The event also benefitted from the cooperation of CICETE/MOFCOM of China, China Group Companies Promotion Association, and Longhai Lanxin Promotion Association.



From left: Zhang Deguang, SCO, Khalid Malik, UNDP, Yuan Chunqing, Acting Governor of Shaanxi Province

Interactive plenary, as well as parallel sector sessions and country presentations highlighted opportunities for investment along the Silk Road; identified constraints and explored approaches to address them. Constructive and fruitful dialogues on sector specific issues (i.e. agro-based business, transportation logistics, transit and IT, energy and mining, as well as tourism) generated ways to support and strengthen coordination mechanisms and to fully exploit the potential to attract investment to the region. Country presentations were conducted aiming at offering stakeholders, especially the business community an opportunity to learn about various opportunities in Central Asia and western China.

We, the stakeholders of the first Silk Road Investment Forum, value the Silk Road Initiative as an important platform in our endeavours towards regional cooperation and we consider the Silk Road Investment Forum the beginning of a new tradition, whereby countries from Central Asia and China will jointly promote the region as a destination for investment. We appreciate all efforts made by the UN Silk Road Initiative for the important conceptual work, including the first regional Silk Road Investment Guide and capacity building activities.

We regard the Forum as a continuation of past efforts undertaken by national governments in the region, regional public and private sector stakeholders, civil society, international organizations, in promoting regional development based on mutual understanding and benefit. Such efforts in recent years include, among others, the Xuzhou Silk Road Symposium in 2005, the Urumqi Silk Road symposium of 2004 and the Euro-Asia Economic Forum in Xian (November 2005).

We believe in the region's great investment potential and collective strength and recognize that efforts must be undertaken to further improve the region's overall economic climate, among others through harmonizing regional administrative and operational procedures and making national regulatory frameworks more open to trade, investment and tourism. Other forms of exchanges, such as culture and arts, are avenues to improve the understanding of common goals and will brand the Silk Road as business destination.

We reaffirm the importance of the regional cooperation agencies such as Shanghai Cooperation Organization in providing peace, stability and security in the region and promoting peaceful economic cooperation. On the eve of the 5th anniversary of the SCO, we reaffirm our pledge and support for its initiatives and activities. We fully support efforts towards promoting peace, cooperation and opening –up.

We reaffirm that peace, cooperation and development are fundamentally interconnected and that the challenges of meeting the Millennium Development Goals and promoting growth and equity remain as compelling as ever for all of us. UNDP's Central Asia Human Development Report provides an important impetus in this regard.

We recognise the challenges ahead in attracting investment to the Silk Road region. In order to tackle these successfully, we called for enhanced partnership building, particularly through Public Private Partnerships (PPP). In this regard we would like to encourage setting up a regional investment promotion cooperation mechanism, which would bring together the investment promotion organizations of each country. The objective of this regional mechanism, open to all stakeholders interested in promoting Silk Road integration, would be to strengthen cooperation on attracting investment to the region.

Responding to these challenges

- We encourage the Government of the Kyrgyz Republic to host the next Silk Road Investment Forum in summer 2007; We further encourage the Government of Republic of Uzbekistan to hold the first meeting of the Silk Road Mayors' Forum in October 2006, in Tashkent.
- We support establishment of a powerful, modern IT portal as a part of the Silk Road Initiative to promote information exchange within and beyond the region;
- We request UNDP, UNCTAD and UNWTO together with other relevant partners to devise a long-term cooperation mechanism under the Silk Road Initiative to provide capacity building in the area of regional investment promotion and facilitation and in other areas covered by the Initiative;
- We request UNCTAD, in cooperation with other relevant organizations, to complete the discussion on the intergovernmental framework for transport and transit, preferably by the end of this year, to be used in future as an important input for Silk Road Initiative.

Finally, we fully endorse the new idea developed during this Xi'an Forum of launching the Silk Road Cultural Month, which proposes to focus on better understanding of cultural issues in the region with cultural performances and exhibitions moving from Xi'an to Xinjiang to Central Asia and commencing in May – June 2007.



Scene from the Tang Dynasty Performance

Sector Discussion

On the second day of the forum, session II was divided into four simultaneous groups; agro-based industries; transportation, transit, logistics and IT; tourism development; and energy and mining. Findings for each sector, as summarized during the closing ceremony, are presented below.



Gate to the Renmin Square compound

Agro-Based Industries

Summarized by Mike Pfister, UNCTAD

The agro-based industries session was chaired by Mr. Ma Yuliang, Vice President, China Group Promotion Companies, and panelists included representatives from Tajikistan, Uzbekistan, Xi'an Municipal Government and the Chinese Private Sector. Various interventions and statements were followed by a Q&A session.

All participants agreed that:

- Agriculture as a common denominator along the Silk Road to spur development, especially in rural areas
- Major opportunities could arise from regional cooperation due to; the large combined market (140 million); a high degree of ecological variety; a large potential for organic production; opportunities for JVs; and comparatively cheap utilities in Central Asia.

Panelists and participants highlighted the following challenges:

- The need to increase the mobility of goods by improving transport infrastructure and transit
- Certain areas need support in matching international health and hygiene standards (this includes storing and packaging)
- In certain parts of Central Asia Chinese companies are not yet major investors in agro-based industries, even though they could be just as competitive as some Turkish or Korean companies already investing in the region. This may be due to a lack of knowledge about the region and its opportunities from the Chinese side
- This can be said to apply to other sectors also, notably the airline industry and telecommunication infrastructure in certain parts of Central Asia



Robert Bestani, DG, Private Sector Finance, ADB



Andrzej Witak, EBRD representative in Uzbekistan

On a general note the dialogue was very regional in nature, and the forum was seen as a crucial platform and a first big step towards regional cooperation.

Transportation, Logistics & IT

Summarized by Jeff Bernstein

The session was attended by the following participants representing businesses, governments and NGOs:

Business

- IT United: Cyrill Eltschinger
- Beijing Air Catering: Annie Wu
- Emerge Logistics: Jeff Bernstein

Government

- Xi'An Government:
Vice Mayor Yang Guang Xin
- China Customs:
Luo Wen Jin
- Kazakhstan Ministry of Transportation and Communications:
Abisteva Bakit
- Vnukovo Airport Moscow:
V. Podkopaev
- China's institute of Russian, Eastern European and Central Asian Studies:
Sun Zhuang Zhi

NGO

- Forum of Entrepreneurs, Kazakhstan:
Munavara Paltasheva
- SME Association of the Republic of Tajikistan:
Matluba Uljabaeva
- International Forwarders Association of Uzbekistan: Akram Mukhidov
- American Chamber of Commerce in Shanghai: Jeff Bernstein
- Swiss Chamber in China: Cyrill Eltschinger

Current Challenges

- Slow border crossing times
- Lack of direct air flights
- Lack of cellular roaming capability
- Mismatch between current GDP, financial resources and required investment for rail, road and airports
- Lack of region wide multilateral associations to resolve logistics regulatory and infrastructure problems

Encouraging examples of Success

- Border Crossing pilot project between Kazakhstan and Kyrgyzstan
- Moscow proposal to upgrade Kyrgyzstan Airport
- China Customs simplifying border entry procedures: Will provide 24 hour service in Shenzhen
- ADB funds study in Uzbekistan to create a private funded international logistics center
- Kazakhstan looks for private partners for BOT railway
- China's Huawei supports Tajikistan Cell Phone Infrastructure

Path Forward

- Don't re-invent the wheel in each country, leverage existing regional know-how and development bank studies to plan a regional logistics infrastructure
- Enhance private participation (both domestic and foreign) in logistics infrastructure investments
- Organize frequent region-wide government-to-government and business-to-government discussions on trade facilitation, and implement best practices
- Open special free trade zones to enhance cross border trade flows and provide transparent regulations
- Make sure that we have seamless telecommunications in the region, both wireless and broadband internet



Country presentations

Tourism Development

Session summarized by Natalia Maximchuck



Tourism development panel

The tourism sector was represented by Government Authorities, private sector industry and investors, tourism associations, academia, and the UN World Tourism Organization (UNWTO).

Tourism is a large and rapidly expanding industry, with current growth rates surpassing those of the oil, automobile and IT industries. Perhaps more than any other industry, tourism is very much subject to external factors. But as with any other sector, investment decisions are based on political stability, competition levels, profit margins and further prospects for development. Trends in tourism investment show that investors prefer mature destinations with well-established image and infrastructure.

Several speakers from China highlighted the availability of vast tourism resources and their potential to act as catalysts for local economic development. Government efforts for long-term development of China's Western regions were particularly emphasized. Seven industries have been opened up to private sector participation there, including the airline industry. The State has encouraged private sector investment in neighbouring countries, thus supporting the development of domestic and international tourism. A great deal of attention is now being paid to the protection of tourism resources and to the development of new tourism products based on historical, cultural and natural characteristics.

The Chinese speakers also pointed out remaining challenges such as further development of tourism infrastructure and expansion of product diversity. They stressed the need for human resource development, especially in hotel management and tour guiding activities, identifying quality as the next five years' main focus.

Representatives from Central Asia provided brief overviews of major developments in their respective countries, confirming tourism as a sector with great potential for growth. At the moment tourism resources are still under developed largely because tourism is contingent upon further development in several other sectors. Road and transport infrastructure must increase; air transport is more developed but the industry is hampered by a lack of competition; there are huge constructions needs particularly in mid-range accommodation; and communications must be improved. Furthermore, additional tourism services such as catering, entertainment, support infrastructure, and production of tourism products all need boosting.

For tourism to develop along the Silk Road more efforts should be made to brand and market the Silk Road region as a tourist destination. Furthermore, the region would benefit from the establishment of a coordinating mechanism that could facilitate multilateral and bilateral cooperation among Silk Road countries, especially in the sharing and exchange of information on Silk Road tourism. In addition to tackling the above challenges, Central Asian representatives recommended organizing and participating in trade fairs, exhibitions and conferences. Most importantly, the speakers identified existing border/visa regulations as a major deterrent for tourists and proposed to simplify border control procedures.

As a final consensus it was agreed that tourism development in the Silk Road region requires a regional approach and offers many opportunities for cooperation.

Energy and Mining

Summarized by Peter Brimble

The session was chaired by a speaker from Uzbekistan, and comprised speakers from Tajikistan and Kazakhstan, and six speakers from China. There were no questions from the floor.

The panelists generally focused on energy related issues rather than mining.

The principal themes discussed included:

- The need to treat energy as a key strategic resource along the Silk Road
- The need to apply modern technology to the Silk Road oil and gas and hydro-power sectors to enhance both the quality of production and extraction, and the quality of usage
- The need for more suitable laws and regulations regarding energy production and use
- The tremendous potential for cooperation in the energy field along the Silk Road – due to the large and growing markets on the demand side, and the large reserves of a wide range of energy resources on the supply side
- The applications for pipeline connection across the Silk Road region, and the related investment opportunities – building on the huge existing Chinese investments in East-West transmission facilities
- Tajikistan highlighted their tremendous hydro-power resources (8th largest in the world), and the investment opportunities in modernizing and upgrading the facilities to exploit this resource and trade it across borders
- The speaker from Kazakhstan focused on the importance of renewable energy sources, citing the strong need to complement the vast large-scale projects in traditional energy with more environmentally friendly projects in biomass, wind power, water power, solar power, and so on. All Silk Road countries will have tremendous investment opportunities in renewables, such as a large new project to produce ethanol in Kazakhstan to feed into the production of gasohol and related products.
- One Chinese panelist from Xi'an laid out an ambitious plan for Silk Road cooperation in the energy field along the following lines:
 - Set up a Silk Road Energy Cooperation Committee, with support requested from the UNDP
 - Formulate an overall energy cooperation plan based on both bilateral and multilateral meetings, and derive a practical medium-term plan with specific targets and projects
 - Implement an information sharing initiative on energy cooperation along with personnel exchanges
 - Develop green energy initiatives along the Silk Road
 - Enhance communication between Silk Road governments on energy conservation and environmental protection



Khalil Hamdani, Deputy Director, DITE, UNCTAD



Harsh Varma, Chief, Technical Cooperation Division, UNWTO

At first mention of the Silk Road, the picture that springs to mind is of a route stretching from Venice, Italy to Xi'an, China. But what made this trade route so influential was its phenomenal outreach both in geographic terms and in terms of cultural and scientific impact.

A View from Japan

Interview with Yuriko Shoji

Ms. Yuriko Shoji is UN Resident Coordinator and UNDP Resident Representative in Kazakhstan. During an interview with SRI, she provided insights into the broader reach of the Silk Road through her own country, Japan's historic and contemporary role in the Silk Road. She also talked to us about Kazakhstan's role in the Silk Road region and its current development.

SRI: Historically, what are the ties between Japan and the Silk Road?

YS: For the Japanese there is a strong attraction to the West of Central Asia because this is where Buddhism came from. The Chinese monk Xuanzang (603-664) brought back and translated Buddhist scriptures from the West, introducing the religion to among others, China and Japan.

There is a concept in Japanese Buddhism called 'Seihou Jyoudo', or 'Western Heaven', which speaks of a heaven with eternal peace to the West, at a great distance from the place of human habitation (which in this case was Japan). In ancient times, this meant the lands beyond India, Pakistan and Afghanistan towards what is today's Central Asia. As a consequence, Japanese people have always been fascinated by this region. The Silk Road evokes romantic notions of caravans and deserts to the land beyond. So in this sense it is a very spiritual story.

But Japan has also exerted its share of influence on the Silk Road region in the so-called 'Great Game'. Part of the Great Game included, in the early years of the last century, foreign explorers who began to investigate the Silk Road legend spurring an international

Japan and Central Asia: Development assistance programmes, and trade and investment projects. Prior to 1992, Japan had typically concentrated their efforts on other parts of Asia and in Africa where the needs for assistance were great and apparent. With the collapse of the USSR the situation in Central

Asia changed dramatically. Japan found that it could play an important role as it does not have any direct vested interests in the region. It did not participate in the cold war and it wasn't among the traditional Western donors, so in regards to Central Asia, Japan was a kind of neutral partner.

From a commercial perspective, Central Asia represents a new market for Japan; in tourism for the Japanese, and markets for consumer goods for the growing middle class, services and so on.

SRI: How do Central Asian people regard Japan?

YS: I can mainly speak for Kazakhstan because this is the country I am most familiar with.

Kazakhstan sees Japan as a place of great economic development and of high civilisation. Traditionally, Russia was its primary contact point with the outside world; It was the place they looked to for political and cultural reference, where people typically went to study or on holidays...It was the primary point of reference.

Lately Kazakhstani people have also been increasingly exposed to the USA and Europe, but it sees Japan as an East Asian economic leader.



Yuriko Shoji, UN RC and UNDP RR Kazakhstan

race for its ancient art treasures. Huge wall paintings, sculptures, and priceless manuscripts were removed. These expeditions came from Sweden, England, Russia, France, Germany, among others, and also Japan.

It is generally known however, that for most countries these expeditions served the purpose of intelligence gathering, just as much as they did that of art collection.

SRI: What is a typical, modern Japanese perception of Central Asia?

YS: In the 1990's Japan's NHK (the national TV Channel) broadcast a series of very successful travelogues called the 'Silk Road'. With stunning visuals and evocative music by synthesizer composer Kitaro, the romantic association to the Silk Road was freshly imprinted in peoples' minds.

Today there is a new kind of cooperation between

As one of the older, more established Asian economies, on par with Singapore and Hong Kong, Kazakhstan looks to Japan for inspiration and cooperation.

Another interesting point is that from a physiological point of view, people from Kazakhstan are supposedly one of the most similar-looking people to the Japanese and vice versa. With a similar look you can imagine that people feel immediate affinity to each other – it's psychological.

There is a concept in Japanese Buddhism called 'Seihou Jyoudo', or 'Western Heaven', which speaks of a heaven with eternal peace to the West, at a great distance from the place of human habitation

SRI: How does Japan see its role in regards to Central Asia and the New Silk Road in terms of cooperation and integration?

YS: There are already many large Japanese companies trading with Central Asia; primarily in natural resources, metals and minerals, and particularly in Kazakhstan.

Japanese architects and engineers have built the new capital Astana in Kazakhstan. The Japanese architect Kisho Kurokawa won the competition assuming responsibility for the 'master plan' of Astana. A world-renowned modernist, he was inspired and motivated by the concept of combining East and West.

SRI: You are the UN Resident Coordinator and UNDP Resident Representative in Kazakhstan. What, broadly speaking, does your job entail?

YS: UNDP has a large environmental portfolio in Kazakhstan. The country is home to some of the negative inheritances from USSR like nuclear testing sites and industries which are not energy efficient. Similarly, the UNDP manages many other environmental projects which are very important to the country as well as numerous poverty and civil service reform projects

Kazakhstan is aspiring to be a strong international player and it wants to play the part of regional leader. Consequently, it is important for Kazakhstan to set and to meet standards like ensuring good governance, fair elections and so on. The UNDP thus engages in a lot of governance activity with the government, with the Human Rights Commission, and NGOs. Currently, we are helping create an action plan on human rights for example.

That is the UNDP part of my role. As Resident Coordinator I work closely with the other UN agencies in Kazakhstan like UNHCR, UNESCO etc.; coordinating the UN agencies' operations in the country.

SRI: Kazakhstan is doing very well economically these days with a predicted 9% growth rate for the coming year.

How do you notice this new prosperity in your everyday life and work?

YS: On the one hand, in the cities, you notice a strong middle class developing. Consumerism is on the rise, with the use not only of mobile phones but things like the latest model MP3s and powerful 4wd cars. Communications infrastructure is improving with well-developed telecommunications network and one of the fastest growing banking systems.

On the other hand, there are growing disparities between rich and poor, and rural areas do not yet have access to the good quality of basic social services.

SRI: What is happening with Kazakhstan's current economic development?

YS: Kazakhstan is a petrol producing country and the economy is developing very fast. The country is establishing an oil fund preparing for a day when oil might run out, however they need to diversify economic activity. What tends to happen with oil producing nations is that they attract heavy investment and have high profits, but all the technology and the expertise comes from abroad. There is no local know-how or employment creation.

Kazakhstan is now looking at cluster economic development: developing other clusters of the economy hoping to create more jobs. Another priority is to improve living standards. Education levels are high with high literacy levels. But poor road infrastructure affects people in rural areas who do not have the same access to services.

Kazakhstan is aspiring to be a strong international player and it wants to play the part of regional leader. Consequently, it is important for Kazakhstan to set and to meet standards like ensuring good governance, fair elections and so on.

The main areas of interest in Kazakhstan are trade and investment. For the Chinese, Kazakhstan and Uzbekistan are the two main attractions in Central Asia as they are the countries with biggest population. Chinese businesses are very active in the country, and Kazakhstan's trade with China is now on par with its trade with Russia.

Kazakhstan is very active with international businesses and the significance here would be to capture the SMEs to give the private sector a boost and more opportunities.

SRI: What are some of the remaining social issues?

YS: Maternal and infant mortality rates are too high, largely due to the previously mentioned poor rural road infrastructure. One of the Millennium Development Goals is to improve such conditions.

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YS: Maternal and infant mortality rates are too high, largely due to the previously mentioned poor rural road infrastructure. One of the Millennium Development Goals is to improve such conditions.

When it comes to things like gender issues, there is a strong legacy of women's participation in public life, but not at managerial level. Women therefore are often over-educated but under-employed.

Kazakhstan is similar to Russia in that there is a huge difference in life expectancy between men and women (life expectancy for men is decreasing though this could also be due to improved methods of compiling statistics). The difference is due to lifestyle: men consume more alcohol and in combination with work, there are numerous accidents. The difference in life expectancy is 10 years and for women this means a long life, but typically one with less pension, little support and loneliness.

Other social problems include HIV/Aids. Kazakhstan is on the drug trading route coming from the south and intravenous drug use is contributing to the spread of the disease. There are some regional projects to tackle these problems such as the BOMCA – EU Border management to prevent drugs from entering countries.

SRI: How does Kazakhstan view the idea of Silk Road cooperation and integration? Are they mainly focused on development happening inside their own country, or is there a regional focus?

YS: Central Asia is sandwiched between Russia and China and the region is extremely sensitive. Kazakhstan is doing all its development in tandem with what is happening internationally. This means signing up with conventions, agreements, security related programmes.

They are balancing their relationship with the international players, and in particular between China and Russia through its membership of SCO and EURASEC. Regional cooperation in Central Asia is an active, on-going issue. Countries such as Kazakhstan and Uzbekistan both see themselves in a leadership role.. But in any event, it is a fast growing and fascinating region.



Central Asian performers



Dancer from Kyrgyz Republic



Regional Investment Attraction Highlights along the Silk Road

- A direct market of over 140 million persons, and access to the more than 2 billion persons living in the Greater Silk Road Region.
- Cultural and tourism resources of unparalleled diversity
- Huge energy potential in all areas; oil, gas, hydro, etc.
- The World's gold belt as well as other metal, non-metal minerals, and precious stone resources
- The potential transport bridge between East and West
- Extensive opportunities in privatization as the economies of Central Asia and China liberalize their economies and introduce market-oriented reforms
- Predominance of two major languages - Russian and Chinese

Branding

The Silk Road is a region on the move. Branding the Silk Road, partnering Kazakhstan, the Kyrgyz Republic, Tajikistan, Uzbekistan and the four western provinces of China under a regional investment concept is not a matter of bridging East and West. It is about creating investment opportunities in a pivotal part of the globe to service new consumer demands which have developed through the globalization of manufacturing and services over the last three decades, making an investment destination once sidelined by the march of history, reclaim its prosperity.

The new, untapped, mass consumer markets of tomorrow will be in Western China, Central Asia, Central and Western Russia, Northern India, Iran and Iraq. In total, they represent about 40% of the world's population. This creates countless commercial opportunities to capitalize on, simply through the sheer grand market size, and a powerful trading bloc with considerable clout.

Also, companies from the developed Western nations can use the region as a "back-door" to develop trade with Islamic nations.

In addition, the region also presents opportunities for developing nation trans-national corporations (TNCs) from South Africa, Brazil, Singapore, Malaysia, Korea, Pakistan and India who are used to working in basic manufacturing environments to widen their global reach.

The branding strategy for the Silk Road should be based on concrete opportunities and realism, framed on five pillars. Positioning, cohesiveness, momentum, opportunities and partnership are the focal points of approach. The Silk Road Investment Forum to be held in Xi'an, China, in June 2006 will encompass these themes and is the first of a series of annual fora, which will allow concrete benchmarking of the various private and public sector commitments and policy efforts.

The Silk Road is placed within a wider regional context, thereby calling for regional solutions over national solutions. This offers mechanisms for the region's stakeholders to overcome some of their bottlenecks, while at the same time providing investors with a wide range of opportunities in terms of products and end-users.

Mechanisms such as the Silk Road Investment Forum create a platform for joint strategy development, political mobilization and commitment by all participating authorities. This feature of cohesiveness is a key to success given the trans-national nature of the region.

As described above, the Silk Road is a region on the move, and this has to be tapped. Investors are attracted to such areas, and the region should aim at reinventing itself in a new forward looking context built on tradition.

The brand strength of the Silk Road is rooted in the diversity rather than uniformity of opportunities. The region covers four countries and four Chinese western provinces, thereby obviously presenting a wide array of investment opportunities. Close partnership between investors, host communities and the Silk Road governments themselves will seal the commitment to making the Silk Road an attractive investment destination, creating new business frontiers.

Regional solutions

A regional approach to investment promotion offers the individual states and provinces an opportunity to excel in a super-national league, by specializing in their own enclaves of comparative advantage and contributing regionally. Tajikistan and the Kyrgyz Republic might not be able to form individual pockets of excellence in the field of IT, but in a regional framework, they might contribute to a Silk Road cyber corridor and be a part of it. Regional trade and economic solutions are also often easier to achieve than national development programmes because they offer governments participating in the negotiations a wider range of opportunities for the trade-offs that they have to make in giving up their protection of local industries or interest groups.

In terms of trade policy, China and Kyrgyzstan are already members of the 150 nation World Trade Organization and have embraced many of the regional ideas. Kazakhstan, Tajikistan and Uzbekistan hold observer status and negotiations are currently underway for full membership, which is expected within the next two years. It is through this acceptance of a multilateral environment that the regional cooperation plan will work.

There are a number of similar successful regional initiatives such as the common policy approach in the 10-nation Association of South East Asian Nations (ASEAN) which was created in 1967. ASEAN is not a common market or custom unions like the European Union, but it seeks the gradual elimination of all tariffs on goods originating in and traded among the member nations. The aims and purposes of this treaty-based association are to accelerate the economic growth, social progress and cultural development in the region in a holistic manner through joint endeavours in the spirit of equality and partnership.

In addition to trade and investment liberalization, regional economic integration in Southeast Asia is also being pursued through the development of trans-ASEAN transportation network consisting of major inter-state highway and railway networks, principal ports and sea lanes for maritime traffic, inland waterway transport, and major civil aviation links. In the Silk Road, various regional agreements have already been implemented within the framework of SCO in terms of unifying trade and tariff regulations and UNESCAP in terms of transport infrastructure development.

A regional approach to investment promotion for the countries in the Silk Road could prove extremely beneficial as it would demonstrate coordination, commitment and continuity to furthering trade and opening up their markets to the international community. This process might further be facilitated by having a regional investment promotion agency (IPA) set up with representative offices in a neutral city of a more developed investment environment, such as Hong Kong, to tap the interest of potential large investors.

The Silk Road investment opportunity

The first step of the Silk Road brand is first getting it on the radar map of potential investors. Successful regional markets in Europe and Asia display the following characteristics: (1) they focus on core competencies; (2) they have an integrated public/private sector; (3) they have an excellent skills base; (4) an international orientation.



Peter Brimble, Asia Policy Research and Mike Pfister, UNCTAD

The key economic drivers and potential involvement of foreign direct investors for the Silk Road over the next decade will be in energy, technology, transport and tourism. The technology will be focused on securing and delivering energy and developing the internet. Transport will transform the region into a distribution hub and tourism, which can draw on the vast array of landscape wonders, will become the major service industry of the region. Below are four paradigms of opportunities which can emerge along the Silk Road.

Growing world demand for oil and gas, gold, metals and non-metal minerals will drive the domestic industrial base of the region. The development of an onshore depot in Western China to secure Middle East oil will also serve as the major industrial catalyst.

Kazakhstan and Uzbekistan have a reserve of scientists educated at the highest level, who worked on the Soviet space programme. It is an existing base for the information technology industry which can help develop market specific internet capabilities for the region.

The overland travel time by rail between Western Europe and China (4,131 km) will be reduced from 5 days to 2.5 days by the end of the decade giving the developed nations the capability of moving vast quantities of manufactured goods at cost effective rates to tap into the growth potential of Western China as a consumer base.

Based on a concept drawn from partnership and cooperation between the private and public sectors, communities and states, and the Silk Road governments, the Silk Road can be exploited as one of the world's most fascinating tourism destinations. Various stimuli will have to feed into expanding air routes to service growing urban areas in the region and will act as a general catalyst for developing opportunities for tourism.

The Investment Promotion Tool Kit

A Silk Road IPA can harness foreign interest in these opportunities if it defines its strategy by its investor's needs and is able to describe, quantify and sell that opportunity in a rational argument that has an emotive appeal.

Whether one uses an electronic medium like the internet or television, or the print medium such as brochures and magazine articles, the essential elements in describing and quantifying opportunity is to (1) keep the topic relevant to

the audience; (2) use comparative data from reliable sources; (3) use global currencies where possible (US\$, Euro); and (4) use testimonials from global, well-known companies.

In order to sell opportunity, a Silk Road IPA needs to target its potential client base. To do so, there are a number of databases and website templates that help define rules, regulations and business practices, which took years to develop, are a fast track way to provide up-to-date and reliable information in a concise and uncomplicated manner to investors.

In most markets, investors are spoilt for choice. Marketing the Silk Road Initiative will be a challenge. No matter how attractive you may think your country is, it is a buyer's market. To compete in this global environment, an investment promotion agency must adopt a level of professionalism that encompasses responding with speed, attention to detail, project handling, enthusiasm, and a commitment to delivery. That is what the investor is looking for.

Note: This brochure was developed by UNCTAD and UNDP China in cooperation with Mr. Samuel Passow (Research Fellow at the Conflict Analysis Research Centre and a PhD candidate at the University of Kent in Canterbury, England).



Tang Paradise

Coming Up

We have some interesting and challenging events coming up this autumn, but next year's calendar is already starting to fill up as well. Below you will find a summary of what's next on the SRI agenda. For more information about any of these events, please check our website: www.silkroad.undp.org.cn, or send us an email.

September 2006

Silk Road Show

October 2006

Silk Road Regional Mayors' Forum in Tashkent, Uzbekistan

November 2006

First meeting of the Silk Road Eminent Persons' Panel in Madrid, Spain

The Panel will review the criteria for the UN Silk Road City Award to be distributed next year

May 2007

Silk Road Fashion Week

May/June 2007

Silk Road Cultural Month

June 2007

Silk Road Regional Investment Forum in Bishkek, Kyrgyz Republic



Silk Road Investment Forum in Xi'an: After the closing ceremony.
The Silk Road Initiative (SRI) team and its closest collaborators (left to right):

David Li	Director, Xi'an Municipal Bureau of Foreign Trade
Ma Huiyun	Project Manager, SRI
Josef Fung	Artistic Director, SRI
Peter Wong	Chairman, M.K Corporation Ltd., main sponsor of follow-up trip in Xinjiang
Magnus Bartlett	Publisher, Odyssey Books and Guides
Wojciech Hubner	Chief Technical Advisor, SRI
Line Konstad	PR & Communication Coordinator, SRI
Mike Pfister	Associate Expert & Event Coordinator, UNCTAD
Victor Wang	Event Manager, SRI



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SILK ROAD Investment Forum 2006

The Silk Road Investment Destination: New Business Frontiers

June 7-9 | Xi'an, China



Agenda

DAY 1 Wednesday 7 June

09.00 - 14.15 REGISTRATION

15.00 - 16.00 **OFFICIAL OPENING**

Sights and sounds of the Silk Road – opening ceremony

- **Welcome remarks**
Mr. Jiang Zengwei – Vice-Minister, Ministry of Commerce, China
- **Opening remarks**
Mr. Yuan Chunqing – Acting Governor of Shaanxi Province, China
- **Future Built on Tradition**
Mr. Khalid Malik, UN Resident Coordinator and Resident Representative of UNDP in China
- **SCO and Regional Integration**
Address by Mr. Zhang Deguang, Secretary-General of the Shanghai Cooperation Organisation
- **Welcome to the Silk Road**
Mr. Sun Qingyun, Mayor of Xi'an Municipal Government, China
- **From Political Will to Concrete Steps**
H.E. Akylbek Japarov – Minister of Economy and Finance, Kyrgyz Republic
- **Revitalising Silk Road Splendour for Mutual Benefit**
Mr. Gu Jiaqi, Executive Vice President, China Group Companies Promotion Association

16.00 - 16.30 COFFEE BREAK and PHOTO OPPORTUNITY

16.30 - 18.00 **SESSION I - Plenary**

“Regional Business Opportunity of the Silk Road”

Moderated roundtable on capitalizing on high economic growth, large market, demand for its resources, sector diversification, market-oriented reforms in the region

Moderator

- Ms. Christiane Stepanek-Allen, Chief of DITE Director's Office, UNCTAD

Introduction

- **The Silk Road Investment Destination**
Dr. Khalil Hamdani, Deputy Director, DITE, UNCTAD
- **Public Address from the Mayor of Moscow**
Delivered by Mr. Argo Avakov, Moscow Exports & Investment Promotion Initiative, UNDP Moscow & Moscow City Government

Panelists

- Mr. Sabirjan Khasanov - Deputy Minister, Ministry of Foreign Economic Relations, Investment and Trade of the Republic of Uzbekistan
- Mr. Negmatdzhon Buriev - Head, Department on Economic Reform and Investment, Office of President, Government of Tajikistan
- Mr. Cyrill Eltschinger - CEO, I.T. United and Chairman of SwissCham
- Mrs. Zhou Ming - Deputy Director General, CIPA, Ministry of Commerce of China
- Mr. Raimbek Batalov - Chairman of the Council of the Forum of Entrepreneurs of Kazakhstan, Chairman of the National Business Council of the SCO
- Mr. Li Zhonghang - CEO, Xi'an Datang West Market Real Estate Co.Ltd.
- Mr. Askar Smankulov - Deputy Mayor, Almaty City, Republic of Kazakhstan

Floor Discussion

- 18.00 - 18.30 • Presentation on the History of the Silk Road by Mr. Magnus Bartlett, international travel publisher; Odyssey Books and Guides
- 19.00 - 20.30 **GALA DINNER and cultural programme: Central Asia**
- 20.45 - 22.00 **City Key Handover Ceremony at Xi'an City Wall South gate**

END OF DAY 1**DAY 2 Thursday 8 June**

07.30 - 09.00 **UNCTAD Investment Advisory Council - Breakfast Meeting (by invitation)**

09.15 - 11.30 **SESSION II - Four Parallel Groups**

"Sector Strategies along the Silk Road"

Parallel, moderated break-out sessions on sector opportunities

09.15 - 11.30 **Session II | Parallel Group 1**

AGRO-BASED INDUSTRIES**Moderator**

- Mr. Ma Yuliang, Vice President, China Group Companies Promotion Association

Panelists

- Mr. Zhu Zhisheng, Vice Mayor, Xi'an Municipal Government
- Mr. Nabijon Kasimov, Deputy Chairman, Chamber of Commerce and Industry, Republic of Uzbekistan
- Mr. Mahmadali Tukhtaev – Mayor of Ghissar District, Republic of Tajikistan
- Mr. Lu Shaohui, President, Tian Xiang Group Co., Ltd.
- Mr. Qu Jiaqi, Vice President, Ginwa Enterprises Group

09.15 - 11.30 **Session II | Parallel Group 2**

TRANSPORTATION, TRANSIT, LOGISTICS and IT**Moderator**

- Mr. Jeffrey Bernstein, Chairman, American Chamber of Commerce, Shanghai, China; Managing Director, Emerge Logistics

Monitoring transport corridors in Central Asia

- Ms. Munavara Paltasheva, Executive Director, Forum of Entrepreneurs, Republic of Kazakhstan

Panelists

- Mr. Cyrill Eltschinger, CEO, I.T. UNITED and Chairman, SwissCham
- Mr. Luo Wenjin, Deputy Director-General, Office of China Customs Administration
- Mr. Yang Guangxin, Vice Mayor, Xi'an Municipal Government
- Ms. Annie Wu, Vice-Chairman, Beijing Air Catering
- Mr. Vadim Podkopaev, Advisor to General Manager of OAO "AEROPORT VNUKOVO", Russia
- Ms. Abisheva Bakit, Deputy Director, Department of Transport Policy and International Relations, Ministry of Transport and Communications, Republic of Kazakhstan
- Mr. Luo Kaifu - Vice President of China International Freight Forwarders Association
- Mr. Akram Mukhidov, First Deputy President, International Forwarders Association, Republic of Uzbekistan
- Mr. Sun Zhuangzhi - Director, Institute of Russian, Eastern European and Central Asian Studies
- Mrs. Matluba Uljabaeva – Chairman of SME Association of the Republic of Tajikistan
- Mr. Li Zhiyong, General Manager of Xinjiang District, Lenovo (Chengdu) Group

Session II | Parallel Group 3

09.15 - 11.30

TOURISM DEVELOPMENT**Moderator**

- Mr. Peter Man Kong Wong, Chairman, Culture Resources Development Co Ltd.

Introduction

- Dr. Harsh Varma, Chief, Technical Cooperation Division, UN WTO

Panelists

- Mr. Dong Jun, Vice Mayor of Xi'an Municipal Government
- Mr. Zakhid Khakimov, Deputy Chairperson, Uzbektourism, Republic of Uzbekistan
- Mr. Lin Shan, Vice-President, China Tourism Association
- Mr. Kairbek Uskenbaev, Director, Committee of Tourism Industry, Ministry of Tourism and Sport, Republic of Kazakhstan
- Mr. Emil Umetaliyev, Kyrgyz Concept, Kyrgyz Republic
- Mr. Brian Deeson, CEO for Greater China, ACCOR Group
- Chinese Tour Operators
- Mr. Ali Bektaev, Mayor, Turkistan City, Republic of Kazakhstan
- Mr. Rustam Mirzaev, Managing Director, Sairam Tours, Republic of Uzbekistan
- Mr. Timur Duisengaliyev, Managing Director, Jibek Joly, Republic of Kazakhstan
- Mr. Deng Youmin, Researcher of Xi'an Research Institute of Social Science
- Dr. Liang Xuesong, Professor, Shaan'xi Normal University, China
- Mr. Amonjon Eshonkulov – Head of Department on Investment Promotion of Ministry of Economy and Trade, Republic of Tajikistan
- Mr. Li Zhonghang, CEO, Xi'an Datang West Market Real Estate Co. Ltd.

Session II | Parallel Group 3

09.15 - 11.30

ENERGY and MINING**Introduction and Moderation**

- Mr. Sabirjan Khasanov, Deputy Minister, Ministry of Foreign Economic Relations, Investment and Trade, Republic of Uzbekistan

Panelists

- Mr. Yan Xuchao, Executive Vice President, China Association of Petroleum Industrial Enterprises
- Mr. Negmatdzhon Buriev, Head of Department for Economic Reform and Investment Promotion, Office of President of the Republic of Tajikistan
- Mr. Xia Yishan, President, China Energy Association, Senior Research Fellow, China Institute of International Studies
- Ms. Yelena Tereschenko, 1st Deputy Chairperson, International Fund "Integration", Republic of Kazakhstan
- Mr. Huang Xingshen, Vice-Mayor, Xi'an Municipal Government
- Mr. Shi Jun, Vice General Management, Xi'an Electric Manufacturing Corporation
- Mr. Chen Qiang, Mayor, Yan' City
- Mr. Li Jinzhu, Mayor, Yulin City
- Mr. Cao Leren, Executive President, Research Institute of Hua Neng Group

- 11.45 - 13.00 LUNCH
- 13.15 - 14.30 **SESSION III** - Plenary Roundtable
- "Financing Business along the Silk Road"**
Moderated roundtable on financing investment projects and opportunities for public private partnerships
- Moderator**
- Mr. Robert Bestani, Director General, Private Sector Finance Department, Asian Development Bank (ADB)
- Panelists**
- Ms. Jiang Shuying, Vice Mayor of Xi'an Municipal Government
 - Mr. Kuniaki Ito, Executive Director, Europe and Middle East, Japan Bank for International Cooperation (JBIC)
 - Mr. Andrzej Witak, European Bank for Reconstruction and Development (EBRD) Representative in Uzbekistan
 - Mr. Zhao Changhui, Country Risk Analyst, China Ex-Im Bank
 - Dr. Peter Brimble, Investment Expert, UNDP/UNCTAD
 - Mr. Wang Xisheng, President, Xi'an City Commercial Bank
- COFFEE BREAK
- 14.30 - 14.45 **SESSION IV** – Parallel sessions
- 14.45 - 18.30 **"National Opportunities and Investor Meetings"**
Silk Road country presentations and bilateral meetings with potential investors and country representatives
- 14.45 - 16.00 **Tajikistan**
Presentation by H.E. Abdugaffor Rahmonov – Deputy Minister of Economy and Trade, Republic of Tajikistan
- Kyrgyz Republic**
Presentation by Mr. Rafkat Hasanov, Executive Director, "Investment Roundtable"
- 16.15 - 17.30 **Republic of Kazakhstan**
Presentation by Ms. Victoria Patrakova, KazInvest , Adviser to the President,
- Uzbekistan**
Presentation by Mr. Nabijon Kasimov, Deputy Chairperson, Chamber of Commerce and Industry of Republic of Uzbekistan
- 17.30 - 18.45 **Chinese Provinces Along the Silk Road** – coordinating institution: China Investment Promotion Agency (CIPA) of Ministry of Commerce and Xi'an Municipal Bureau of Foreign Trade & Economic Cooperation
- Presenters**
- Mr. Yang Guangxin, Vice-Mayor of Xi'an Municipal Government
 - Mrs. Zhou Ming, Deputy Director General, CIPA, Ministry of Commerce
 - Mr. Wang Xuedong, Director of Xi'an Municipal Development and Reform Committee
- 19.00 **DINNER followed by Cultural Performance** (Chinese) at Tang Paradise and Phoenix Theatre

END OF DAY 2

DAY 3 Friday 9 June

- 08.30 - 09.45 **SESSION V** – Plenary
- "From creative industry to creative economy – opportunities for the Silk Road region." Moderated roundtable on branding the Silk Road, the role of media and creative industries.
- Moderator**
- Dr. Patrick Ho, Hong Kong SAR, Secretary for Home Affairs

Panelists

- Mr. M. B. Battliwala, Chief Operating Officer, 3i-Infotech
- Mr. Han Song, Vice-Mayor of Xi'an Municipal Government
- Mr. Harvard Fang, President, Chinese Culture Global Development Foundation
- Mr. Josef Fung, Artistic Director and Composer for China National Space Administration

Plenary discussion

09.45 - 10.00

COFFEE BREAK

10.00 - 11.00

Findings of the UNDP *Human Development Report for Central Asia*

- Dr. Ben Slay, Director of UNDP Regional Centre in Bratislava, Slovakia.

The presentation will be followed by a 20 minute film presentation parallel in English and Russian

11.15 - 12.15

OFFICIAL CLOSING CEREMONY

- Chair: Mr. Wojciech Hubner, Chief Technical Adviser, Silk Road Initiative

Reports from the four parallel sessions on Day 2

- Mr. Jeffrey Bernstein - Chairman, American Chamber of Commerce, Shanghai, China; Managing Director, Emerge Logistics
- Ms. Natalia Maximchuk - Program Coordinator, UNDP Kazakhstan
- Dr. Peter Brimble - Investment Expert, UNDP/UNCTAD
- Mr. Mike Pfister - Associate Expert, UNCTAD

Final conclusions

- UN Representatives in Central Asia and China:
Ms. Yuriko Shoji, UN Resident Coordinator in Republic of Kazakhstan
Mr. Khalid Malik, UN Resident Coordinator in China
- Mr. Chen Baogen, Vice-Mayor, Xi'an Municipal Authority

The Xian Declaration: *The Way Forward***Plenary Question and Answer Session**

12.45

LUNCH

LUNCH MEETING of Silk Road City Mayors

SPECIAL AFTERNOON EVENTS

- Industrial site visits
- Visits to historic sites around Xi'an

END OF EVENT

Closing scene from the Tang Dynasty performance