

Fortune Favors the Prepared

To understand where China is heading is crucial.

One of the world's most powerful economies is making important changes to both its growth model and its leadership.

The Government has recently launched a massive, new, five-year economic program, and a new generation of leaders is set to take over during 2012–13.

What will this mean and how will it affect business opportunities in China?

In China, fortune favors the prepared.

Are you ready?

We are.



Better strategies Better intelligence

Already the world's second largest economy, China started its 12th Five-Year Plan in 2011 with a radical new development strategy. Gone is the traditional reliance on low-cost, labor intensive, export products to drive growth at an annual 10 percent. Future expansion will be generated by an increasingly prosperous domestic market. The top priorities for 2011-15 are technical innovation, improved productivity and social and environmental upgrading. A better-educated and rewarded labor force and a surge in personal living standards will boost personal consumption.

Multinationals will continue to be valued partners but on a more competitive basis now that China's own enterprises are scouring the globe for investment opportunities. The foreign investors' role has already changed, with the abolition of the tax waivers, import concessions and other incentives. Overseas partners now have to comply with official policies on relocating manufacturing away from the coastal provinces; reducing urban and industrial pollution; and implementing labor and trade union legislation.

The multinationals' challenge is to adapt their current China business models to match this transition to more sustainable growth based on a buoyant domestic economy. If they succeed, multinationals stand to profit hugely from the Government's ambitious goals for technological transformation and the rise of the Chinese consumer. The 12th Five-Year Plan will enable China to virtually double its GDP to more than USD11 trillion by 2015, according to a leading international bank economist.

In this state-led and state-directed economy, a multinational's success in winning its share of the huge business opportunities offered by the new plan depends very heavily on identifying the personalities in

the political power system, at local as well as national levels, who will make the key decisions on the selection and subsequent oversight of potential international partners and what criteria will be used.

This always complex task is currently more testing than normal because the 12th Five-Year Plan coincides with the start of a new political era. The current leadership led by President Hu Jintao and Premier Wen Jiabao reaches retirement age in 2012-13 and will be replaced by what is known as the "Fifth Generation" whose terms of office will extend to 2022-23. Multinationals have less than one year in which to identify the rising political stars and create the vital mutual understanding with the incoming 5th Generation leaders who will shape business fortunes for the next decade.

China Dialogues Network (CDN) provides the solution. Its unique China leadership database gives its clients control over relationship development and management with the personalities who count. Backed by the unrivalled China experience and expertise of the Exceptional Resources Group (XRG) and its international network of China expert associates, this **CDN "China 5th Generation Leaders Project" (CDN 5G2)** provides a continually updated guide to the emerging new leadership who will be critical to the current business and investment planning of foreign companies in China.

This dynamic, authoritative but simple to use tool empowers executives, enabling them to engage the subset of China 5th Generation decision-makers who matter most to their company's business and investments. It removes the mystery and the myths from the China scene and makes it simple to identify, track and engage the crown princes, the chosen successors, the fading stars, and the potential allies.

Praise for CDN 5G2



“The **CDN 5G1** and **5G2** projects have given Maersk China a unique but simple tool to focus the development of our China public/government relationships and management efforts, thereby ensuring that our

limited resources are spent optimally. By providing a framework for making informed decisions about which relationships really matter to our business, we have managed to turn an overwhelming amount of disorganized data into a manageable, structured Maersk China 5G2 matrix.”

Jens Eskelund – *Managing Director, Maersk China Limited, Beijing, PR China*



“Every business venture in China keeps a close eye to the relationships with the Party and with the Government at all levels (national, provincial, local). Through the build-up of an extensive database and

with great insights into the roles of current and future important officials, CDN provided us with very valuable inputs on how to continuously keep our governmental relationships in tune with the 5th Generation Leaders. We are now executing the strategy for which the **CDN 5G2** Project has laid a unique starting point.”

Geert Roelens – *former Group Executive Vice President Stealcord, NV Bekaert SA /now CEO, NV Beaulieu International Group, Wilesbeke, Belgium*



“All foreign companies working in China are dependent on the goodwill of a tiny elite band of officials regardless of the formal legal, administrative or regulatory set-up ... Without the durable China business

strategic foundation that **XRG-CDN** bring to the totality via their China Dialogues Network multilateral relationship building and development (MRDM) process, the utility of a legal-only approach to doing China projects is in many cases exceedingly limited.”

Tibor Baranski, Jr. – *Counsel, Jun He Law Offices, Beijing, PR China*



“In China, getting the detail right matters. Understanding the Government and Party functions is only the beginning ... For over two decades, **XRG-CDN** has been mapping this universe of personalities with

immense precision, coming up with a hugely detailed understanding of the internal dynamics of what makes contemporary China tick. And they do this with a huge and deep spread of China deal expertise, and with a non-nonsense focus on empirical fact, rather than wishful thinking.”

Kerry Brown – *Head of Asia Programme, Chatham House, and Team Leader of the Europe China Research and Advice Network, London, United Kingdom*



“The **CDN 5G2** Project deliverables are easy to use and serve as a very convenient handbook for our senior executives working at both HQ and in the provinces. The interactive communication between Ericsson

China and Mr. Hoffmann is also proving to be invaluable to us as it helps us not only to identify the right target group of individual leaders nationwide but also to define specific subjects based on each leader’s special interests when approaching them.”

Erik Feng – *Executive Vice President, Strategy and Marketing, Ericsson China and North East Asia, Beijing, PR China*

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For more information in a CDN 5G2 Project Overview, [click here](#).