

NATIONAL PRESS CLUB LUNCHEON WITH CAPTAIN WEI JIAFU

SUBJECT: TRADE RELATIONS BETWEEN THE UNITED STATES AND CHINA

MODERATOR: ALAN BJERGA, VICE PRESIDENT, NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB BALLROOM, WASHINGTON, D.C.

TIME: 12:30 P.M. EDT

DATE: MONDAY, OCTOBER 26, 2009

(C) COPYRIGHT 2008, NATIONAL PRESS CLUB, 529 14TH STREET, WASHINGTON, DC - 20045, USA. ALL RIGHTS RESERVED. ANY REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION IS EXPRESSLY PROHIBITED.

UNAUTHORIZED REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION CONSTITUTES A MISAPPROPRIATION UNDER APPLICABLE UNFAIR COMPETITION LAW, AND THE NATIONAL PRESS CLUB RESERVES THE RIGHT TO PURSUE ALL REMEDIES AVAILABLE TO IT IN RESPECT TO SUCH MISAPPROPRIATION.

FOR INFORMATION ON BECOMING A MEMBER OF THE NATIONAL PRESS CLUB, PLEASE CALL 202-662-7505.

ALAN BJERGA: (Sounds gavel.) Good afternoon, and welcome to the National Press Club for our speaker's luncheon. My name is Alan Bjerga. I'm a reporter with Bloomberg News and the Vice President of the National Press Club. We are the world's leading professional organization for journalists, and are committed to the future of journalism by providing informative programming and journalism education, and by fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org.

On behalf of our 3,500 members worldwide, I'd like to welcome our speaker and our guests in the audience today. With a special mention, today we have 29 international and business students from American University and George Washington in our audience today. Welcome to them. Also like to welcome those who are watching on C-SPAN.

We're looking forward to today's speech. And afterwards, I will ask as many questions from the audience as time permits. Please hold your applause during the speech so that we have time for as many questions as possible. For our broadcast audience, I'd like to explain that if you hear applause, it may be from the guests and members of the general public who attend our luncheons, and not from the journalists.

I'd now like to introduce our head table guests and ask them to stand briefly when their names are called. From your right, Matt Mlynarczyk from the Advocatus Group; Ralph Winnie, who is the China Director for the Eurasia Center; Mark Drajem, trade reporter for Bloomberg News; Mr. Wan Min, President of COSCO Americas; Jerry Zremski of the *Buffalo News*, a former President of the National Press Club; and Mr. Yao

Shenhong, Vice Chairman, Secretary General of the China Association of Trade in Service; Angela Greiling-Keane, Chair of the Speakers Committee and reporter for Bloomberg News.

Skipping over our speaker, we have Bob Carden of Carden Communications and the speakers committee member who organized today's event. Thank you, Mr. Carden; Mr. Shi Zemin, General Manager of the Executive Division of COSCO Group and the Vice Secretary General of CATIS; Xiong Min, Washington correspondent of the *21st Century Herald*; Bill Cassidy from the *Journal of Commerce*; Donghui Yu of *China Press*; and Robert Webb of the International Communications Forum. Thank you. (Applause)

We are pleased today to welcome Captain Wei Jiafu to the National Press Club. As CEO of the world's largest shipping company, China Ocean Shipping Group, or COSCO, China's national carrier, Captain Wei is one of the most influential businesspeople in China, if not the world. He began working at COSCO more than 40 years ago, at the height of Chairman Mao Zedong's cultural revolution as a radio officer. As such, he has seen COSCO emerge from a wholly state-owned enterprise into a publicly-traded powerhouse. But it is not immune to the global economic slowdown. Profits in the first half of its current fiscal year were down more than half after rates for hauling commodities and containers plunged on over capacity and the global recession.

An engineer by training, Captain Wei has a doctorate in ship and ocean design, and a masters degree in transportation planning. He is also Vice Chairman of the China Enterprise Association, and a member of China's Central Committee for Disciplined Inspection. The Chinese and U.S. economies are experiencing an ever-closer partnership as the U.S. consumer continues to play a leading role in global prosperity and Chinese goods fuel that nation's growth.

While relations are far better than when Wei began his career, there are many points of friction. Many U.S. economists believe that U.S. and China are having problems with currency, with China undervaluing its currency, giving it a tremendous export advantage. The Chinese, meanwhile, are concerned that possible U.S. protectionism in areas ranging from manufacturing to chickens will choke their growth. We hope Captain Wei can give us some insight into this critically important relationship between the United States and China. We welcome him warmly to the National Press Club. (Applause) Captain?

CAPTAIN WEI: Thank you very much. Eighty years ago, when I was interviewed by one U.S. media in Washington, D.C., for the very first time, I was warned that it needs a little courage to face the media. Today, I was warned again that it needs almost 200 times courage to enter this room because I'm faced with almost 200 media people here. I said now, "I don't need any courage to be here, although I do have it." I only bring one thing here: sincerity. That's the basis for today's communication. That's also the basis for international trade.

Ladies and gentlemen, my dear friends, good afternoon. I'm very pleased today to meet all of you, my old and the new friends here at the National Press Club. First of all, I would like to thank you for coming and extend my appreciation for the National Press Club for hosting today's lunch for my delegation, CATIS. In the past, I have visited your great country many times, but most of the time I was visiting this place in my capacity as the President and CEO of COSCO Group, a leading and shipping and logistics corporation. Also, a Fortune Global 500 company. And as the Executive Chairman of the CFIE, China Federation of Industrial Economy, and that was in year of 2003, I delivered a speech in the Chamber of Commerce of the United States. I received the hospitality from President Donohue.

This time, I'm leading a delegation from CATIS, China Association of the Trading Services to visit D.C. and other locations afterwards, such like Boston, New York, and San Francisco. In my new capacity as the chairman of this organization, the People's Ambassador to the United States of America, a title which Congressman Stephen Lynch gave me in his speech at the House of Representatives days ago. So in the United States, we are at least three ambassadors; one is Ambassador **Zhou Wenzhong** to the United States. The other is ambassador to the United Nations, the rest is Captain Wei, the People's Congress to the United States. (Laughter)

Established in November of 2007, CATIS became the first national association in China representing major service sectors like shipping and logistics, banking and insurance, tourism, IT and information services, accounting and consulting, publishing and the media, et cetera. Most of the Chinese leading companies in these sectors all become members of this association, and some of these members have the representative in my delegation, the table.

In our intensive schedule, CATIS delegation were visiting important cities in the United States. We hope that by visiting these major places and meeting with our partners and friends in American community, we can convey our best wishes to our friends in U.S. In the meantime, we also hope that we can further enhance mutual trust, deepen bilateral cooperation, seek common development and promote the growth of trade and services.

This year marks a 30th anniversary of establishment of diplomatic relations between China and the U.S. In the past 30 years, China and the U.S. have successfully established a business partnership and this has helped both countries achieve a continued bilateral trade growth. According to the statistics from the Ministry of Commerce of China, the amount of bilateral trade in 1979 was less than \$25 billion U.S. And 30 years afterwards, this amount has reached \$3,337 billion U.S., more than 130 times compared with the amount in 1979. Just the beginning of the China opening of policy, adopt.

In 2008, the total amount of the U.S. exports to China was \$159 billion U.S., total amount of import was \$61 billion U.S. and a favorable balance was reached in \$98 billion U.S. The United States is the largest developed country in the world. This country has

advanced science and technology, abundant capital and strong market demand. China is the largest developing country in the world. We have rich human resources, vast market and continuously improved investment environment. United States and China is each other's second largest trade partner, economy, a high complementary between two countries. We have broad common interests and broad space for cooperation, especially in service trades.

With good development trends, we build in mutual investments, economics and the technological cooperation. We have full confidence to foresee the future growth of the service trade between China and the United States. At present, the further development of the Sino-U.S. relationship is facing important opportunities and challenges. Enforced Sino-U.S. relationship is similar, Chairman Zeng Peiyan is a former Vice Premier of China. He's the Chairman of China International Economic Exchange Center, made a keynote speech. He said, "Balance the development issue should be viewed in economic globalization. That's in the long history of the human development, the balance is relative. Imbalance is absolute and we should fully understand these contradictions in the current world economic development. From imbalance to the relative balance, then to the new imbalances, this is important at driving forth of pushing world economics forward."

He points out that both sides should formally oppose and resist all forms of the trade protectionist and unreasonable restrictions on investment. Remove non-economic factors to trades and the investments. Maintain the fair, free, open global trade and investment system. Strengthen the early resumption of the Doha Round talks and achieve a comprehensive and balanced outcome. China/U.S. economic and trade relationship is an important basis for Sino-U.S. relationships. And we hope that both sides should always proceed from the strategic high and long-term view to handle China-U.S. economic and trade relations. Strive to seek and expand common interests. Economic and trade friction should not be allowed to affect the healthy development of the bilateral economic and trade cooperation.

I hope everyone here could make full use of your influences and actively promote mutual benefit of China-U.S. economic and trade cooperation. Oppose the politicization of the economic and the trade issues. Make joint efforts with China to promote a bilateral economic and trade relation and the new starting point continue to develop.

Since the first day CATIS was formed, this organization has the mission to lead a healthy development of the service industry in China. During the past two years, CATIS has successfully established a close link with the various service sectors in China and gradually strengthened the capacity to speak on behalf of its members. Step by step, we are able to play a role of bridge and the platform between government, business associations and individual corporations. At present, the Association has nearly 200 members in China, including the foreign company registered in China.

Since CATIS was set up, it also bears responsibility to communicate an exchange with the foreign counterparts so as to promote the growth of service trade in the world. In

May 2008, I sent a delegation led by one of my vice chairmen to visit the United States. During that time, the China Sichuan earthquake. So, I stay in China, not here, to do the favor for the disaster people. During that time, COSCO donates 100 million RMB to Sichuan earthquake area for people. That's my responsibility, social cause, social responsibility.

They have visited a number of organizations in the service trade communications and starts the process to interact with our colleagues in the United States. In September of 2008, I led a delegation of CATIS to the headquarters of the European Union and Belgium, Netherlands and Germany. On that trip, we were honored to be invited by Belgium Prime Minister Yves Leterme to visit his office and other government officials and leaders in those countries. After fruitful and constructive meetings, we all agree that China and Europe share much more effort to form the growth of business partnerships, especially in service trades.

From the perspective of CATIS, I believe we can work together with our American counterparts in the following aspects. First, we should consider the possibility to do research together on corporate strategy of international competitiveness. Second, Chinese and American service trade organizations should spend a dialogue with our colleagues worldwide and participate in the process to serve international trade disputes more actively. In the beginning period of the most trade disputes, if nongovernmental organizations like our business association can play a bigger role, more disputes would be resolved peacefully instead of become trade wars.

Third, we should make more effort to safeguard international free trade regime. Free trade is a fundamental way to complement each other. We should work together with the government and other related parties, provide reasonable proposals in order to remove barriers to service trade. And build an open, fair, transparent, and a nondiscriminatory multilateral trading system.

Last month, U.S. government made the decision to add a 35 percent tariff on China-made tires exported to U.S. Frankly speaking, this is not the sensible way to resolve the trade disputes. China has no willingness to dump its tires into American markets. Chinese tires have taken a big share at U.S. markets because it's a stable quality and low price. It may help to leave more market share to U.S. tire manufacturers by increased tariffs, but these measures of protectionism will eventually harm American consumers and tire-related sectors.

For this purpose, CATIS formally commits to support and promote trading service. The association has had a good, cooperative relationship with Gartner. For three consecutive years, CATIS delegation participated in Gartner outsourcing summit. At the end of August of this year, our member company, China Unicom, end April, signed a three years contract regarding iPhone entering Chinese markets. As the National Association of the Service Trade in China, CATIS works on leading U.S. companies to invest in China and we also encourage leading Chinese enterprises to go abroad, establish trade relations and investment in the United States, as well as other foreign countries.

To fight against international financial crisis, China has adopted a macroeconomic policy to maintain a stable economic growth. At present, China's economy has shown positive signals, even better than expected. Last week, the central government announced that China's GDP in third quarter accelerated to 8.9 percent with a very positive and possible prediction for 8 percent target for the year 2000. With China's large scale investment projects, infrastructure, and environmental protection, I believe U.S. companies will have more opportunity to grow your business in China. Welcome to China.

Ladies and gentlemen, this is a popular thing in today's world. The golden age is ahead of us. We are now well prepared. Let us make joint efforts to work with our partners and friends in the United States to further growth the bilateral relation in service trade so as to achieve mutual benefits and make more contributions to the ever-growing friendship between two nations. Thank you. (Applause)

MR. BJERGA: Thank you, Captain Wei. And if you are in the audience or watching on C-SPAN and you have a question to submit to us, please do so. We'll be asking as many questions as we can, and we are also going to be asking the questions with the assistance of a translator. So, please keep your questions and your handwriting clear if you are going to be asking a question at this.

CAPTAIN WEI: Yes, for the seventh time, my speech in English, for accuracy, give answer, the question answer, I prefer to use Chinese. There's my colleague interpreter.

MR. BJERGA: So our first question is in the next few weeks, U.S. retailers are going to be looking towards the Christmas season. Based on the orders that you are seeing, for what kind of Christmas are you seeing U.S. companies preparing? A better or worse Christmas than last year? And what are some of the shipping patterns that show you might be the more popular U.S. Christmas items? (Laughter)

CAPTAIN WEI: (Through interpreter) It takes a little time. Well, the first question, well ask it because you are a really people-oriented question. You are taking care of the people, how they will spend their Christmas day. And I think last year, from what I'm told the Christmas festival was not so big sized than ever, and everything, especially the presents for kids and also the manufacturer order are downsizing. But I think nowadays this year, our market is returned stable and our market is getting back. I think every family, every corporation, should spend more for their employees, for their orders and for their kids. And at COSCO, are here for you to transport every cargo, every order into your soil, into your family. Thank you very much.

CAPTAIN WEI: For additional, we Chinese parents don't like to use the secondhand toy for the kids. (Laughter) I suggest American parents, take care of your kids. Buy the new toys, new clothes as a present for the Christmas gift. COSCO help you to ship to United States.

MR. BJERGA: What impact of recent incidents of piracy, what impact has that had on your business, and how should governments respond?

CAPTAIN WEI: Normally, I cannot leave China at this moment. But I promise you, I will be here for deliver speech to you today. So, I come. Because everybody understands several days ago is 19th of October. COSCO Qingdao one ship named De Xin Hai, hijacked by Somali pirates. And Chinese government give high attention to help COSCO to rescue the ships, rescue the crew members, human life, and rescue property. And before I leave Beijing, I got information. All the crew member is in normal health condition. So we through all efforts to reserve all the human life, that's all.

MR. BJERGA: Will Chinese owners and financiers build larger fleets because western owners and banks cannot fund the orders they have placed? Is this an opportunity for growth for China COSCO?

CAPTAIN WEI: We COSCO, as a group of companies, our present economic, mark economy, rules and for recent years, everybody now, the world economy booming for at least five consecutive years. So the shipping is good time. And since sub prime mortgage crisis causing the financial crisis, and the shipping industry very serious attack by the economy. And so, the ship building business shrink for temporary. But I believe in the globalization, the foreign trade must be continued. And for example, U.S. aids develop a country, 200 years history, you have very high tech and size support. You need to export to developing country. And the primary materials and the other lighter industry products, your cost, human cost, is very high. You abandon this business. Let a third country, a third world country, to do that such like China and Asia. So this cannot change, the trend cannot change. So the shipping has a bright future. The longer life industry. Even right now, we encountered a tough time, but that's temporary.

And earlier this year, I forecast or predict the shipping market like the V type, dropping fast, recovery also fast like jumping to the swimming pool. Like direct, there must be up. If not, the swimmer dead in the bottom of the swimming. And now, the Chinese economy and the leadership the Chinese wise government, the four trillion R&D stimulus plan causing the China economy quick recovery. And I heard that Mr. Buffett also predict the worst condition of the financial crisis is over. And the British and IMF also forecast next year, world economy will grow 3.8 percent. So, the shipping tough times were over. So ship building also will come back. And finance, not only in Chinese bank, American bank also have opportunity. Going to China, you have a lot of opportunity. (Laughter)

MR. BJERGA: What are some of the measures that Chinese shipping companies are taking to protect the marine environment, such as pollution, fisheries and so on?

CAPTAIN WEI: Yes, anti-pollution issue is a common issue in the world. COSCO as a global company, we give the high attention, invest a lot, to let our shipping

company as a green company. For example, we receive two green port awards from the United States, one from Port of Long Beach, one from Seattle. Green port award issued to COSCO, we respect. For example last year, we took a large measure to reduce our fuel oil consumption for 700,000 metric tons. It means reduce at three times CO2 emission through air to protect our common Earth and let human life, environment improved. Chinese government give more attention from the legislation and the policy to ask a company, "Your goal, not only making profit, also not allowed to pollute the environment and protect the human life." And that's the present situation.

MR. BJERGA: What are some of the more serious mistakes that U.S. corporations have made in attempting to do business in China?

CAPTAIN WEI: U.S. company in China, investment a lot for good case, such like Motorola. Making a lot of profit. And also others such as iPhone, which signed with China Unicom, everybody right now holds iPhone. Do your high tech business in China, that's warmly welcomed. And how to stay a longer time in China? One, respect the local law. Two, win/win situation principle. Like COSCO investment in the United States. We accept the advice from the former governor of Massachusetts in year 2001. He said, "Maska Sealand (?) left port of Boston, 9,000 people facing unemployment. Captain Wei, you are one of the largest shipping companies in the world. I hope you open direct service from China to Boston to help 9,000 people got jobs." So I headed delegation to negotiate. Then we realize our promise.

Year 2002, we open a direct service. Help 9,000 families and now, the Massachusetts issues me several awards. Job creation, I was issued by Patrick, the Governor of Massachusetts, to Captain Wei. Also witnessed by John Kerry and Edward Kennedy, two senators. And also, RLA, the labor union, issue me golden hammer, like this. (Laughter) I said, "If ask COSCO open direct service, I don't like to see the strike on COSCO ships." He say, "Yes," give me golden. "If the labor strike, you lose this one." Tell you, up to now since year 2002 up to now, no one strike on COSCO ships in Boston. I promise open service. They promise me no strike. So the trust is very important.

MR. BJERGA: Will the global economic recovery be consumer led, and what products will lead the way?

CAPTAIN WEI: That's correct. Consumer demand is the engine for world economic recovery. Demand push the supply. So I say if you buy the Christmas gift for your kids, you do the efforts to push world economy recovery. If every country like that, the world economy booming, could we see not long.

MR. BJERGA: On the topic of respecting local laws in China, if you were a U.S. business and you were attempting to start a business in China or a joint venture, would you first approach the CEO of the company you're working with? Or would you approach the local government official?

CAPTAIN WEI: Chinese government adopt openly a policy, they made a lot of policy to work for investor. You know, the FDI, foreign direct investment, increased year by year for the recent 30 years. Why? Because all the foreign investor received the huge prices from China market. So the U.S., such like Motorola and Wal-Mart, so on and so, investment large project in China from around the coastline and the policy, the government policy, is there. You only bring your front to investment, choose right CEO, not only American. I found a lot of companies, U.S. companies, choose Chinese local CEO, that's more closely to all aspect, more easy to do the business.

Like Captain Wei. I set up the task America here, only one president, mister-- This is the COSCO president I sent from China. The senior vice president, most of them are American. Finkle (?), please, senior vice president of COSCO America. I'll tell you a story. Four years ago Congressman Rothman in New Jersey, he don't understand China so much, always against the policy. Okay, through the connection we invite him to COSCO New Jersey headquarter to have a visit, Roristand work (?) group, only one Chinese president. And at least seven or six senior vice presidents are American, line up to welcome Congressman. Then upstairs to office to look at almost all staff is American. He shake hand one by one, one by one, I think that they all want to support him.

Then going to the meeting room for presentation by our American staff, by service vice president, tell him what we COSCO doing here. He totally understand and immediately giving speech after presentation. Said, "COSCO, before I come, I think is a Chinese company. Most of staff are Chinese. At last, I found most of them are American. And you do a lot to promote Sino-U.S. business relationship. In the future, if it further enhance the relationship between China and the U.S., we need the company like COSCO." So you're going to China for investment, also can take this experience.

I don't like, not I, most of Chinese people don't like some company asking favor from government to set up the company. During financial crisis, the close down the ships, returned Chinese staff to Chinese government or Chinese society, that's not so good. I promise society during crisis, no one let up. I want to bring all the staff to pass this financial crisis because during the good time, all staff make a contribution to the company. Why do you think this is shut? Tough time, you let them go. From other, I bring all staff. Now, everybody happy for that. So this is a moral policy.

MR. BJERGA: Following an earlier question about labor relations and the Boston crews and unions in general, are unions, independent unions, allowed in most large companies in China, and are your crews unionized?

CAPTAIN WEI: Labor union, the purpose is to help labor to have a safe post. And in China, in COSCO, we have a labor union. Then they totally understand, Captain Wei makes a policy that is making profit and the benefit for all laborers, all staffs, they don't want to strike. Recently, you may know, we signed consent agreement last year for taking over the Piraeus port, or for Greece port, 35 years. Okay, the labor union on strike against to push the old government to step down and the new government is on the ruling, as a ruling party. So the labor asked them to revise some agreement of cost. The

new government is clever. He says, "That's the law. Even the former government agreed, that's the law." Ask my company, law cannot change.

Then, the new government educate labor union to work again. So, they announced, stop strike on 17th, 8:00 p.m. Then, start work on 19th, last week. Labor told us we don't want strike because strike no pay, no money. How to feed the food to kids? We are the common interests, investor and laborers. Investor provide the job opportunity to labor. Labor hard work for company, then if the profit is good, then interest benefit is good. So, we working on the same boat in the west coast, in the east coast of United States such like the Massachusetts. Labor union totally understands if they strike, I bring the ships back to other port. They will be losing jobs again. So, we need to educate the people to understand the same goals. I think through the modern TV and media, tell more and more people, understand hard work is not only for investor, also for themselves.

MR. BJERGA: China is now second only to the U.S. in its number of billionaires. Given that, should China still be described as a socialist country?

CAPTAIN WEI: Chinese communist party adopted policy has made China socialist market economy. Socialist market economy. System is socialist, but adopt the market economy to run the economy, so some people through hard work accumulate some treasure or money such like the millionaire. Through their own efforts, nobody refused government support. They have the money to invest in projects. They attract more and more laborers from countryside to help them find jobs and to help them improve the living standard. Why not to do that?

COSCO, as I stated early in the price and the market economy operator, we acquire 54,000 countryside people working in COSCO shipyards. We help them. Why not to do that?

MR. BJERGA: Having already asked you about some of the biggest challenges that U.S. companies faced in China, what in your view are some of the biggest challenges for Chinese companies in the United States?

CAPTAIN WEI: The Chinese company adopted going abroad policy from central government because government work on foreign investor to come to China, also core Chinese company going abroad including coming to United States for investment, looking for investment opportunity. And to provide jobs for local people and also tax to local government. The problem for that, most of the Chinese companies not know so much about American culture. That's the problem. They fail some project in the United States, such like a Unicom project failed.

Why COSCO always successful? Because we learn American culture first. And we're looking for some American company to help COSCO to perthrate (?) to government, to Congress and the senators. Let them understand what's the true COSCO doing in United States? And also, we're looking for local partner, such like the COSCO port in Long Beach. We're looking for American very big firm, SSA, as a joint venture

partner to operate in the port of Long Beach. For ten years time, our collaboration is very good. Now, we extend another ten years time. It means win/win situation, is principle. Not only Chinese company win from this market, also let local company win. That's good investment.

MR. BJERGA: Speaking to the students who are here today, or anyone contemplating a future of investment or career in China, how must students focus their studies in order to prepare themselves for successful careers navigating Chinese and western business relationships?

CAPTAIN WEI: Some advice to America's young people, one word: learn Chinese culture. And I found most American people stay in China can speak perfect Chinese, Mandarin even much better than me. Totally understand. So, the young people has capability to learn more Mandarin and Chinese, that would be more easier to communicate with the Chinese different sectors in government and business. Like me, Captain Wei, are really Chinese, I learn English. Why? I want to do business abroad, here. Even my English is very poor, but I can speak. I can communicate. I can understand. I can tell them how to do that. So learning Chinese culture, I'm learning American culture. I tell my Chinese colleagues, "You need to understand American culture." My understanding realistic. If some dispute, American people say, "This is black." The Chinese people say, "This is red." Black, red, black red, argument for several days, no result. My way, "You say black, is say red. My reason, one, two, three." And my American friend says, "Yes Captain Wei, I totally agree with you." (Laughter)

MR. BJERGA: In recent interviews, you've been very bullish as far as the prospects for global economic recovery. Is the global recession over? And if it is, what kind of growth should we expect in the next year or two?

CAPTAIN WEI: According to my research, I believe the global financial crisis, the bad point is over. The lowest point is over. China as a leading country, over or past a low point earlier than other countries, about in March of this year, they're passing a point. And now, the GDP growth almost 8 over percentage. And America, the famous people, Buffett, Mr. Buffett, says, "The world financial crisis, a bad point, already over." And IMF predict is over. And British think tank said is over. So, I believe it's really over. Why? As a Chinese government, four trillion R&D stimulus plan raised last year, and American government, Obama government, and the EU country government, they all shake hands, G20 is the platform to shake hands and promise by each government still use the financial policy and the truth to let world economy push forward. So next year, I can predict the world economy much better than this year. The year after year, also better than the next year.

MR. BJERGA: We are almost out of time, but before asking the last question, we have a couple of important matters to take care of. First, let me remind our members of our future speakers. On November 13th, Chik-Fil-A Inc., founder/chairman Truett Cathy and Chik-Fil-A president and CEO Dan Cathy, the father and son team, will

discuss their company's unprecedented sales growth despite a struggling economy and their recipe for success, hospitality and service.

On November 16th, we have Debbie Hersman, the Chairman of the National Transportation Safety Board. And on November 30th, we have Prince Albert II of Monaco, who will be discussing the environment and climate change.

Secondly, we would like to present on behalf of the National Press Club with our traditional, and cherished, National Press Club mug.

CAPTAIN WEI: Oh, thank you. Thank you, thank you. Thank you, Chairman. Nice container. (Laughter) Very similar to a shipping container, it contains friendship and loads ways to fair trade. Thanks. I'll bring back.

MR. BJERGA: And thank you, Captain Wei. We'd also like to thank National Press Club staff members for organizing today's lunch, and then have one final question. Forty years ago, the China that you began with under China COSCO is very different than the China today. What would you predict the U.S. and Chinese economic relationship to be forty years from now?

CAPTAIN WEI: Globalization trends, no change. And past 40 years, COSCO developed very fast because we got a lot of support from the United States business sector and the government sector. In the future 40 years, I believe the close tie between two countries, between COSCO and American business sectors, communities, must be more closely and more friendly and more beneficial for each other. Thank you. (Applause)

MR. BJERGA: And thank you, Captain Wei. Also, thank you to the National Press Club Library for its research. The video archive of today's luncheon is provided by the National Press Club's Broadcast Operation Center. Our events are available for free download on iTunes, as well as on our website. Nonmembers may purchase transcripts, audio and videotapes by calling 202-662-7598 or archives@press.org. For more information about the National Press Club, including membership information, please go to our website at www.press.org. Thank you very much, this meeting is adjourned.

END

