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CHAPTER 2

Introduction

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The Fundación de la Innovación Bankinter analyses the best ways of facing up to the challenge of the new China

Whenever the new China is mentioned, we tend to be overcome by a combined feeling of fascination and menace, brought on by its enormous proportions, its oversized leap forward, its twin-headed role on the political and commercial stage, its recent overwhelming presence, its historical inscrutability and the weight of its remote culture and idiosyncrasy.

After two decades of spiralling economic and social growth, in which the country has gone from isolation and indifference to the forefront of the world stage, China is now, in Western eyes, much more than "the factory of the world", "the yellow giant" or "the great dragon". It is, in objective terms, the world's second largest trading power and the first destination of direct foreign investments, and it is on the verge of becoming the world's largest consumer of energy resources.

Making sense of the unknown

There can be no doubt that this situation has altered the balance and rules of many markets, thus affecting all industries. Today's China and, above all, the China that is appearing on the near horizon is seen as an enigmatic and confusing land of reward and threat; a nation which is not only benefiting from globalisation, but helping drive it forward.

It is a country which attracts large and small investors and business people from across the world, with a voracious domestic market and a surprising — even disturbing — production and distribution capacity. However, it is also a country which is actually four countries, given its huge demographic, geographical, cultural and socio-economic differences, which are tending to get wider, its democratic shortfalls, its general lack of transparency, its lukewarm environmental commitment and its disturbing political forecasts and strategies. It is a country over which too many question marks hang.

It is clear, then, that if there is something which in the near future needs to be objectively revealed, framed and examined in greater depth, it is this new Chinese situation with which, like it or not, we will have to learn to coexist from now on.

This was the conclusion reached by the members of the FTF (Future Trends Forum) when they proposed the theme for an in-depth debate at their latest meeting, organised by the Fundación de la Innovación Bankinter.

A long aseptic look

Two years after it was set up, the FTF has become one of the most important projects of the Fundación de la Innovación **Bankinter** and its commitment to society and the future. During that time its membership has grown from 17 to 105. Members freely propose, vote and decide on the issue which in their opinion deserves to be debated and the opinion leaders, experts from different knowledge areas, and world class scientists and international intellectuals who should take part in the meetings. Their experience and their knowledge help bring greater depth to the subject, as they seek to anticipate the immediate future-working in a timescale of three to six years-detecting social and economic trends and technological development, and analysing possible incidents in a range of areas and finally, deciding which conclusions deserve to be more widely publicised.

The success of previous editions has not only led to an increase in permanent members of the FTF, but has also underscored the value of the multidisciplinary approach, neutrality and globality which form the essential pillars of the project and which ensure the highest level of rigour, solvency and credibility for Spanish society and business, both in the forum's conclusions and in the diversity of views expressed at each meeting.

More pieces for the jigsaw

In this case, the FTF has sought to review the recent past of the new China and its dramatic changes, but also to break away from the myth, rectifying the Western vision of today's China, and also, as far as possible, setting out possible hypotheses for the future growth of the country and its market.

In this publication you will find detailed information on the real current situation of China, its macroeconomic indicators, its development expectations and plans, current international relations and agreements and possible developments in this field. The book seeks to offer a view of the country from a range of different approaches and points of view; it provides valuable keys to understanding, capitalising on and coexisting with this new great power; and it offers many new and different pieces to help solve the mental jigsaw with which we imagine the new China.

Once again the Fundación de la Innovación **Bankinter** hopes that this new publication will serve as a source of knowledge, but above all as a stimulus and guide for professionals and businesspeople from different industries who, to one extent or other, will be influenced by the emergence of the new Chinese situation in all the world's markets.

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