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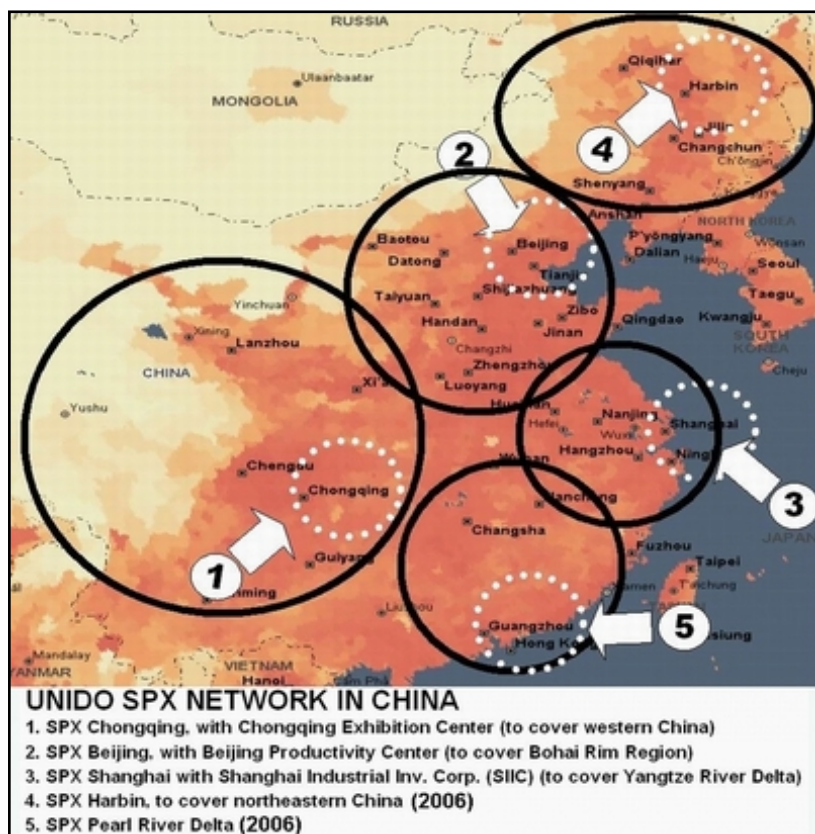
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**Global SPX - Supply Chain Conference - 2005 Beijing
China will have SPX in five strategic centres by 2006**



In his address to the Global SPX Supply Chain Conference 2005 in Beijing, Mr. Long Yongtu, Secretary-General of the Boao Forum for Asia and UNIDO Goodwill Ambassador, gave the context of China's work with UNIDO's Subcontracting and Partnership Exchange (SPX) Programme with his "Boeing story". "I wonder if you all know where Boeing planes are made. I had thought that the whole manufacturing process took place only in Seattle. It was not until I went to the US that I realized many components of Boeing planes are produced in over 70 countries including China. That is to say, the production chain and supply chain of Boeing spread almost over the whole world. It is the same with big automakers like Ford and Toyota, plane manufacturers, integrated circuits and large computer manufacturers. Multinational corporations have already outsourced their components to other countries, forming a global production and supply chain."

The [Beijing SPX website](#) has a picture gallery of the *Global SPX - Supply Chain Conference - 2005 Beijing*

"Consequently, a new form of global competition has come into being— before,

the competition occurred among countries, enterprises and products; while for now, competition is taking place among production chains and supply chains."

"This change has provided us with a new way to participate in the global economic cooperation, that is, a Chinese manufacturer and a Japanese transport company, plus several American distributors may form a strategic alliance and supply chain so as to compete with other supply chains. At present, the criterion for an enterprise's competitiveness does not confine to its own strength, but more importantly, lies in its ability to integrate different resources."

The UNIDO Industrial Subcontracting and Partnership Exchange Beijing Center, or [SPX Beijing Center](#) was set up by UNIDO and the Beijing Municipal Science and Technology Commission on May 31, 2004. Its aim, as Secretary-General Long Yongtu said, "is to help overseas large sized enterprises to find qualified domestic enterprises so as to finish the production of partial equipment or components. At the same time, the SPX Beijing Center will introduce the internationally unified and mature management of the industry chain to China, which will help domestic enterprises secure more opportunities for international cooperation and increase export orders."

Mr. Long Yongtu, formerly China's chief negotiator for accession to the WTO, reminded owners of small and medium sized enterprises that hard work was ahead of them, "Once entering the SPX network, enterprises will have to report their capability data in line with the UN unified standard, adjust their technology and quality guarantee measurement in accordance with internationally general practices and improve their management. Therefore, the most important thing for domestic small and medium sized enterprises is to seize the opportunity to enhance their own management and processing capability, accelerate technical innovation, improve the product quality, increase their international competitiveness, and thereby attract more investment and orders, then expand the scale of processing, service and export, increase the revenue, create more job opportunities, gradually get involved in the global market and participate in the global production system and supply chain."

The *Global SPX - Supply Chain Conference - 2005 Beijing*, 20 - 23 May, 2005 was the first of its kind. Portrayed by Liu Yingjun, Vice Director from China's Ministry of Commerce, as part of China's "going out for development" strategy, the conference was attended by more than 150 executives and experts. Ms. Liu said that the Ministry of Commerce, as the department organizing and executing the going-global, or "going out for development" strategy, has taken a number of measures with related departments. "So far, we have established a set of policies and regulations in line with the China's actual conditions. The first is to establish in the main a policy system to support the going-global strategy; the second is to build up a service system; the third is to set up a macro supervision system; and the fourth is to reform and perfect the management system."

Ms. Liu introduced China's "going out for development" from two aspects: the general situation, main policies and prospects of China's going-global strategy; and how service contracting is getting on in China. She said that Chinese businesses are picking up their pace of "Go out" and taking active part in various forms of international economic cooperation at a larger scale, a wider field and a higher level. "They are making full use of international and domestic markets and have made a remarkable achievement." she said. The characteristics of the "go-out" were described as follows: regional and industrial scopes are expanding; the number of operation enterprises is soaring; large sized enterprises are playing a remarkable role; modes of operation are gradually diversifying and the level is steadily enhancing.

UNIDO Representative in China, Sergio Miranda da Cruz in his address, brought attention to the fact that the conference was the occasion for the official beginning of a long-term cooperation in China through the development of the UNIDO - China SPX Network. A concrete proposal for the creation of a supply chain development programme in China consisting of five centres strategically located ([see map](#)) on dynamic regions in the country: Chongqing (underway in Western China); Beijing (underway in Bohai Rim Region); and Shanghai (starting in September, 2005, Yangtze River Delta); Harbin (starting 2006 in North-eastern China); and a location to be selected in the Peart River Delta, to start in 2006.

"A comprehensive supply chain development programme can be an instrumental tool to the Government to reach its objectives, particularly in the process of reducing the social and economic disparities between East, at one side, and the West and Northeast China, at the other. At the same time, a supply chain programme, if properly designed and coordinated, would be similarly instrumental in creating jobs, and continuing with the process of increasing productivity and competitiveness." said Mr. Miranda da Cruz.

A report on the *Global SPX - Supply Chain Conference - 2005 Beijing* will be available on UNIDO's SPX web page www.unido.org/spx in September. In the meantime, the following files are available here for viewing or

downloading: [Opening address](#) given by Ms. Liang Dan; Director, Industrial Promotion and Technology Branch, on behalf of Mr. Rwendeire; Managing Director; PTC; [How SME Clusters and Subcontractors can upgrade their Technical and Commercial Skills to meet Quality Requirements of International Buyers and Main Contractors](#) by Sebastien Pivet, Carrefour China, [Challenges of Creating Effective Supply Chains](#); by Remy Le Moigne, Associated Director, Supply Chain Management Department, Bearing Point (part one, part two will be available in the report), [Synergies and Cooperation: ITPO \(Investment and Technology Promotion Office\) and SPX](#) by Victor Zakharian, Head UNIDO ITPO Programme; [Developing Global Supply Chains for the benefit of both Developed and Developing Countries](#) by Fabienne Rond, UNDO Investment and Technology Promotion Office in UK; and [Accessing Global Subcontracting and Supply Chain Networks](#) by Patrick J. Gilabert, Programme Manager, UNIDO SPX Programme.

In addition to the aforementioned, the following speeches and presentations will also be included in the report: **Opening Address** of Mr. Yongtu Long, UNIDO-China Goodwill Ambassador, Secretary-General of Boao Forum; **Strengthen Cooperation and Carry out the "Go-out" Strategy** by Liu Yingjun, Vice Director, Foreign Economic Cooperation Section, Ministry of Commerce, PRC; **Addressing Government Priorities in China with UNIDO's Supply Chain Development Programme** by S. Miranda da Cruz, UNIDO Representative in Beijing; **The Fostering Environment for Chinese Science and Technology S&M Enterprises - System Value of Industry Cluster and Commercial Angel** by Frank G.Liang, Deputy Director General of China Torch Programme, Executive Director General of China Innofund Administration Centre; **Challenges of Creating Effective Supply Chains**; by Remy Le Moigne, Associated Director, Supply Chain Management Department, Bearing Point (formerly KPMG Consulting), France; **SPX-virtual Organization: an important tool for competitiveness promotion of China SMEs** by Jiang Yanfu, Director of Center of China Enterprise Study, Tsinghua University; **Experiences of the Sri Lanka SPX established by UNIDO** by Mr. Mathuthanthrige Nihal Ranjan Cooray, Manager, Subcontracting and Partnership Exchange (SPX) of Sri Lanka; **GCC Industrial Subcontracting: A Win-Win Situation in Manufacturing under the Global Production Network** by Ismail Elshafei, Acting Director - Gulf Organization for Industrial Consulting; **Developing Economy of Scale and Participating in Subcontracting Cooperation** by Ma Tongli, Chairman of the Board, Beinei Group; **Improving Supply Chain Performance for Economic Growth: Evidence from Africa** by Alidou Ouedraogo, Research Fellow and Lecturer, HEC MONTREAL; **Acquiring more global Industrial Subcontracting with Supply Chain Management** by Shi Dailun, Director of North-Asia area in Supply Chain Council; **UNIDO SPX Methodology and Modus Operandi** by Vincenzo Ziliotti, SPX Expert, Italy; **UK Technology Transfers and Intra-industry Trade in China: Issues for Multinational Corporations** by Linda Yueh, LSE; **Improving Automobile Industry in Beijing with Good Opportunity** by Li Yuheng, Executive Deputy Chairman and General Secretary of Beijing Association of Automobile Manufacturers; **Digital Logistics Harbor - The Logistics Portal for the Asian-Pacific Area for all questions on the logistics field** by Jiirgen Wloka, Head of Department Simulation-Based Planning and Execution, Fraunhofer IML, Dortmund, Germany, and Zhou Liang, Master of Science, Fraunhofer IML - Beijing Office, Beijing, China; and **New Platform for Enterprise Internationalization - UNIDO SPX Beijing Center Under Construction** by Zhang Qiang, Director, UNIDO SPX Beijing Center and Director, Beijing Productivity Center.

The following SPX-related events are taking place in September: 16 September, *International Auto Industry Exhibition & International Outsourcing Fair*, People's Rep. of China; 20-22 September, *Partnership Days*, Istanbul, Turkey; 26-28 September, *2005 International Sourcing Conference (ISC)*; Shanghai, People's Rep. of China; 27-30 September, *Industrial and Technological Summit*, Bilbao, Spain. [More information on these and other SPX-related events is available here.](#)

The [Beijing SPX website](#) has a picture gallery of the *Global SPX - Supply Chain Conference - 2005 Beijing*

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[coming events](#)
