

Country Report from CNAEC



Ms. Tang Ping, ¹

Mr Chairman, Honourable guests, ladies and gentlemen,

First of all, I'd like to extend my warm congratulations on the successful holding of the 13th TCDPAP annual conference on behalf of China National Association of Engineering Consultants (CNAEC), and express our heartfelt thanks to SCAEF, TCDPAP and FIDIC/ASPAC for their efforts in the preparation work.

Since its establishment, TCDPAP has always been devoted to the communication and cooperation among the engineering consulting industry within the region and made remarkably positive contributions to the development of this industry, improvement of people's livelihood and progress of society. Today I am leading the Chinese delegation to attend this conference with a view to strengthening ties among us, furthering our exchanges and cooperation, sharing our knowledge and experiences in this profession and discussing issues of our common concern. I believe that our conference will definitely be fruitful. Now I want to say a few words about the present economic situation in China, the current operation of the Chinese engineering consulting industry and what CNAEC is doing to advance the healthy development of China's engineering consulting industry.

2008 is a very unusual and eventful year for the Chinese people. In early 2008, some regions in southern part of China suffered frozen snow. In May, China was hit by the most devastating earthquake in Sichuan province since the one happened in Tangshan in 1976. In the later half of that year, the global financial storm resulted from the US sub-prime credit crisis also spread to China. All these have made severe impact on the steady and fast growth of China's economy. Of course, we'll never forget the exceptionally great success of the 29th Olympic Games held in Beijing. In general, the major aspects of China's economy are good and China's economy maintains a high growth rate of over 9% despite various adversities. GDP of 2008 is over 30 trillion RMB, people's living standard further improves and the happiness index of the residents continues to increase. To cope with the global financial crisis, the Chinese government has adopted a series of measures including a 4 trillion RMB stimulus package to expand domestic demand approved later last year and an additional 2 trillion RMB investment in railway construction approved early this year. The effects of these measures will be felt soon and it is hopeful that in the later half of this year China might

¹ Ms Tang Ping was graduated from Guangxi University and later studied in University Of Washington, U.S.A. She has more than 20 years' working experience in promoting and managing Chinese consulting engineering industry, especially focussing on international cooperation with FIDIC, TCDPAP, Asian Development Bank (ADB), and other international organizations. She is devoted to make CNAEC represent the best interests of its members and play a leading role in the sustainable development of Chinese engineering consulting industry. She is currently CNAEC's vice-Chairwoman and Secretary-General.

take the lead to walk out of the shadow of the financial crisis and get back to the track of sound and fast economic growth.

2008 is also a year of great significance for the Chinese engineering consulting industry. In that year, top Chinese leaders including President Hu Jintao and Premier Wen Jiabao made very important comments and instructions on the consulting industry, fully confirming the role of engineering consulting in economic and social development, highly praising its positive contribution to the achievement of sustainable development of society and human environment, and clearly pointing out the direction for the development of the Chinese engineering consulting industry. CNAEC successfully held its 2008 annual conference in November 2008 and 24 FIDIC China excellent young professionals were awarded. Dr. John Boyd, president of FIDIC attended the conference and issued certificates to them and he gave a fiery speech and held high expectations of them. At the conference, the participants held heated discussions about how to carry out and practice scientific outlook on development and exchanged views on how to innovate engineering consulting theories and methods and do a better job in engineering consulting. CNAEC has completed the drafting of the Development Program for China's Engineering Consulting Industry 2009-2015. This program will be an important document guiding the development of the Chinese engineering consulting industry.

First, lobby the legislature to speed up legislation on engineering consulting industry. Compared with developed countries, China's engineering consulting started late and we lack a complete system of laws and regulations governing this industry. The principle of "Consulting goes before decision making" still requires an improved legal framework as guarantee. Now CNAEC is making efforts in this regard, for example we are formulating the "Regulations on Management of Engineering Consultancy", which will lay a legal foundation for the management system and operating mechanism of engineering consultancy that conform to China's reality through improving market access, completing market rules and strengthening market supervision. The main purpose is to standardize the engineering consulting industry improve the moral standard of the consulting engineers and enhance their sense of responsibility for the society instead of only for those who pay the money.

Second, accelerate innovation of engineering consulting theories and methods to evolve a set of new consulting approaches suitable to the requirements of scientific development outlook. To advance with the times is the demand of the times. We must keep reviewing and summing up our good experiences and lessons from practice so as to better guide our work. We are now organizing experts to conduct research on our own experiences as well as mature consulting theories and methods in the world and make efforts to promote application and popularization of the new achievements in this sector and effectively improve our capability of independent innovation. I would like to say that sustainable future of mankind will be the product of our creative engineers.

Third, try hard to improve service quality in conformity with the idea of "scientific development outlook". Scientific development outlook is an important guiding principle for China's economic and social development. Its essence is "development"

and its core is “putting people first”. Its basic requirements are integrated, coordinated and sustainable development, and the basic approach is unified planning and taking into consideration every aspect concerning development. This is in complete consistency with the sustainable development and in this regard engineering consulting should be and is able to play its role. Service quality is the life line for the survival and development of engineering consulting industry and it is the only route to improving core competitiveness. Every enterprise and individual should adhere to the principle of “quality first” and get rid of the practice of pursuing only economic benefits and neglecting consulting quality and evolve a good environment for pursuit of quality and excellence. Consulting engineers should be responsible for society and future generations and every piece of their consultation should be able to stand the test of time and history. To that end, CNAEC is formulating the Engineering Consulting Quality Standard and improving the quality responsibility and accountability system to advance the building of quality management system in an all-round way.

Fourth, strengthen the building a of high-quality consulting professionals team based on the long run. Building of a quality consulting professional team is a foundation work and we plan to build a high-quality, high-caliber professionals team through introduction, training and development of talents, including cooperation with other countries in this regard such as what we’ve been doing together with AOTS of Japan. We will make more efforts to carry out FIDIC’s Integrity Management system to establish an effective regulating and excitation mechanism.

Fifth, continue to promote regional and international exchanges and cooperation. We’ll make full use of the platforms provided by FIDIC and other international organizations and take part in FIDIC’s global annual conferences, regional and bilateral conferences and activities and enhance our exchanges and cooperation with other related international organizations. We’ll organize the certification of FIDIC consulting engineers in a serious way to enhance the image and influence of consulting engineers in the world.

Since reform and opening up, China has made considerable development in engineering consulting industry and its service has covered nearly all sectors of national economy, extending from engineering survey and design to the whole process of investment and construction, including planning consultancy, policy consultancy, investment opportunity research, project feasibility study, project evaluation, engineering survey and design, project management and post evaluation, etc. The development of engineering consulting ensures investment decision making more scientific and democratic and has made outstanding contributions to the optimization of major economic arrangements, adjustment of industrial structure, improvement of investment efficiency, reduction of investment risks, ensuring of project quality, strengthening and improvement of macro control of investment and promotion of sustainable economic and social development.

However, compared with developed countries, engineering consulting industry in China still has much to improve. Foreign engineering consulting agencies have

demonstrated their strength and advantages in bidding of China's major projects through their advanced service ideas, service products and management experience. Statistics show that about 450 of the world's 500 largest MNCs have investment in China and many of them have moved their regional headquarters to China. Their investment covers dozens of industries and sectors. Engineering consulting companies play a very prominent role in providing consultation for the MNCs in decision making. Many foreign engineering enterprises came in on the construction of quite a number of national key and large engineering projects including the Beijing Olympic venues and were quite successful. For a country with a population of over 1.3 billion, China has many less developed regions especially in the vast western part of China where the infrastructure is still backward and a lot of work needs to be done. The Chinese government advocates the building of a harmonious society. A harmonious society requires China to keep following the road of reform and opening up and developing cooperation with other countries in the fields of energy saving, environmental protection, urban planning, road and transportation, irrigation and water conservancy and so on. The huge Chinese engineering consulting market sincerely welcomes excellent engineers from all over the world.

Ladies and gentlemen,

We are now living in a time of globalization full of challenge. Globalization brings more competitive pressure on the engineering consulting industry of developing countries. The Kathmandu conference is themed "Making globalization work: The role of consultants" which truly reflects the role and function of engineering consulting in the globalization process and raises clear requirements for the consulting industry. Engineering consulting has become better known and familiar to more and more people. Engineering consulting has become more and more important in social and economic development and progress of human civilization and is more and more involved in people's social and economic activities. At FIDIC's 2008 annual conference, one key note speaker pointed out that the doubling of human life spans over the past 150 years was not due to the actions of the medical profession as is so often assumed, but rather because engineers found out how to deliver clean water and to purify sewage and how to provide safe transportation systems around the world. So we have had this important role in the past and we need to lead once again in the future.

To better serve the society and become the "trusted advisor of society", consulting engineers should, I think, not only be the executors of policies and plans, but also participators in decision making and planning, thereby playing a leading role in the whole process. They should adhere to the principle of independent and scientific consulting. They should "dare to speak out their opinions, be resourceful in advising professionally and be prudent in making final conclusions" so as to ensure scientific and democratic decision making for major projects.

Up to now, no one knows when the on-going financial crisis will come to an end. World economic growth is slowing down and in some countries it is even negative growth. To maintain a stable and sound economic growth, many countries have taken a series of stimulus measures to expand domestic demand and the overall size of the package would be many trillion dollars. Where this huge money should be spent and how it

could be spent efficiently really need wise decisions of policy makers. And wise decision should be based on scientific consulting. Therefore, we must strengthen management of major investment projects, do well the feasibility study to improve quality and efficiency of investment.

In the Chinese language, the word “crisis” is composed of two characters, the first character means “danger” and the second means “opportunity”. Opportunity always goes with danger. The global financial crisis brings us many difficulties and challenges, but also many opportunities. So long as we have a common understanding, join our hands and unite our efforts, we’ll witness another spring for the engineering consulting industry and the future of mankind will therefore be much better.

May I wish the conference a complete success. Thank you.