



HOW & HOW

SOME THOUGHTS ON SUSTAINABLE INVESTMENT SCALING UP IN LICs

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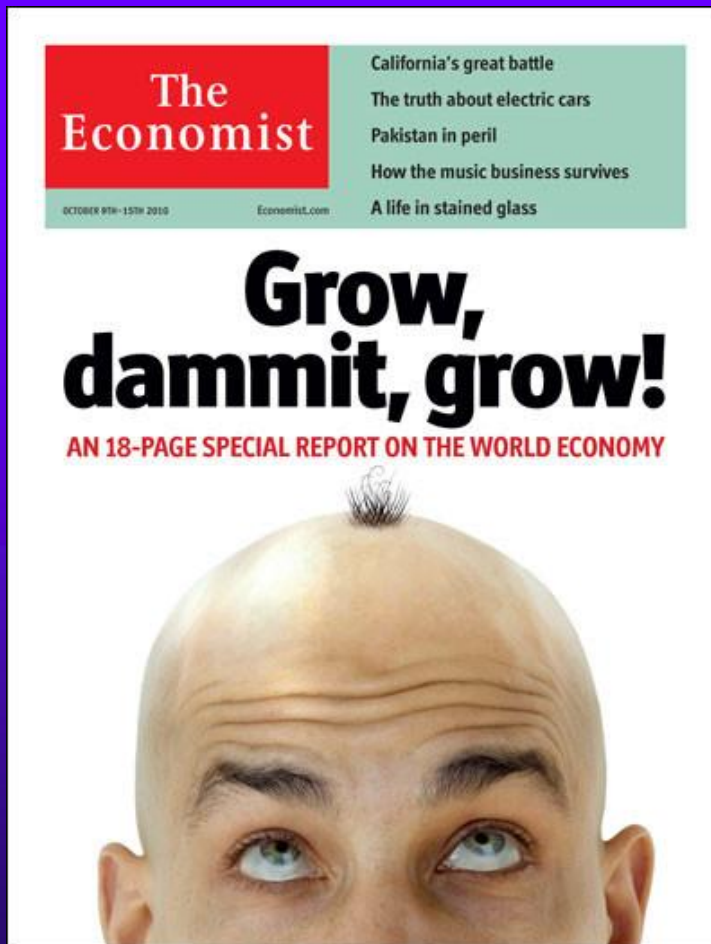
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Earth at Night
More information available at:
<http://earthep.gsfc.nasa.gov/apod/ap001127.html>

Astronomy Pictures of the Day
2000 November 27
<http://earthep.gsfc.nasa.gov/apod/astropix.html>

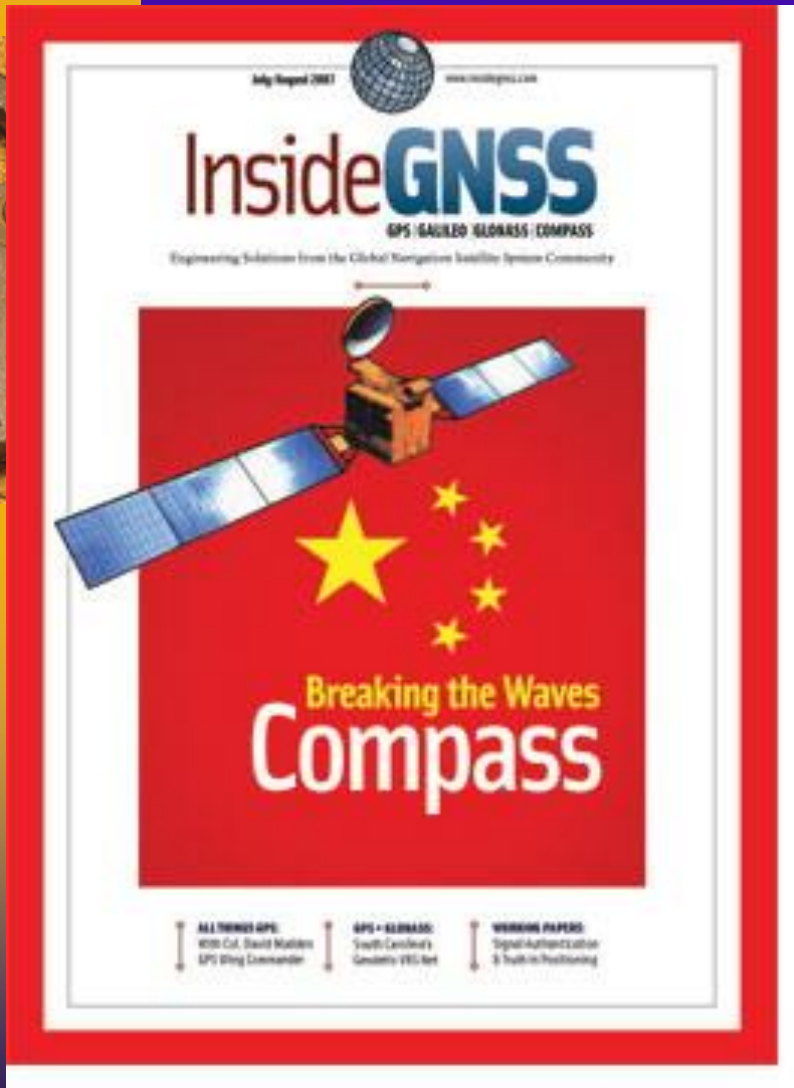
Where could we find the power for the world economy?



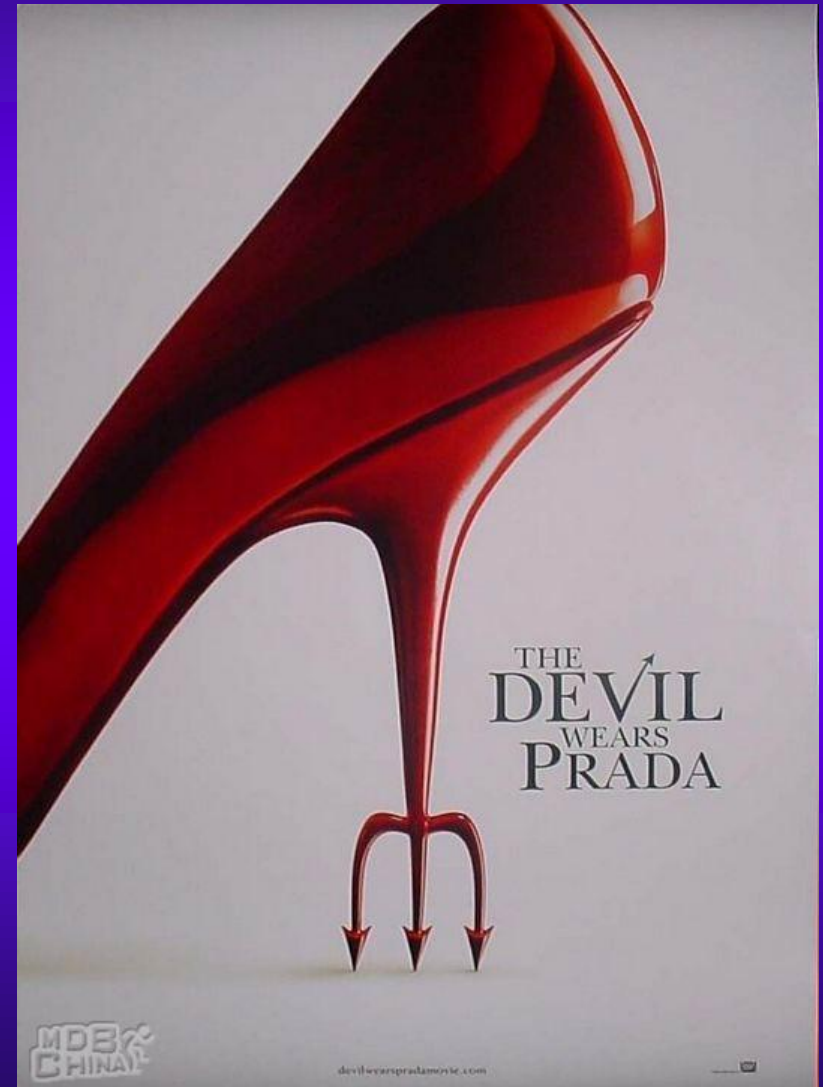
What should we do?



HUMAN RESOURCE



CONSUMPTION







CHINA'S EXPERIENCE

- ◆ FDI
- ◆ PRIVATE INVESTMENT
- ◆ EDUCATION INVESTMENT
- ◆ PRODUCTIVITY INFRASTRUCTURE INVESTMENT



CHINA'S EXPERIENCE

- ◆ FOREIGN DIRECT INVESTOR
- ◆ HIGH SAVING
- ◆ FAMILY AND GOVERNMENT BOTH AS THE INVESTOR FOR EDUCATION
- ◆ ENOUGH COMPETITION AND CONTROL
- ◆ PRUDENT FINANCE MANAGEMENT & FISCAL CONTROL



THE KEY QUESTION TO THE LICs

- ◆ Low capital accumulation
- ◆ Low income
- ◆ Low saving
- ◆ Low credit
- ◆ Low investment
- ◆ Low growth speed
- ◆ Low income, huge deficit, high inflation, terrible unemployment, etc.



TWO SIDES OF A COIN: LICs MATTER



Project selection

- Tangible material wealth:

Infrastructures could afford and repayment

- Intangible human wealth:

Fundamental and professional education



TWO SIDES OF A COIN: LICs MATTER

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- More investment access to FDI
 - Necessary competition
 - Prudent fiscal control
 - Governance transparency
 - Light tax
 - Good business climate, etc.



An old saying in China:
Fishing skill is a more
useful gift than a fish





THANK YOU!