

Report on Participation in Overseas Program in China

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My deepest gratitude to Kyoto University who gave me the opportunity to join the overseas program in China (Beijing). It was a great experience to participate in this trip. We learned about China and its developments, especially in energy policy, the financial sector and the industrial sector. This trip took place from March 15th till March the 20th, 2015.

I was surprised about the environmental conditions in Beijing, especially the air pollution. Prior to the trip, I already heard about this from friends who have visited Beijing. Although, I come from a city that has a fairly high level of pollution, it does not match Beijing.

The program started on March 16th 2015, by visiting Renmin University of China which is the best university in China. In the morning session, we got a special lecture from Prof. Ran Tao, who discussed the *China's Growth Model*. This lecture became special for me, because the lecturer had a different opinion on China's growth. According to his analysis, China has predicted to experience a bubble economy, as does Japan. This is due to the high price of residential houses in China (because Local governments converted industrial land to residential and commercial land to pay for local government debt). But the difference between China and Japan will be that, Japan has already become a developed country. In the meantime, China is still one of the developing countries so that the estimated effects of a bubble economy would be worse than that experienced by Japan.

In the afternoon session, we had a joint seminar between students of Kyoto University and students of Renmin University. Both Universities were represented by two students. At the time, we had a discussion about marketing strategy for Japanese consumer Electronics Corporation in India, unsecured loan business in China, financial constraint and firm performance in China, and Influence of medical insurance on savings rate of residents of rural China.

On March the 17th, we visited National Energy Conservation Center (morning) and China Chengxin Credit (afternoon). In the National Energy Conservation Center, we learned about how China deals with energy efficiency policies, implement energy-saving technologies, regulations, planning and management systems and other research. In the afternoon, we visited China Chengxin Credit (CCX) which was already established since 1992. At this company, we discussed about the CCX's role for the China development particularly for industrial development. This company helps their clients to conduct a study before investing both in China and outside China.

On March 18th, we had a trip to the Great Wall of China and the Forbidden City. We were accompanied by two students who had become audit students at the University of Kyoto in 2013. This trip reminded me of the Chinese movies in the 1990s about the Chinese Empire.

On March the 19th, we visited Beijing Ninghua Technology. This company assembles Computer Numerical Control (CNC) machines, which more than 80% of their products only for domestic consumption. The number of customers has reached 12000 companies. The company uses technology from Japan and excel in doing research and development. To support this company and other SMEs, the local government of Beijing provided tax incentives for the first three years since the establishment of this company.

Since I am interested on the Small and Medium Enterprises (SME) Policy in Indonesia, this experience also gave me the knowledge about how Chinese Government developed the SME, particularly in industrial districts. In my opinion, China has already succeeded in promoting the development of manufacture, although this development has led to new problems for China, particularly environmental issues.