

Market Opportunities – Partnering in Action
Realities of providing consulting services
in China Mainland

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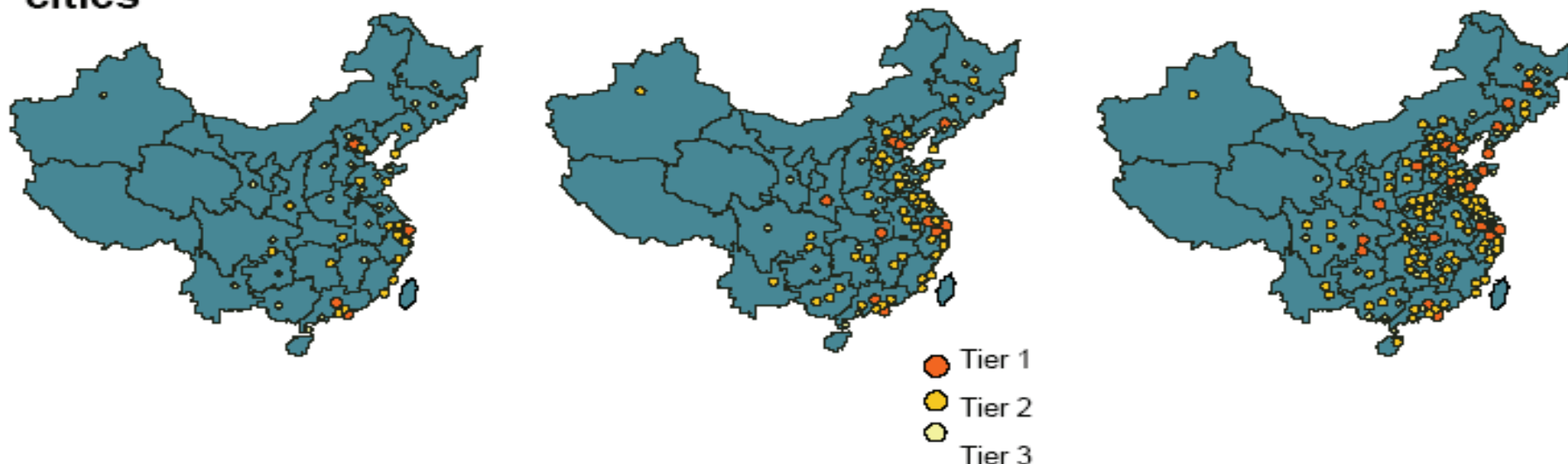
Scott Wilson Ltd, China Div.



Urbanization – A strong driver

China's tiered city structure:

Today: 45 tier 1-3 cities 2010: 86 tier 1-3 cities 2020: 147 tier 1-3 cities



Total Urban Population (millions):

532

658

970

Source: BHP Billiton, June 2007

- ➔ Tier 1 city defined as registered population >4. m and GDP/capita >US\$3,000,
- ➔ Tier 2 city defined as either registered population >4.5m or GDP/capita >US\$3,000
- ➔ Tier 3 city defined as registered population 1.5-4.5m and GDP/capita US\$1,500–3,000

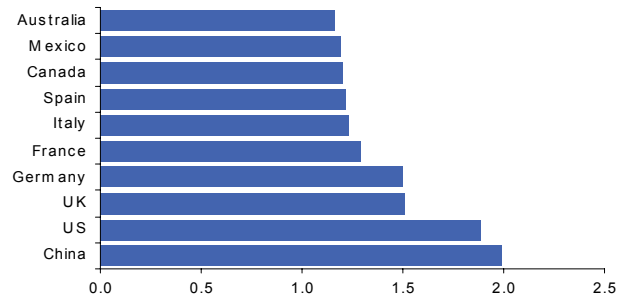


Size of China's consulting market - 2008

- Fuelled by continuous urbanization
- Sustained GDP growth of ~8% p/a, year on year
- Continuous influx of foreign direct investments
- High level of savings within population

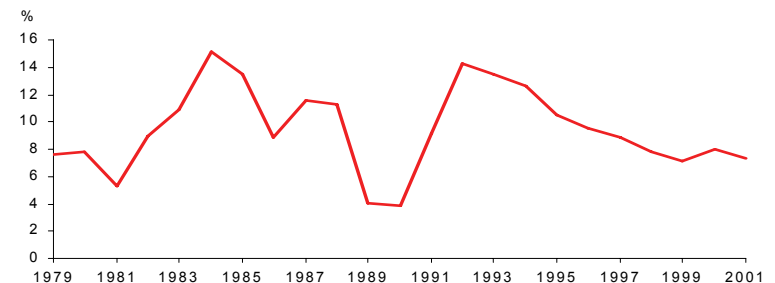
- Transportation ~ US\$ 10,000 million
- Property ~ US\$ 15,000 million
- Environment ~ US\$ 3,000 million
- Natural Resources ~ US\$ 4,000 million

2002 FDI Confidence Index



Source: A.T. Kearney Confidence Index survey report.

China's Real GDP Growth Rate



Source: CEIC



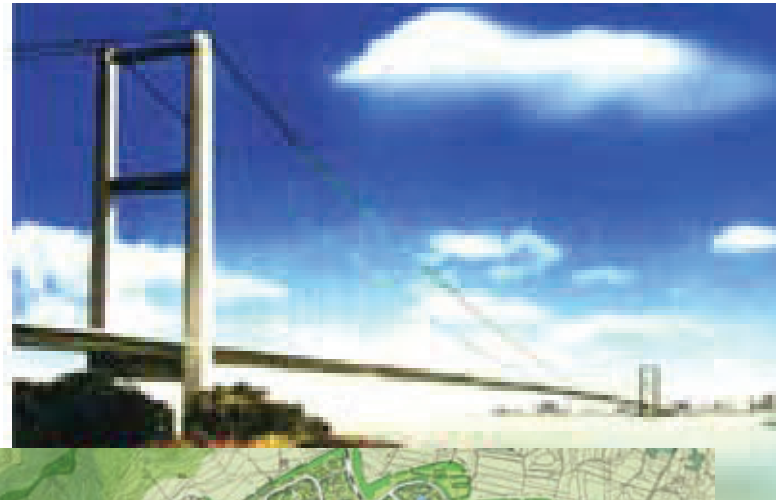
Competitive Advantages

- Technically Competent
- Professional (Code of Ethics)
- Laterally integrated services
- Ability to adapt international experience locally
- Independent
- Flexible – one-stop shop
- Cost-effective design & solutions
- Experienced in providing training
- Assist Chinese companies to expand geographically



Project Examples

FIDIC Singapore 2007 Conference :: 9 - 13 September



Realities in 2008

- Handful of international consultants with over 200 staff
- Services to local projects limited to review and expert advice, scheme development, concept design
- More comprehensive services in foreign investments
- Majority of activities in property sector (architecture, masterplanning, urban design)
- Increased competition from international and local consultants
- Chinese consultants increasing activities internationally
- Increased activities in 2nd and 3rd tier cities



Continuing Challenges (or are these opportunities?)

- Long time to get into critical mass
- Restrictive operational modes (WOFE, JV)
- Evolving tax and HR (labour) regulations
- Design licenses
- Geographic and cultural diversifications
- Procurement processes
- Consolidation of local design companies
- Scarcity of appropriate resource
- Differences in design processes and standards



Sustainable Success Issues

- Completing projects versus Developing businesses
- International or local
- Mutual recognition (qualifications, quality, markets)
- Attitudes (headquarters, business drivers, staff)
- Responding to a flatter world



Scott Wilson in China

- Started since 1985
- 7 offices across China
- 600 staff
- Two joint ventures
- One WOFE
- Design licenses in transport
- Strategic partners in all sectors
- International and local businesses



在中国的项目经验 运输基础设施



Thank you

