

# TOP NEWS

## Development transforming to new model

Consumption, investment, reform to unleash higher-quality growth

By LI XIANG  
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China's economic growth will be increasingly driven by domestic consumption and investment, and bolder reform measures are needed to cultivate a more efficient domestic market and unleash the country's potential for higher-quality growth, a senior economist said.

Justin Yifu Lin, honorary dean of the National School of Development at Peking University and former chief economist at the World Bank, sees China's shift from an export-oriented economy to a domestic consumption and investment-driven one as an inevitable step as the Chinese economy grows larger with rising household incomes and the services sector accounting for a greater portion of its GDP.

He also views that shift as the main logic and a key reason behind China's dual-circulation development pattern, which was recently proposed by the country's top leadership.

"In the past, the perception about China's growth was as export-oriented, but now it is a misperception.

We need to recognize that as a large economy, an internal market of consumption and investment will be the major drivers of China's growth," Lin said in a recent

interview in Beijing.

His comments came as the dual-circulation development pattern raised by Beijing's top policymakers has generated heated discussions and speculation about possible shift of China's development policy and its potential impact on the global economy.

President Xi Jinping has said that China needs to create a new development pattern in which internal economic circulation is the mainstay and the domestic and external markets can complement each other.

### Domestic market focus

Lin said that the statement is a timely clarification about the misperception of China's growth model as an export-led one. In fact, the proportion of exports in China's GDP has dropped from about 35 percent in 2006 to about 17 percent last year, according to Lin.

"It is an inevitable choice of China to focus more on the huge domestic market with rising incomes and a growing services

sector," Lin said. "But it does not mean that exports and trade are not important."

The economist said that China will continue to utilize its competitive advantage in global trade and further widen its market opening to foreign companies to share its large consumer market and products at lower cost and with good quality.

Some observers tend to view the emphasis on domestic circulation as a sign that China is becoming more introspective or would even isolate itself from the rest of the world amid the tensions with the United States and weakened external demand from the COVID-19 pandemic.

"It is a misperception that China is moving toward an inward-looking and closed economy. China will continue to utilize resources in both internal and external markets and to further deepen reforms and push a higher level of opening-up," Lin said.

The economist said bolder reform measures are needed in areas including the financial services sector, the labor and land markets and the country's ownership system to reduce market distortion and better unleash the country's growth potential for high-quality development.

"Policies should encourage financial institutions to offer more financial support and loans to the country's micro and smaller businesses," Lin said. "Private companies should also be given wider access to industries where there are barriers for them to enter."

### Raise household incomes

Lin added that reform should also be carried out in the area of wealth distribution to reduce income inequality, promote regional integration and allow more people to enjoy the benefits of the country's development. Meanwhile, the government should work to further raise the income level of Chinese households as it is crucial to expand domestic consumption, a key driver of China's economic growth.

It is also important to improve the coordination between the market and the government so that the country's economy can benefit from an efficient market and a facilitating government, he said.

The economist said that China's advantage lies in its complete industrial chain and its innovative strength in new technology and the country's growth boasts great potential as its per capita GDP has just exceeded \$10,000, lower than the US level of about \$62,000.

## Fast lane: China poised to lead industrial IoT market

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With 340 million users and 3.9 million ecosystem partners, the platform has emerged as one of the top industrial internet platforms in the world.

Wang noted that during the COVID-19 pandemic, Haier leveraged the COSMOPlat platform to help Shanxi province build a production line of disposable surgical masks within only four days and was able to manufacture 100,000 masks each day on average.

"China is betting big on the industrial IoT to increase productivity and drive efficiencies by streamlining and automating manufacturing processes via internet connectivity. Backed by positive government support,

China is set to become the world's leader," said Alex Sinclair, chief technology officer of the Global System for Mobile Communications Association.

China has called for new infrastructure development, including 5G, artificial intelligence and the industrial internet to offset the economic impact of the pandemic and boost sustainable growth.

According to the GSMA, China is poised to lead the global industrial IoT market. There will be 13.8 billion such connections globally by 2025 and China will account for approximately 4.1 billion of them, accounting for a third of the global market.

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## Cultural threads



Pan Yuzhen (right), the inheritor of embroidery techniques of the Miao ethnic group in Guizhou province, introduced the traditional culture to visitors, on Saturday. Pan started a folk costume crafting factory in 1994 and helped the local women to engage in embroidery work. JIANG DONG / CHINA DAILY

## Deal could solve TikTok's US dilemma

By HE WEI in Shanghai  
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ByteDance has voiced hope that an agreement it reached with Oracle and Walmart will allay White House security concerns and allow its video-sharing app TikTok to maintain normal operations in the United States.

The trio hammered out a deal in principle to "strengthen TikTok's business in the US, ensure that 100 million Americans can still continue using the highly popular video and content app TikTok, and meet regulatory requirements by the US administration," ByteDance replied to China Daily in a written statement on Sunday.

The three parties will reach a cooperative agreement, subject to US and Chinese government approvals, as soon as possible, it added. But no details on the governance structure in the deal were disclosed.

In early August, US President Donald Trump said he would ban TikTok in the US unless ByteDance sold it to a US company. He later included WeChat in a possible US ban.

ByteDance's confirmation of the deal was quickly followed by a US Commerce Department announcement on Saturday of a one-week delay, until Sunday, on enforcing a US ban on TikTok app downloads.

The Commerce Department attributed the extension to "recent positive developments".

Xinhua News Agency reported on Saturday that TikTok disclosed some details about the three-party agreement, which is being considered by the White House. TikTok said under the deal that Oracle

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Raymond Wang, a global partner at consultancy Roland Berger

would become its "trusted technology provider" and Walmart would play a role in a "commercial partnership".

The arrangement would leverage the strength of every party and address the US government's so-called security concerns in the most pragmatic way, according to Raymond Wang, a global partner at consultancy Roland Berger.

He said Oracle's expertise in database management and privacy protection, coupled with Walmart's hunger for leapfrogging into the social commerce realm, would "add tangible flavor" to the deal.

"Oracle is likely to act as a trusted technology vendor safeguarding data security, while the retail giant is poised to enjoy a substantial boost by adding a social twist empowered by global best practice

— the deal is good for the US economy in real terms," he said.

Shen Yi, a professor and director of the Research Institution of Global Cybersecurity Governance at Fudan University in Shanghai, said he believed the deal could serve as a reference point for similar cases.

"Oracle's role as a key technology supplier indicates the TikTok team retains stewardship over the app. Such an approach is applicable to other emerging or future cases involving Chinese tech companies," Shen said.

Wang said the deal is far from the worst-case scenario for TikTok, which could have risked losing control of not just shares but also core technologies like algorithms.

"The current arrangement, if properly implemented, can strengthen localization for Chinese companies to operate overseas and better incorporate local ecosystems from technology channels to partner into its daily operation," he said.

China's Ministry of Commerce condemned the threatened ban and urged the US to stop what it called bullying behavior and wrongdoing. It said China would "take necessary measures to resolutely safeguard the legitimate rights and interests of Chinese companies."

Chinese messaging app WeChat still faces cloudier prospects. On Friday, it was listed by the US Commerce Department to be barred from mobile app libraries and access to essential internet services in the US.

WeChat owner Tencent said in an emailed statement that it will continue to discuss ways to address concerns with the US government and look for long-term solutions.

## Getting acquainted



Foreigners compete in a game at Shanghai Confucian Temple on Saturday. Huju Opera and Shaoying Opera performances were provided to acquaint them with various elements of Chinese culture.

YANG JIANZHENG / FOR CHINA DAILY

## Forum shows strength of cross-Straits relations

By ZHANG YANGFEI and HU MEIDONG in Xiamen, Fujian

No force can hinder the common desire of people on both sides of the Taiwan Straits for exchanges and communication, China's top political adviser said on Sunday.

Wang Yang, a member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee and chairman of the Chinese People's Political Consultative Conference National Committee, delivered his remarks in a video at the opening ceremony of the 12th Straits Forum in Xiamen, Fujian province.

Wang said the foundation of the development of cross-Straits relations, as well as the driving force, lies with the people. Since the very first forum was successfully held in 2009, it has continued year after year without difficulties.

This year, the organization of the forum faced the COVID-19 pandemic and obstruction from Taiwan authorities, but it still proceeded successfully with a large number of Taiwan compatriots participating. This fully demonstrated that the desire to communicate is sincere and strong, he said.

Wang emphasized that opening-up brings progress and decades of the development of cross-Straits relations has proved that only exchanges can benefit both sides. Despite the grim world economic situation this year, cross-Straits trade volume has still maintained double-digit growth, showing that the mainland has always been the island's strongest backing force and most assured support.

However, some people on the island want to decelerate the exchanges and cooperation, trying to disconnect from the mainland's economy and culture, which will do harm to Taiwan, Wang said.

He said "Taiwan independence" is a dead end.

Wang reiterated the importance of expanding people-to-people exchanges and promoting integrated development.

He said the Chinese mainland always sticks to advancing the peaceful development of cross-Straits relations on the basis of the 1992 Consensus, which acknowledges the one-China principle and the goal lies in enhancing the well-being of Taiwan compatriots and bringing them a better life.

In recent years, the mainland has launched a series of measures that benefit Taiwan people, and an increasing number of Taiwan residents have chosen to come to the mainland to study, work, start a business and settle down.

### Enhancing well-being

"We will further improve the policies and relevant arrangements to promote the quality and efficiency of cross-Straits exchanges and cooperation as well as help more Taiwan youth to pursue and realize their dreams on the mainland," Wang said.

He hoped compatriots on both sides of the Straits will be more engaged in the peaceful development of cross-Straits relations, enhance the general well-being of people, share the responsibility of reunification and contribute to the historic cause of national rejuvenation.

The Straits Forum is the largest annual event across the Taiwan Straits focusing on people-to-people exchanges and participated in by people from all walks of life. This year, nearly 2,000 Taiwan compatriots attended the event.

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## CPPCC National Committee launches English website

After months of trial operation, the English website of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), en.cppcc.gov.cn, was officially launched on Sept 21.

The website aims to introduce the CPPCC's system, history, theory and practice to the international audience.

It demonstrates the efforts made by the CPPCC National Committee

— under the leadership of the Central Committee of the Communist Party of China (CPC) with Xi Jinping at its core — in fulfilling its duties by focusing on economic development, facilitating the achievement of the overall objectives, adhering to the people-centric principle, promoting democracy and national unity, making proposals and reaching broader consensus, so as to translate the

CPPCC's institutional advantages into effective State governance.

While showcasing the CPPCC's strength and functions as an institution with unique Chinese characteristics and an organization dedicated to consultation, the English website will also serve as an important window for the outside world to learn about the State governance by the CPC, China's new-type political par-

ty system and the CPPCC, as well as China's consultative democracy.

The website has eight sections — CPPCC Members, News, Conferences, Consultations, Features, International Exchanges, About Us and Resources — and 18 sub-columns.

It can be easily accessed on both computers and smartphones.