

CHINA

The 86th International Forum on China Reform

Experts stress need for global unity

Multilateralism seen as key to reducing impact of pandemic

By CAO DESHENG and MA ZHIPING in Haikou

Domestic and international scholars and experts have called for upholding multilateralism, international solidarity and regional economic integration to reduce the impact of protectionism and the COVID-19 pandemic on the global economy.

Remotely joining panel discussions on the sidelines of the 86th International Forum on China Reform, a two-day event which ended on Sunday in Haikou, Hainan province, Pascal Lamy, former director-general of the World Trade Organization, said the COVID-19 pandemic has demonstrated the importance of global solidarity in combating the common problems of humanity.

While underlining the need to reform the existing international system where necessary as it fails to adapt to the changes in the world, Lamy called for international cooperation to promote multilateralism.

He expressed appreciation for China's efforts to build an open economy. He said free trade is essential in the globalized world and it is also important to ensure the free flow of production factors.

Ou Boqian, vice-president of the Chinese People's Institute of Foreign Affairs, said that history and



Experts discuss China's opening-up and multilateralism during the 86th International Forum on China Reform in Haikou, Hainan province, on Saturday. FENG YONGBIN / CHINA DAILY

reality have proved that multilateralism is a good choice for coping with global challenges.

She cited a recent United Nations survey in which around 90 percent of respondents said they believe multilateralism is the critical approach needed to deal with the challenges the world is facing today.

In today's world, where countries' interests are highly integrated, multilateralism is the right way forward, and building a community with a shared future for mankind adheres to current trends, Ou added.

In a speech delivered to the forum via video link, Bert Hofman, director of the East Asian Institute at National University of Singapore, said that multilateralism is essential because international relationships are increasingly complex.

"If you don't give a big push, probably what you are going to end up with is something of a patchwork world — a much less efficient world than the one where we have big international agreements, where trade and investment and finance are basically regulated on one com-

mon ground and which enables the free flow of production factors across borders," Hofman said.

He expressed hope that the next United States administration will work together with China and the European Union to take their overlapping interests into consideration and avoid ending up in that patchwork world.

Zhao Jinping, research fellow and former director-general of the Research Department of Foreign Economic Relations at the Development Research Center of the State

Council, said regional economic collaboration is an important part of multilateral cooperation, and an open world economy calls for regional economic integration.

Given rising protectionism and the fallout of the pandemic, there is an urgent need to stabilize the industrial and supply chains, which provide opportunities for advancing regional economic integration, Zhao said.

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Unleashing consumer spending to be priority for policymakers

By XU WEI and MA ZHIPING in Haikou

Unleashing the potential of consumer spending will be the priority for China's economic policies as it endeavors to foster a new development paradigm during the 14th Five-Year Plan period (2021-25), officials with government think tanks and experts said over the weekend.

The expansion of domestic demand is a must for China as it seeks to foster a new development pattern with domestic circulation as the mainstay and domestic and international circulation reinforcing each other, Xie Fuzhan, president of the Chinese Academy of Social Sciences, said in a speech on Saturday at the 86th International

Forum on China Reform in Haikou, Hainan province.

"With a middle-income group of 400 million people and its average per capita GDP of \$10,000, China remains the largest consumer market with the highest growth potential in the world," he said.

Meanwhile, there is still immense room for the upgrading of consumer spending in China — both in terms of volume and quality — and the government should focus on transforming traditional consumption, fostering new types of spending and encouraging more spending on services, he said.

Zhang Junkuo, deputy head of the State Council's Development Research Center, said it is imperative that China scale up efforts to

boost domestic demand and enable consumer spending to play a more significant role in leading growth.

He said it could become more difficult for China to bolster its exports, one of the main growth engines for the country's economy.

Faced with a complicated external environment, it was even more pressing for China to accelerate reforms to unleash the potential of consumer spending, he said.

The growth of China's consumer spending has gained momentum in recent months as the economy rebounds from the contraction caused by the COVID-19 pandemic, with retail sales up 3.3 percent year-on-year in September, speeding up from a modest 0.5 percent rise in August and posting the fastest

growth since December, according to the National Bureau of Statistics.

Experts also highlighted the significance of expansion of Chinese people's incomes and consumer spending for global economic recovery.

Cao Yuanzheng, chairman of BOCI Research, said the sustainable increase of Chinese incomes, especially the rising income level of its low-income group, will usher in an expansion of the Chinese market that will be shared by the world.

China's per capita income could double in the next 15 years, with a doubling of its GDP by 2035 proposed in a Communist Party of China Central Committee development blueprint last month, he said.

"That means China will be the world's largest market by then, and

it will also be a market shared by the world," he said.

Claire Courteille-Mulder, head of the International Labor Organization Country Office for China and Mongolia, said the blueprint for China's 14th Five-Year Plan envisages the strengthening of its domestic market through the promotion of an employment-first strategy, the development of innovation and new technology and new investment in digital and physical infrastructure.

"Given the size of its market, a strengthened consumption in China will not only be good for the Chinese economy. It could also have positive spillover effects globally," she said.

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Policies bolstering Hainan's free trade port paying off

By XU WEI and MA ZHIPING in Haikou

The policies China rolled out to support Hainan's free trade port development are starting to pay off, with the province now seeing a robust inflow of foreign investment and an upswing in registrations of new businesses, officials and experts said.

Shen Danyang, vice-governor of Hainan, said in a speech at the 86th International Forum on China Reform in Haikou that the province expects to see its inflow of foreign investment double by the end of this year with the implementation of a slew of policies to facilitate trade, investment and cross-border funding.

The inflow of foreign investment into the province has increased by 80 percent year-on-year so far and is

expected to double from that of last year, he said. The number of market players in the province has reached 1.1 million, up by 80 percent year-on-year since June, he added.

The province, which has increased its annual offshore duty-free shopping quota from 30,000 yuan (\$4,542) to 100,000 yuan per person since July, has seen the daily sales volume from its duty-free shops reach 100 million yuan this year, he said.

Shen pledged to expand opening-up in the data sector, saying that businesses that are registered and have their service facilities located in the free trade port will be allowed to conduct services including online data and transaction processing.

China rolled out a master plan for the development of the Hainan Free Trade Port in June, which outlined a

long list of opening-up policies aimed at building the island into a globally influential free trade port by the middle of the century.

Chi Fulin, president of the China Institute for Reform and Development, said more businesses are now looking to the island for opportunities, including seeking to use it as a springboard to explore markets in Southeast Asia.

The expanded offshore duty-free policy has spurred an influx of visitors, giving the province an opportunity to further develop tourism, he added.

"However, it is only a starting point. What is more important is to create a large external market that can enable more domestic and foreign businesses to explore opportunities here so more capital can enter

the province," he said.

Chi underlined the key significance of the top legislature's ongoing legislative work on the Hainan Free Trade Port, which he said could give the province more room to reform its administrative, legislative and judicial mechanisms.

He also envisions the province as an area that will allow more freedom for foreign currency exchanges, a key to facilitating more free trade.

Chen Wenling, chief economist at the Beijing-based China Center for International Economic Exchanges, highlighted the importance of the central government giving Hainan more autonomy in piloting new reforms.

The next five years could be a crucial period for the province to further open-up and better its business environment, she said.

Nice to see you



Attendees greet each other at the 86th International Forum on China Reform in Haikou, Hainan province, on Saturday. More than 600 scholars participated in the event, which ended on Sunday. FENG YONGBIN / CHINA DAILY

What they say

 Building the new development paradigm of "dual circulation" calls for innovation-driven growth. In the 14th Five-Year Plan period and beyond, it is more imperative than ever that China finds solutions to the problems in its economic growth through scientific and technological innovation.

Xie Fuzhan, president of the Chinese Academy of Social Sciences

 Without multilateralism and joint actions of the international community, the fight against the pandemic would be neither effective nor efficient. China's high-level opening-up could play an important role in global efforts to fight the COVID-19 pandemic.

Ban Ki-moon, former UN secretary-general and chairman of Boao Forum for Asia

 China's high-level opening-up and its efforts to develop the Belt and Road Initiative and promote the Regional Comprehensive Economic Partnership will contribute to multilateral economic and trade cooperation and toward advancing reform of the global governance system.

Liu Liange, chairman of the Bank of China

 In the new journey toward modernization, China is fully confident and able to write a new chapter of "two miracles" — the miracles of "high-quality development" and "long-lasting peace and stability".

Zhou Shuchun, publisher and editor-in-chief of China Daily

 China's high-level opening-up will promote its high-quality development and at the same time provide new opportunities for the rest of the world. Construction of the Hainan Free Trade Port will create bright prospects for high-quality growth of Hainan and China at large.

Wu Hailong, chairman of the China Public Diplomacy Association

 High-level opening-up demands a high-standard market system. The core of building an open economy of high standards lies not only in market reform of the production factors sector, but also in giving full play to the decisive role of the market in allocating resources.

Chi Fulin, president of the China Institute for Reform and Development