



EMBASSY OF THE
PEOPLE'S REPUBLIC OF CHINA
IN THE UNITED STATES OF AMERICA

NEWSLETTER

Issue 15 of 2018

November 5

Work Together for an Open Global Economy

That is Innovative and Inclusive

Keynote Speech by H.E. Xi Jinping

President of the People's Republic of China

At the Opening Ceremony of the First China International Import Expo

Shanghai, 5 November 2018

Your Excellencies Heads of State and Government,

Your Royal Highness,

Your Excellencies Heads of International Organizations,

Your Excellencies Heads of Delegations,

Distinguished Guests,

Ladies and Gentlemen,

Friends,

In May 2017, I announced China's decision to hold the China International Import Expo (CIIE) starting from 2018. Today, after more than one year of preparations and with the strong support from various parties, the first CIIE is officially opened.

At the outset, I wish to express, on behalf of the Chinese government and people and also in my own name, warm welcome, sincere greetings and best wishes to you all.

The CIIE is the world's first import expo held at the national level, an innovation in the history of global trade. It is an important decision made by China to pursue a new round of high-level opening-up, and is China's major initiative to still widen market access to the rest of the world. It demonstrates China's consistent position of supporting the multilateral trading system and promoting free trade. It is a concrete action by China to advance an open world economy and support economic globalization.

Under the theme of "New Era, Shared Future", the CIIE will help friends from around the world to seize opportunities presented by China's development in the new era and offer a platform for us to deepen international business cooperation for shared prosperity and progress. Attending the event are 172 countries, regions and international organizations, more than 3,600 companies with a total exhibition area of 300,000 square meters, and more than 400,000 Chinese and foreign buyers who are here to explore business deals.

I wish all friends participating in this Expo a most pleasant and rewarding experience.

Ladies and Gentlemen,

Friends,

The world is going through a new round of major development, transformation and adjustment. The economic and social well-being of countries in the world is increasingly interconnected. The reform of the global governance system and the international order is picking up speed. On the other hand, the world economy is going through profound adjustment, and protectionism and unilateralism are resurging. Economic globalization faces headwinds, and multilateralism and the system of free trade are under threat. Uncertainties and instabilities still abound, and risks and challenges are growing. Living in such a complex world, we need to see the underlining trend, bolster confidence in our future through opening-up and cooperation and work together to cope with risks and challenges.

People with vision in the world would agree that economic globalization, as an irreversible trend of history, has greatly boosted global growth. This is an overarching trend, something that is independent of people's will. What we mankind can do is to understand, adapt to, and apply the law of history instead of trying to prevent it from happening. The wheel of history, indeed, will keep rolling forward no matter what.

History tells us that openness and cooperation are a major driving force behind dynamic international economic and trade activities. The current situation calls for openness and cooperation to foster steady global recovery. Looking ahead, openness and cooperation will remain essential for continued human progress.

A great vision, simple and pure, requires credible actions. Given the profound shifts in the international economic landscape, the vision for a better world for all calls on countries to act with greater courage and actively champion openness and cooperation in order to secure shared development.

-- It is important for all countries to open wider and expand the space for mutually beneficial cooperation. Openness brings progress while seclusion leads to backwardness. Global trade and investment are driven by the need of countries for mutual exchange and complementarity. The history of economic cooperation and international trade testifies to the law that "economies make progress through exchange and inter-connectivity and fall behind because of seclusion and closedness". Efforts to reduce tariff barriers and open wider will lead to inter-connectivity in economic cooperation and global trade, while the practices of beggaring thy neighbor, isolation and seclusion will only result in trade stagnation and an unhealthy world economy. Countries need to pursue an open policy, explicitly oppose protectionism and unilateralism, and strive to

enhance the level of opening-up at both multilateral and bilateral levels, so that we could make our economies interconnected and build an open world economy. We need to improve macroeconomic coordination and reduce the negative spillovers of national policies to jointly promote global economic growth. We need to establish a set of global economic and trade rules that is fair, reasonable and transparent, and promote trade and investment liberalization and facilitation to make the global economy more open through greater exchanges and integration.

-- It is important for all countries to pursue innovative growth and speed up the transformation of growth drivers. Innovation is the premier engine for development. Only with bold innovation and reform can we break the bottlenecks in global growth. The world economy has just emerged from the shadow of the international financial crisis and recovery is still unstable. There is an urgent need for concerted efforts of countries in the world to promote scientific innovation and foster new growth drivers. The well-being of humanity is the biggest driving force for scientific innovation. In our inter-connected global village, to share the fruit of innovation is the common aspiration and natural choice of the world community. We need to seize the opportunities presented by the new round of technological and industrial revolution, strengthen cooperation in frontier sectors such as digital economy, artificial intelligence and nanotechnology, and work together to foster new technologies, new industries, and new forms and models of business.

-- It is important for all countries to pursue inclusive development for the benefit of all. As a Chinese saying goes, “All flowers in full blossom make a beautiful spring.” To lead a happy life is the common aspiration of people all over the world. Progress of the human society requires continued efforts of all countries to advance opening-up, cooperation and win-win development, instead of seclusion, confrontation and monopoly. In a world of deepening economic globalization, practices of the law of the jungle and winner-takes-all only represent a dead end. Inclusive growth for all is surely the right way forward. Countries need to rise above differences and leverage their respective strengths to pursue inclusive growth in the face of common risks and challenges. We need to implement the 2030 Agenda for Sustainable Development, reduce the imbalances in global development, and make economic globalization more open, inclusive, balanced and beneficial for all. This way, people of all countries will be able to share in the benefits of economic globalization and global growth.

Ladies and Gentlemen,

Friends,

The last four decades of reform and opening-up in China has been an epic journey for the Chinese people. With determination and through self reliance and hard work, we have forged ahead on the road to national development and progress. China has pursued development with its door open and succeeded in transforming a closed and semi-closed economy into a fully open economy. Openness has become a trademark of China. China has grown by embracing the world, and the world has also benefited from China's opening-up.

As I explained at the Boao Forum for Asia in April, China's economic growth over the past 40 years has been achieved with a commitment to opening-up. In the same vein, high-quality development of China's economy in the future can only be guaranteed with greater openness. I have made it clear once and again that China's door will never be closed. It will only open still wider. China will not stop its effort to pursue higher-quality opening-up! China will not stop its effort to pursue an open world economy! And China will not stop its effort to pursue a community with a shared future for mankind!

China will unswervingly follow a win-win strategy of opening-up, adopt high-quality policies to advance trade and investment liberalization and facilitation, and move toward nationwide opening-up that coordinates the coastal and inland areas and connects the eastern and western regions. China will remain a strong advocate of openness at the global level, and will continue to act as a stable engine of global growth, a big market with enormous opportunities and an active supporter of global governance reform.

To broaden its opening-up, China will step up efforts in the following aspects:

First, we will stimulate the potential for increased imports. China's initiative to expand imports is not a choice of expediency. It is a future-oriented step taken to embrace the world and promote common development. To meet the trend of consumption upgrading, we will take more proactive measures to increase people's income and spending power, foster new growth areas of medium-high-end consumption, continue to unleash the potential of the domestic market and expand the scope for imports. We will take further steps to lower tariffs, facilitate customs clearance, reduce institutional costs in import, and step up cross-border e-commerce and other new forms and models of

business. China has a big market of over 1.3 billion people, and it is our sincere commitment to open the Chinese market. The CIIE, an event to be held on an annual basis, will feature good performance, good results and continued success in the years to come.

Second, we will continue to broaden market access. The market access measures I announced in April have been basically put in place. China has shortened the negative list on foreign investment to reduce investment restrictions and promote investment liberalization. We are steadily increasing the openness of the financial sector, continuing to open up the service sector, and working toward greater openness in the agricultural, mining and manufacturing sectors. We are accelerating opening in such areas as telecommunications, education, medical service and culture. In particular, the foreign equity caps are going to be raised in the education and medical service sectors, where there is both huge interest among foreign investors and shortage in domestic supply. In the coming 15 years, China's import of goods and services are expected to exceed US\$30 trillion and US\$10 trillion respectively.

Third, we will foster a world-class business environment. China will introduce the law on foreign investment at a faster pace, and institute an open and transparent system of foreign-related laws. We will implement, across the board, the management system based on pre-establishment national treatment and negative list. We respect international business rules and practice, and provide equal treatment to all types of businesses registered in China. We protect the lawful rights and interests of foreign companies, and are resolute in meting out, in a law-binding manner, punishment for violations of the lawful rights and interests of foreign investors, particularly IPR infringements. We will enhance the credibility and efficiency of IP examination, and put in place a punitive compensation system to significantly raise the cost for offenders. Improvement of the business environment is an on-going process, and there is always room for things to become better. Countries need to improve their business environment by addressing their problems. They should not just point fingers at others to gloss over their own problems. They should not hold a "flashlight" in hand doing nothing but to check out on the weakness of others and not on their own.

Fourth, we will explore new horizons of opening-up. China will support its pilot free trade zones (FTZ) to deepen reform and innovation, make continued explorations based on their differentiated conditions and step up stress tests, so as to give full play to their role as a pilot ground for reform and opening-up.

China will be quick to put forward policies and institutions for building a free trade port in Hainan in a step-by-step and phased manner, so as to speed up exploration of the development of free trade ports with distinct Chinese features. This is a significant move by China to open wider to the world. It will set a new model and open up new prospects for reform and opening-up at a higher level.

Fifth, we will promote international cooperation at multilateral and bilateral levels. China believes that rules of the WTO should be upheld firmly, its necessary reforms should be supported and the multilateral trading system should be defended. China will strive for the early conclusion of the Regional Comprehensive Economic Partnership (RCEP), and speed up negotiations on a China-EU investment agreement and a China-Japan-ROK free trade area. China will earnestly implement the eight major initiatives announced at this year's Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). China supports mechanisms such as the G20, APEC, the SCO (Shanghai Cooperation Organization) and BRICS in playing greater roles in building a fairer and more equitable global economic governance system. China will continue to advance the Belt and Road Initiative through international cooperation in the spirit of consultation and collaboration for shared benefits. We will work with the participating countries on major projects, set up more trade promotion platforms and encourage more well-established and capable Chinese companies to invest in countries along the routes to enhance cooperation in areas of ecology, science and technology, culture and people's livelihood. By so doing, we hope to set up for the whole world a platform for open cooperation.

Ladies and Gentlemen,

Friends,

The Chinese economy is now on the whole stable and making good progress. For the first three quarters of this year, China's GDP grew by 6.7%, including a 6.5% growth registered for the third quarter, meeting our targeted goal for growth. Grain output for the whole year is projected to surpass 1.2 trillion jin (or 600 million tons). Some 11.07 million new jobs have been created in towns and cities, hitting our annual goal ahead of schedule. Judged by the main economic indexes, from GDP growth, job creation, consumer prices and international balance of payment to companies' profit margins, government fiscal revenue and productivity, China's economy is truly performing well within the reasonable range. This has given us a solid foundation for delivering the development goals

for the whole year. And, compared with other major economies, China still ranks among the world's top in terms of GDP growth.

So, when you talk about the future of the Chinese economy, you have every reason to be confident. The fundamentals for sound and stable growth of the Chinese economy remain unchanged. The necessary production factors for high-quality development remain unchanged. And the overall momentum of long-term stability and progress remains unchanged. China's capacity for macro-economic regulation is growing, as efforts to deepen reform across the board have unleashed new drivers of growth. With the Belt and Road Initiative being further implemented, two-way investment and trade between China and the BRI partner countries have continued to gather pace. All in all, the favorable conditions are in place for the long-term, healthy and steady growth of the Chinese economy.

Of course, everything has two sides. The economic situation at home and abroad has created some significant challenges for the Chinese economy, such as more uncertainty in some sectors, more difficulties for some enterprises and growing risks in certain sectors. These challenges, generally speaking, are natural in the course of development. And we are taking active steps to solve them. Our efforts are already paying off.

China is the world's second largest economy. We have a market of more than 1.3 billion consumers who live on the land of over 9.6 million square kilometers. To use a metaphor, the Chinese economy is not a pond, but an ocean. The ocean may have its calm days, but big winds and storms are only to be expected. Without them, the ocean wouldn't be what it is. Big winds and storms may upset a pond, but never an ocean. Having experienced numerous winds and storms, the ocean will still be there! It is the same for China. After going through 5,000 years of trials and tribulations, China is still here! Looking ahead, China will always be here to stay!

I am convinced that as long as we have strategic confidence, deepen reform and opening-up across the board, intensify supply-side structural reforms and make greater efforts to solve outstanding problems, then the Chinese economy will surely make a quicker transition to high-quality development, the Chinese people will surely overcome all challenges coming our way, and China will surely embrace a brighter future of development.

Ladies and Gentlemen,

Friends,

Every city has its character. Located at where the Yangtze River flows into the Pacific Ocean, Shanghai has been a pioneer of opening in China. The city's development is made possible by its character, competitive edge and steps toward greater opening. Having myself worked here, I know personally just how important it is for Shanghai to be open and for China to keep the city open. Indeed, openness, innovation and inclusiveness have become the hallmark of Shanghai. They are also a vivid reflection of China in the new era and its commitment to development and progress.

To capitalize on the important role of Shanghai and other areas in China's opening-up, we have made the following decisions: First, we will expand the China (Shanghai) Pilot Free Trade Zone to include a new section, and will encourage and support bold and creative steps by Shanghai to advance investment and trade liberalization and facilitation so that more of its successful practices may be replicated in other parts of China. Second, we will launch a science and technology innovation board at the Shanghai Stock Exchange and experiment with a registration system for listed companies. We will also support Shanghai in cementing its position as an international financial center and a hub of science and innovation, and steadily improve the fundamental institutions of its capital market. Third, we will support integrated development of the Yangtze River Delta region. We will make it a national strategy and implement our new development philosophy in real earnest. We will build a modern economic system, and adopt higher standards for reform and opening-up. The region will develop in tandem with the Belt and Road Initiative, the Beijing-Tianjin-Hebei coordinated development area, the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, and will help improve the overall layout of China's reform and opening-up.

Ladies and Gentleman,

Friends,

The CIIE is an event hosted by China with the support of the WTO and other international organizations as well as a large number of participating countries. It is not China's solo show, but rather a chorus involving countries from around the world. I hope that at the Hongqiao International Economic and Trade Forum,

you will brainstorm ideas for reforming the global economic governance system, for jointly safeguarding free trade and the multilateral trading system, and for working together to foster an open global economy that is innovative and inclusive. Together, let us contribute to our common determined efforts to build a community with a shared future and usher in an even better tomorrow for mankind!

Thank you.

Embassy of the People's Republic of China
3505, International Place, NW Washington DC, 20008
chineseembassyspokesperson@gmail.com

Your comments are welcome.