

INSIGHTS

China's Reform Aids Global Prosperity

Voice of the World

Edited by QI Liming

The 20th Central Committee of the Communist Party of China concluded its third plenary session on July 18, further deepening reform comprehensively to advance Chinese modernization.

Institutions, scholars and authorities closely watching the session generally applaud the results achieved through China's reform and opening up over the past decades, and are optimistic about the future of the Chinese economy.

Reform and opening up brings prosperity

Reform and opening up is a monumental journey of development and progress for both China and the world.

According to the U.S. Cato Institute, since China's reform and opening up movement began in 1978, there has been significant progress toward moving to a market-oriented economy. Marketization and economic growth went hand in hand.

In addition to internal reforms that widened the use of markets, China's rapid development was driven by its opening to the outside world. In 2001, China joined the WTO and benefited from globalization, as did its trading partners,



The Shenzhen-Zhongshan Link, opened to traffic on June 30, is a mega cross-sea passage in south China that features two bridges, two artificial islands, and an underwater tunnel. (PHOTO: VCG)

while also contributing to global economic growth.

Over the past decades, China has allowed a variety of non-state-owned businesses, including private enterprises, foreign-funded enterprises, and shareholding companies. In fact, the private/non-state sector has been pivotal in providing individuals with opportunities to rise out of poverty and embrace prosperity.

According to the World Economic Forum (WEF), China experienced an unprecedented economic growth rate after

implementing economic reforms and opening up in the 1970s and 1980s. Economic output per person, for instance, has increased by roughly 3,000 percent in recent decades according to the WEF, leading many analysts to refer to China's economic growth as a "miracle".

Economic growth optimism

The WEF's May 2024 *Chief Economists Outlook*, a survey of top economists from around the world, also found that analysts broadly expect further growth in China. Of the economists surveyed in the report, nearly 75

percent said they expect moderate growth in China. The figure marked an increase from the 69 percent who expected moderate growth in the previous edition of the report conducted this January.

According to the East Asia Forum, the Chinese economy is the multi-trillion-dollar carrier of the global economy, whose growth has been boosted by China's extraordinary rise for decades. The fundamentals of the Chinese economy remain good.

Meanwhile, the International Monetary Fund (IMF) has upgraded its forecast for China's economy. The IMF's report issued in May, said China will likely expand at a five percent annual rate this year, based on its growth in the first quarter, boosting the global economy. The IMF praised the Chinese government's focus on what it calls "high quality" growth, including increased investment in clean energy and advanced technology and improved regulation of financial industries.

China's growth rate of roughly five percent equates to a "massive" scale, Denis Depoux, global managing director at German consultancy Roland Berger, told *Nikkei Asia*. "It's [like] adding one Holland every year, [and] it's [like] adding Germany in five years," he said. China is also rising as a source of technological innovation, according to Depoux.

Reform and Opening up Steers Global High-level Development

Opinion

By TANG Zhexiao

History has shown that reform and opening up are the drivers of China's development in the world, as well as contributing to driving global economic growth.

Undergoing profound changes in its domestic and international environment, China has achieved remarkable success.

The third plenary session of the 18th Communist Party of China Central Committee ushered in an era of comprehensively deepening reform in 2013. Over the past decade, more than 2,000 reform measures have been implemented, enabling the country to eliminate extreme poverty, boost innovation, and push forward a "green revolution."

Xiaogang village, located in east China's Anhui province and known for its poverty before 1978, is the birthplace of China's rural reform. To this day, Xiaogang's pioneering spirit continues to motivate new reform initiatives.

From its family land contract responsibility system to a farmland transfer for large-scale modern farming, the village embarked on a path to prosperity, with its collective economic income reaching 14.2 million RMB last year and per capita disposable income of Xiaogang villagers increasing from 10,200 RMB in 2012 to 34,900 RMB in 2023.

China's opening up not only fostered its high-quality development

economy, but also enhanced cooperation in various fields with other countries, contributing to the stability of the global supply chain and world economy.

Since 2013, the country has comprehensively deepened reform and higher-level openness, which has provided new development opportunities for the world.

According to customs statistics, China's total imports and exports reached 41.76 trillion RMB in 2023.

Last year, China's trade with countries participating in the Belt and Road Initiative (BRI) climbed 2.8 percent year-on-year to 19.47 trillion RMB, accounting for 46.6 percent of China's total foreign trade.

Trading partners diversified and witnessed common progress, with BRI partner countries taking up a growing share, said Wang Lingjun, vice minister of the General Administration of Customs of China.

The construction of free trade pilot zones is an important strategic measure to promote reform and opening up in the new era, and it is also a milestone in the country's reform and opening up process.

In 2023, the number of China's free trade pilot zones expanded to 22, with a total import and export volume of 7.67 trillion RMB, up 2.7 percent year-on-year and accounting for 18.4 percent of the total imports and exports value.

Meanwhile, the construction of the Hainan Free Trade Port has progressed further, marking its third consecutive year of double-digit growth in annual imports and exports. Statistics released by Haikou Customs in June showed that

from January to May 2024, the total import and export value of Hainan's goods trade reached over 108 billion RMB, a year-on-year increase of 14 percent.

With the emergence of e-commerce, the country has rapidly developed new platforms and business models. The preliminary estimates showed that China's cross-border e-commerce logged total imports and exports of 2.38 trillion RMB in 2023, up more than 15 percent year-on-year, according to a recent press conference of the State Council Information Office.

The world is facing a rise of anti-globalization and protectionism, and the West is sparing no effort to contain China through decoupling or de-risking measures.

However, China has deepened reforms and opened its doors wider to the global community. Currently, the



The Yangpu Port, located in Yangpu Economic Development Zone, is an important port of Hainan Free Trade Port. (PHOTO: XINHUA)

country has signed 22 free trade agreements with 29 countries and regions, and more than 230 cooperation documents on jointly building the BRI with more than 150 countries and over 30 international organizations.

Four national-level expos, the China International Import Expo, the China International Fair for Trade in Services, the China Import and Export Fair, and the China International Consumer Products Expo, along with other economic and trade events, continue to welcome guests from all over the world.

China has become the main driving force behind global economic growth. As a report published by the Policy Center for the New South, a Moroccan policy-oriented think tank noted, reform and opening up is a Chinese lesson to the world.

Editorial

Deepening Comprehensive Reform, Advancing Sci-tech Modernization

Only reformers can advance, only innovators can thrive, and only those who reform and innovate will prevail. The field of science and technology is the most in need of continuous reform. From the third plenary session of the 18th Communist Party of China (CPC) Central Committee in 2013 to the just concluded third plenary session of the 20th CPC Central Committee, the comprehensive reform of sci-tech innovation systems and mechanisms has been continuously deepened, writing a new chapter in advancing sci-tech modernization.

Since the 18th CPC National Congress, Xi Jinping, general secretary of the CPC Central Committee, has personally planned, deployed, and promoted the deepening of comprehensive reform, pointing the direction and providing fundamental guidance for Chinese modernization.

China's structural scientific and technological reform has made strides across the board, achieved breakthroughs in many areas, and achieved further progress in the reform of sci-tech systems, translating country's institutional strengths into competition advantages in science and technology, advancing sci-tech self-reliance and strength, and prompting historic achievements and historic shifts in the cause of sci-tech field.

Significant achievements have been made, such as the reprogramming of human cells induced by chemical small molecules, domestically-developed C919 passenger jet going into commercial operation, high-speed rail technology setting international benchmarks, Chang'e lunar missions, Tiangong space station, and Tianwen-1 Mars probe. All these have laid a solid foundation for building a strong country in science and technology, and accelerating the process of sci-tech modernization.

Nowadays, profound changes unseen in a century are evolving rapidly in the world. As the new round of sci-tech revolution and industrial transformation deepens, our capability for original innovation remains relatively weak, some core technologies in key fields are controlled by others, and we lack top scientific talent. These issues should be tackled urgently. To achieve sci-tech modernization and build China into a strong nation in science and technology, higher requirements have been put forward for the structural scientific and technological reform.

Leadership by the CPC is the most fundamental political guarantee for the continuous progress of sci-tech innovation with Chinese characteristics. To deepen the reform of science and technology, we must unwaveringly uphold the overall leadership of the Party, boldly address the most difficult problems, tear down barriers erected by mind, and remove institutional obstacles in all areas, so as to ensure that the development of science and technology is always in the right direction.

To advance sci-tech modernization through deepening comprehensive reform, we should strengthen systems thinking. Faced with deep-seated institutional challenges and structural issues, reform in only one area or at one level can hardly be successful. Thus, we must enhance overall planning and top-level design, and take a whole-of-nation approach. Efforts should be made to accelerate the improvement of a new system for mobilizing the resources nationwide, turning the institutional advantages of concentrating resources on major projects into new momentum for innovation and development.

Coordination between the central and local governments should be strengthened, and the layout of re-

gional sci-tech innovation should be improved, so as to build innovation hubs with global influence.

We should promote better interplay between an efficient market and a well-functioning government, closely integrate the country's vast market advantages with its major national strategic needs, stimulate the vitality of various innovation entities, and strengthen the coordination of innovation resources and the organization of strengths. This will facilitate the smooth flow of advanced and high-quality production factors towards the development of new quality productive forces.

To advance sci-tech modernization through deepening comprehensive reform, we should take a problem-oriented approach. Problems are the starting point of innovation, and reform is carried forward through solving problems.

Efforts should be focused on the reform goals while addressing issues directly for targeted improvements. The pain points of inadequate quality and insufficient number of high-level talent in key areas must be addressed, the difficulties in cultivating interdisciplinary innovative talent overcome and the sticking points in the deep integration of industries, universities, and research institutes removed. A virtuous circle of integrated development of education, science and technology, and talent should be fostered.

Efforts should be made to improve the laws and regulations for the R&D and application of new technologies, and optimize a free and fair market environment with incentives for innovation, so as to create a favorable environment for the development of new quality productive forces.

To advance sci-tech modernization through deepening comprehensive reform, we should firmly adhere to a people-centered development philosophy. Reform is for the people and by the people, and its fruits are shared among the people. Sci-tech workers are direct participants of reform. The governance mechanism of sci-tech innovation should be improved to invigorate the innovation vitality of more outstanding talent.

It is essential to set new standards instead of recognizing talent only according to their thesis, titles, education background and prizes to speed up improving categorized assessment and evaluation mechanisms in line with the way science and research activities should be organized.

It is imperative to improve incentive systems such as sci-tech awards, income distribution, and proprietorship of achievements so that more outstanding talents receive fair rewards.

Efforts should be made to continuously rectify the practice of indiscriminately awarding titles and certifications so that researchers can focus on their research without distractions.

Efforts should also be made to improve the sci-tech management system, advance the reform of mechanisms for the allocation, management and use of government research funds, and give greater autonomy to research institutes and researchers, so as to uplift the efficiency and effectiveness of investment in sci-tech innovation.

Innovation determines the future, while reform is critical to the prospects of a nation. Let us rally closely around the Party Central Committee with Comrade Xi Jinping at its core, and promote the spirit of perseverance to deepen comprehensive reform in the sci-tech sector in order to give a strong momentum to building a strong country in science and technology, and make a greater contribution to advancing Chinese modernization.

World's First 6G Field Test Network Established

By ZHONG Jianli

China has established the world's first 6G field test network that brings together communication and intelligence, demonstrating that the current 4G and 5G setups can achieve 6G transmission capabilities.

This breakthrough was made by a team from Beijing University of Posts and Telecommunications. Researchers

from the team presented their initial findings on the operation of the test network at a conference held in Beijing on July 10.

Traditional communication used to work in a "modular" style, piling up resources to boost network performance. But the new technologies do things differently. Instead of making things complicated as the performance improves, they optimize resources in

an "end-to-end" manner to streamline the network structure for better overall performance.

Compared to 5G, 6G has faster speed, lower latency and greater connection density, and can integrate communication, AI, and smart sensing.

AI will improve communication perception and semantic understanding abilities, while 6G can widen the scope for AI in all areas, team leader

Zhang Ping said. Zhang is also an academician of the Chinese Academy of Engineering and a professor at Beijing University of Posts and Telecommunications.

The synergy between AI and 6G will expedite the emergence of new digital economy models, Zhang added.

China is working to commercialize 6G by around 2030, while 6G standards are expected to be set in 2025.