

中印对话

China Strives to Innovate
Social Governance

CHINA-INDIA DIALOGUE

CIE: An Expo Beyond
an Expo

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A More Open China: Great Opportunities for India



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半个多世纪，三代人耕耘。

沙地变林海，荒原成绿洲。

寒来暑往，

塞罕坝机械林场的森林覆盖率

已达80%。

栽种树木按二米株距排开，

可绕地球赤道二圈。

Saihanba is a cold alpine area in northern Hebei Province bordering the Inner Mongolia Autonomous Region. It was once a barren land but is now home to 75,000 hectares of forest, thanks to the efforts made by generations of forestry workers in the past 55 years. Every year the forest purifies 137 million cubic meters of water and absorbs 747,000 tons of carbon dioxide. The forest produces 12 billion yuan (around US\$1.8 billion) of ecological value annually, according to the Chinese Academy of Forestry.

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Chinese President Xi Jinping Meets with Indian Prime Minister Modi in Brazil

Chinese President Xi Jinping met with Indian Prime Minister Narendra Modi in Brasilia, capital of Brazil, on November 13, 2019, saying he is willing to maintain close communication with Modi to guide a better and more stable development of China-India relations.

The two leaders held an informal meeting in October 2019 in the southern Indian city of Chennai. Xi said the meeting was a success, noting that they made in-depth exchanges of views on global and regional situation as well as major issues of bilateral ties.

Xi said that relevant departments of the two countries are implementing their consensus reached during the Chennai meeting to sustain and expand its positive effects.

India participated in the second China International Import Expo (CIIE) as a main guest of honor, Xi said, noting that he was told that India was the country with the largest increase in transaction volume at the expo compared with 2018.

China welcomes more exports of India's high-quality products to its market, the president said, calling on the two countries to expand two-way trade and investment and create new growth points for cooperation in productivity, medicine, information technology, infrastructure and other fields.

Recalling his previous meetings with Xi in Wuhan in April 2018 and in Chennai in October 2019, Modi said trust and friendship between them have been strengthened and many important consensuses reached by them are being implemented.

India congratulates China on the success of the second CIIE, Modi said, stressing that the country is ready to expand bilateral trade and investment with China and enhance their cooperation in energy and other fields.

He added that India is ready to work with China to make the activities celebrating the 70th anniversary of their diplomatic ties and the China-India year of cultural and people-to-people exchanges a success.

The Indian prime minister stressed that he is looking forward to keeping close contacts with Xi and properly managing differences, so that bilateral ties can be more fruitful and reach a new height.

The Plan for Celebrating the 70th Anniversary of China-India Ties Released

In order to celebrate the 70th anniversary of the establishment of diplomatic relations between the People's Republic of China and the Republic of India, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi agreed during their second informal meeting in Chennai to hold 70 celebratory activities in the two countries, which will not only unveil the historical links of two of the world's oldest civilizations and the progress of the two countries' relations, but also strengthen exchanges between legislative bodies, business circles, academic circles, youth, defense ministries and others. The two sides have agreed to hold these activities from January 2020 to March 2021.

Fourth India-China Think Tank Forum Held in Beijing

The fourth India-China Think Tank Forum, sponsored by the Chinese Academy of Social Sciences (CASS) and the Indian Ministry of External Affairs, was held in Beijing from November 28 to 29, 2019. The forum was joined by CASS President Xie Fuzhan, Chinese Vice Foreign Minister Luo Zhaohui, and Director General of the Indian Council for World Affairs Dr. T.C.A. Raghavan as well as over 150 experts and scholars from China and India. Closer China-India ties, development strategies and development experience of the two countries, and cultural exchanges are among the topics discussed at the forum.

“Hand-in-Hand 2019” Anti-terrorism Joint Exercise Held in India

“Hand-in-Hand 2019,” a China-India joint counter-terrorism exercise, was held in India from December 7 to 20, 2019.

China and India each sent 130 officers and soldiers, who formed a joint training unit that completed the three-phase training.

Since 2007, Chinese and Indian militaries have conducted joint counter-terrorism trainings eight times. Those training programs promoted exchanges and increased mutual trust between the two militaries. They demonstrated the resolve of the two countries to work together to combat terrorism, and their good wish to maintain regional peace and stability.

22nd Meeting of Special Representatives of China and India Held in New Delhi

On December 21, 2019, the 22nd meeting of the Special Representatives of China and India was held in New Delhi. It was co-chaired by Chinese Special Representative, State Councilor and Foreign Minister Wang Yi and Indian Special Representative and National Security Adviser Ajit Doval.

The two sides exchanged views on the early returns of positive results from the boundary negotiations and reached a consensus on strengthening confidence-building measures. They agreed to formulate management rules for maintaining peace and tranquility in the border areas. They also agreed to strengthen communication and exchanges between the border forces of the two countries, set up hotlines between the relevant departments of the two armed forces, add border meeting points, and expand border trade and personnel exchanges. Both sides agreed to hold the 23rd meeting of the Special Representatives of China and India in China in 2020.

Indian Vice President Naidu Meets Wang Yi

On December 21, 2019, India's Vice President and Ex-officio Chairman of the Rajya Sabha Venkaiah Naidu met with China's State Councilor and Foreign Minister Wang Yi in New Delhi.

India-China friendship has a long history, said Naidu, and both countries are ancient civilizations as well as the two most populous nations in the world. They are also the two fastest-growing emerging economies. Leaders of India and China reached an important consensus that both sides should deal with differences and sensitive issues well, and not allow differences to rise into disputes. He added that the Indian side is willing to take the 70th anniversary of the establishment of diplomatic relations between the two countries as an opportunity to strengthen high-level exchanges, deepen pragmatic cooperation, strengthen people-to-people exchanges, and push India-China relations to a new level. India pursues a good-neighborly foreign policy, and is willing to work with China to safeguard regional and world peace and stability.

Wang Yi said that Chinese President Xi Jinping and Indian Prime Minister Narendra Modi successfully held their second informal summit in Chennai, which pointed out the direction for the development of Sino-Indian relations and reached an important consensus on the proper settlement of the boundary question. He added that 2020 marks the 70th anniversary of the establishment of diplomatic relations between China and India, and our bilateral relations are facing new opportunities for development. Both sides have agreed and announced 70 celebratory events. The next step is to take the 70th anniversary of the establishment of diplomatic relations as an opportunity to deepen mutually beneficial cooperation and people-to-people exchanges, so as to consolidate the social foundation of the friendship between the two countries. 

Dialogue for Shaping a Shared Future

By Sun Weidong



China and India need to put heart and soul in this partnership by strengthening cultural and civilizational contacts.

The world is moving towards multipolarization, economic globalization, application of information technologies and cultural diversity. Candid dialogue and in-depth exchange of opinions between China and India reflect mutual learning and harmonious coexistence of our two great civilizations and are conducive to building a bridge to enhance mutual trust and friendship.

Chinese President Xi Jinping held a bilateral meeting with Indian Prime Minister Narendra Modi for the third time this year on the margins of the BRICS summit on November 13 in Brasilia. The overarching message from the Brasilia meeting was that the two leaders should continue to maintain close communication to jointly steer China-India relations to new heights. Reaffirming the Wuhan and Chennai Consensus, the two leaders

reiterated their joint resolve to enhance mutual trust, properly manage differences and expand practical cooperation in diverse fields. The meeting was marked by a blend of sincerity and pragmatism, which will continue to shape China-India relations in the future.

The Brasilia meeting once again underscored the importance of continuing high-level contacts and high-quality communication between our leaders as well as



The 162-day 2019 Beijing International Horticultural Exhibition was joined by exhibitors from 110 countries and international organizations, attracting nearly 10 million visitors. The photo shows the Indian Garden at the exhibition. VCG

between various stakeholders, including the people of both countries. It's refreshing to see growing personal rapport and understanding between our two leaders, who have taken it upon themselves to impart greater content and momentum to this rapidly burgeoning relationship. Now, it's time to focus on transmitting and implementing decisions taken by the two leaders at all levels.

Going forward, the economic aspect of the relationship is set to get greater attention as both countries look at each other anew as an opportunity. In this regard, the Chinese side is willing to implement the decision of our two leaders to establish the high-level economic and trade dialogue mechanism which was agreed in Chennai. President Xi Jinping

has conveyed to Prime Minister Modi that China welcomes more exports of India's high-quality products to China. President Xi also underscored that the two countries need to create and nurture new growth points for cooperation in productivity, medicine, information technology, infrastructure and other fields. I am happy to see an enthusiastic participation of Indian companies in large numbers at the second China International Import Expo (CIIE), which shows new possibilities of upscaling the economic relationship.

Furthermore, we need to put heart and soul in this partnership by strengthening cultural and civilizational contacts. Cultural and people-to-people relations must be continuously nurtured and strengthened through joint initiatives.

Finally, the relations between China and India go beyond the bilateral scope and have a regional and global character as well. That's why dialogue and consultation at all levels are not only necessary for moulding China-India relations, but also for the two rising countries to handle a host of challenges such as unilateralism, trade protectionism, climate change, sustainable development and terrorism. As two great civilizations with ancient and profound wisdom, China and India should join hands to provide inspiration for solving various challenges the world is facing today and build a community with a shared future for mankind. 🇨🇳

—
The author is China's Ambassador to India.

For a Shared Future

By Josukutty C. A.



Though India and China face both convergences and divergences, a peaceful relationship serves the fundamental interests of both countries.

India established diplomatic relations with the People's Republic of China on April 1, 1950, becoming the first non-socialist country to do so in the midst of opposition from the Western capitalist camp. This was a natural outcome of the centuries-old civilizational ties between the two countries and their goodwill towards each other.

As two rising Asian modern countries, India and China have seen ups and downs in their relationship, marked by both cooperation and competition.

The relationship, however, has always been striving for peaceful co-existence and mutual benefit, as was evident in the recently concluded second informal summit of Indian Prime Minister Narendra Modi and Chinese President Xi Jinping, which was held in the coastal heritage site of Mamallapuram in the southern Indian city of Chennai in October 2019.

The summit provided the much-needed positive energy. The Indian prime minister characterized the

summit as a new beginning in bilateral ties. The summit was remarkable in terms of developing a strong chemistry between the two leaders, with its focus on potential for cooperation by underplaying existing differences.

The agenda of the summit included border security, trade, cultural ties and people-to-people exchanges, apart from regional and global issues. The consensus reached to strengthen trade, military and security cooperation, people-to-people

exchanges and cultural ties, as well as cooperation between the Indian state of Tamil Nadu and China's Fujian Province, is significant.

The decision to designate 2020 as the "China-India Year of Cultural and People-to-People Exchanges" and to resolve contentious issues such as trade imbalance through negotiations reflects the cooperative spirit kindled by the meeting. The summit became an advance tribute to the 70th anniversary of the establishment of diplomatic ties between India and China.

DIRECTION AND PROMISE

The first informal summit of the two leaders in Wuhan in 2018 was instrumental in reducing the bitterness caused by the Dong Lang (Doklam) standoff, differences over the China-Pakistan Economic Corridor (CPEC) and controversy over India's bid to enter the Nuclear Suppliers Group (NSG). The second informal summit in Chennai reset China-India relations. The invitation extended to Prime Minister Modi to visit China in 2020 for the third informal summit reiterates the two neighbors' desire for peaceful and friendly relationship. The decision to mark the 70th anniversary of the establishment of diplomatic ties between China and India by holding 70 cultural, religious and trade promotion events besides military exchanges and high-level visits clearly indicates the conciliatory path that both countries have



January 4, 2020: The "Reading China" book fair and China-India Cultural Exchange Photo Exhibition are held in New Delhi, India. The picture shows a visitor at the photo exhibition. Xinhua

chosen to pursue by shelving contentious issues.

Being two major Asian countries, India and China have great potential for economic growth and mutually beneficial politico-security ties. For China, India offers a huge market with long-term growth potential, presenting abundant opportunities for Chinese enterprises. India's strengths in marketing, consulting, information technology, pharmacological sciences and medical care along with China's expertise can benefit both economies. India's deficit in physical infrastructure could be addressed with China's capacity for overseas investment and infrastructure construction. Chinese investment in manufacturing would be helpful in reducing unemployment in India.

Moreover, regional platforms such as the BRICS, the Asian Infrastructure Investment Bank (AIIB) and the Shanghai Cooperation

Organization (SCO) can bring India and China together to work for mutual benefits. The integration of the two countries into the world economy would make them responsible actors in global governance, contributing to global peace and stability. There is a strong conviction that amicably managing the relationship guarantees peace and prosperity.

There is huge potential for India and China to address a host of issues such as climate change, water shortage, soil erosion, terrorism, and cyber-crime through greater cooperation. The channels for economic, cultural and people-to-people exchanges and frequent diplomatic interactions between the two countries have been already underway and envisaged for days ahead.

TOWARDS A BETTER WORLD

Contemporary world politics is characterized by



January 8, 2020: The 34th Harbin International Ice Sculpture Competition concludes in China. The photo shows an Indian contestant from New Delhi creating a work named *Katakali Dance*. Xinhua

contradictions and uncertainties. On the one hand, the world is becoming increasingly prosperous and developed, but on the other, it is beset with various problems ranging from terrorist violence to climate change.

There is a great deal of ambiguity over the world order and its rules and norms. The liberal order created after World War II now seems to be unattractive to its own founders and cheerleaders. The imbalance in the distribution of economic, military and political power among various countries is a source of insecurity and conflict.

In this context, the relationship between China and India has immense influence on world peace and stability. If the Chinese and Indian economies grow as per the current trends, as the multinational consulting firm

PricewaterhouseCoopers forecast, they would become the world's first and second largest economies by 2050, in Purchasing Power Parity terms, with the United States ranking third. In this context, China and India can play a major role in various international institutions and organizations.

India and China have common interests in the global economy as they are both beneficiaries of open trade and investment brought by globalization. For instance, there is room for China-India collaboration in oil exploration in Africa and Asia. Peaceful and cooperative China-India ties are also crucial to maintaining maritime security, controlling the arms race, fighting terrorism, containing global warming, and addressing the issues of cyber warfare and

militarization of outer space.

Both countries can guarantee a better world if they collaborate to fight poverty, illiteracy and disease, and to address other issues of human development. Greater understanding of each other's core interests is essential. The two leaders have reiterated their faith in an inclusive, peaceful and multipolar world order.

There are many convergences and divergences between India and China, but a peaceful relationship serves the fundamental interests of both countries. It is essential that differences are resolved amicably at the earliest opportunity. This can be achieved only with better communication and interaction at various levels through confidence-building measures to prevent misunderstanding and instill greater trust.

The 70th anniversary of the establishment of China-India diplomatic ties provides great opportunities for their bilateral relations in the tradition of peaceful co-existence and mutual benefit to achieve a shared future and a better world. Being the two most populous countries, with 37 percent of the world population, India and China will see their peaceful relationship benefit the peoples of both countries and the rest of the world. 

The author is an associate professor and director of the Survey Research Center under the Department of Political Science, University of Kerala.



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to enjoy clean air.**

China Strives to Innovate Social Governance

By R. N. Bhaskar

Social governance is one of the key factors which helped Zhili become one of the most important industrial towns in China.

On November 17, 2019, the inauguration ceremony of the South Taihu Social Governance Institute was held in Zhili Town of Wuxing District, Huzhou City, southeastern China's Zhejiang Province. It marked the birth of a think tank dedicated to studies on social governance at the grassroots level. The event was also being held to showcase the significance of China's governance to the world.

Social governance has been practiced in Zhili Town for more than six years. The think tank will formalize processes which could be used by other countries to replicate the Zhili model. The social governance institute is significant because it is the culmination of the

proposals made at the 19th National Congress of the Communist Party of China (CPC) in October 2017.

Zhili reinforces the efficient dispensation of judicial redress at the grassroots level, which in turn reduces the cost of doing business. The town set up courts for speedy disposal of cases, because locals knew that delayed justice comes with a very high economic cost.

In fact, social governance is one of the key factors which helped Zhili become one of the most important industrial towns in China. Today, Zhili is one of the world's largest manufacturing centers for children's garments. It is also home to high-tech companies like Tony Electronics which focuses on the research and development

of micro-alloyed wire and other metal matrix composite materials used in the fields of consumer electronics, photovoltaic equipment, new energy vehicles, and medical devices. Tony Electronics is a supplier to the world's top 500 companies such as Apple, Hitachi, Sumitomo, Foxconn, BlueThink Technology, and Bourne Optical.

In some ways, the Zhili mode for social governance is like the Panchayati Raj that India has long espoused. It highlights the close linkage between business growth and the need for low-cost, speedy and effective dispute resolution and redress. The Zhili model has thus become both a business enabler and a social binding agent.

According to an analyst,



A bird's-eye view of Shanglin Village in Zhili Town of Huzhou City, China's eastern Zhejiang Province. Since 2018, thanks to its efforts in building a beautiful village, Shanglin has taken on a new look. Xinhua

“the Zhili experience has creatively established a rural social governance system similar to the ecosystem – an organic and coordinated self-organizing system which has formed a series of ‘ecological products’ such as village regulations to offer civil services, judicial services, public welfare services and market services, and has built a new social relationship through multiple interactions and coordination.”

In this system, the local community works in tandem with judges from courts at various levels and dispenses speedy justice for any dispute arising between neighbors, businesses and corporations – sometimes even disputes

between the community and corporations. The idea is to allow local regulations to integrate with national laws – distinct yet part of an entire legal structure. This gives people a new perspective.

As an official document puts it, “a harmonious society is not a society without contradictions and the society always advances in resolving contradictions. In recent years, the villagers have changed a lot – from learning from the law, knowing the law, and obeying the law to believing the law, respecting the law and using the law.” That in turn leads to fewer contradictions, and sometimes even to zero disputes and petitions.

Social governance also includes that “clear waters and green mountains are invaluable assets.” As a result, the entire area is verdant with flowing streams carrying clean water.

Today, Zhili Town is growing in its appeal for tourists who want to see for themselves how natural beauty and industrial progress can co-exist. It is not only a major center for innovative farming but also a beehive of business activity. 📸

The author is the founder of Asia Converge and the consulting editor of Free Press Journal.

New Developments of Socialism with Chinese Characteristics

By Swaran Singh

China has seen a clear focus on promoting the socialist market economy with justice and equity for its people in the new era.

Since 1982 when the 12th National Congress of the Communist Party of China (CPC) first heralded the idea of “socialism with Chinese characteristics,” it has been sparking curiosity among China watchers all over the world. China has since recorded an unprecedented economic growth miracle to emerge as the world’s second-largest economy. It is all set to become a moderately prosperous society in all respects in 2020 with an increasing influence in setting the tone and tenor of global discourse and decision-making.

Other than its Belt and Road Initiative (BRI) which promotes infrastructure construction in scores of developing countries, China has significantly

increased its contributions to the United Nations (UN) as well as other global and regional forums. Some of these regional forums are launched or spearheaded by Beijing. Even in the UN system, today China is the second-largest contributor to peacekeeping funding and the leading contributor to global climate change mitigation initiatives. Undoubtedly, China’s building of socialism with Chinese characteristics has evolved.

The making of the blueprint for socialism with Chinese characteristics has progressed with several major milestones. To elucidate just the recent period under President Xi Jinping’s leadership, the catchphrase of “new era” alludes to its current re-calibrations. Today, what attracts experts’ attention is how this

once most egalitarian but poor society (with poverty most equally distributed) has since achieved unprecedented economic development but also, relatively, become more imbalanced than before.

Doubtless, China today celebrates its commanding heights in creating global brands and entrepreneurs. But transformations also explain China’s latest drift towards increased emphasis on improving equity and justice driven by the “people-first” governance model.

China’s leaders have clearly moved away from earlier stress on pursuit of high economic growth rate after seeing an average of nearly 10-percent annual growth over the past four decades. Undoubtedly, Deng Xiaoping’s axiom of “growing rich is



The 19th Central Committee of the Communist Party of China (CPC) held its fourth plenary session in Beijing from October 28 to 31, 2019. Xinhua

glorious” did help some elements of development reach out to China’s poorest. But China’s coastal areas grew much faster than its interior areas, making imbalanced development a new target for China’s detractors.

The “new era” has therefore seen a clear shift to the building of direct connections with the grassroots, which is meant to ensure that fruits of China’s development are efficiently and directly delivered to the poorest. Indeed, China is resolved to eradicate absolute poverty by 2020 – a full 10 years ahead of the UN Sustainable Development Goals target of 2030. This presents the most apt example in the new era which seeks to build an inclusive socialist model of governance. At its core, this shift aims to synergize focus on promoting the socialist market economy with justice and equity for the people.

With increasing numbers of partners under the BRI framework, China’s re-calibrations of its socialism with Chinese characteristics is invoking

interest beyond China’s borders amongst countries that see their own development getting intertwined with China’s development. Discussions have emerged on the global influence of socialism with Chinese characteristics as more and more countries support Chinese narratives and initiatives.

For understanding China’s evolving visions of building socialism with Chinese characteristics, various formal articulations can be the source of these discussions. Among these speeches and documents expositing China’s socialist model, the communiqué of the fourth plenary session of the 19th CPC Central Committee in October 2019 has resulted in a fresh round of discussion. The speech delivered by Xi Jinping, general secretary of the CPC Central Committee, at this plenary session perhaps presented the most recent detailed outline of the critical benchmarks on how China seeks to uphold and improve the system of socialism with Chinese characteristics and thereby advance the

modernization of its systems and capacities to turn China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful by the time of the centenary of the People’s Republic of China in 2049.

Xi’s speech underlined several strengths of China’s national governance, which include upholding the centralized and unified leadership of the CPC, followed by commitments to promoting the people’s democracy, upholding equality between all ethnic groups, synergizing the socialism system and the market economy, ensuring law-based governance seeking innovation while pursuing peaceful reunification of China, and more – all for fostering stronger confidence in the path, theory, system and culture of socialism with Chinese characteristics.

Till now, the failure of Soviet central planning in the early 1990s and the collapse of unbridled profit-driven market economies of the West since 2007 have provided China with a vantage point. As China moves beyond those comparisons to set its own future trajectories to build the community with a shared future for humanity, innovation and synergy have come to be signal terms of this new thinking. 

The author is chairman of the Centre for International Politics, Organization and Disarmament, Jawaharlal Nehru University, New Delhi.

It's About Us

By Li Jun

China is firmly committed to opening its market and expanding imports through practical action as well as to safeguarding the global multilateral trading system and building a more open world economy.

The second China International Import Expo (CIIE) was held in Shanghai as scheduled. Chinese President Xi Jinping attended the opening ceremony and delivered an important speech, just as he did at the first expo in 2018.

Compared to the first CIIE, the scale and enthusiasm of the 2019 event expanded dramatically. Many executives of multinational companies personally led delegations to the event. Transaction volumes significantly expanded over last year for many firms. Any companies waiting to see how the first CIIE developed saw concerns melt away after witnessing the Chinese government's unswerving promotion of reform and opening up. Since the Chinese government

arranged the world-class exhibition platform, countries around the world and multinational companies have become more confident in the Chinese market. They invested more resources and participated more deeply in the second CIIE. As President Xi said, the Chinese market is such a big one that you should all come and see what it has to offer. In the wake of the second edition, the CIIE has emerged as far more than a simple platform for global business to enter and explore the Chinese market. It has far-reaching strategic significance.

The CIIE is not only about importing, but also opening up and cooperation. The event is the only world-class import fair on the planet. However, its significance now transcends the

organizers' original intentions. The expo has become a platform for China to expand its imports through practical action and a tool for China to steadfastly promote opening up and win-win cooperation for all countries. At the second CIIE, President Xi first reviewed the implementation of measures for China's expanded opening up announced at the first expo and detailed the launch of new opening-up initiatives. The event showed the world China's determination and confidence to expand its openness and strengthen win-win cooperation with all countries. China will contribute to the establishment of an open, cooperative, innovative and shared global economy. It will also expand opening up to a higher level through the annual CIIE.

The CIIE is about



Visitors experiencing Lego blocks at the second China International Import Expo.
by Xu Xun

transactions, but also dialogue and consensus. As a national-level exhibition platform, the expo regards transactions as an important function as well as an important indicator measuring effectiveness and vitality. From the perspective of the exhibitors and scale of transactions at the second CIIE, the expo has played an outstanding role in promoting trade. In fact, many multinational companies were so enthusiastic to participate that securing an exhibition space became difficult. The Hongqiao International Economic Forum, which was held in tandem with the expo, is a stage for dialogue on international economics and global governance that seeks consensus and joint promotion of open development around the world. The second Hongqiao International

Economic Forum continued the first edition's "1+4" mode with one main forum and four sub-forums. At the opening of the main forum in 2019, President Xi proposed open cooperation, open innovation and open sharing, which won recognition from heads of state and business leaders from around the world. The four sub-forums focused on topics including the business environment, artificial intelligence, the World Trade Organization (WTO) and e-commerce. Representatives reached consensus on strengthening the multilateral trading system, promoting open cooperation and building an open world economy.

The CIIE is as much for countries around the world as it is for China. The event is sponsored by China, but it belongs to the world. It is

for China, but more for other countries. China's current development stage demands promotion of domestic consumption upgrade and industrial upgrade through expanding imports. Expanding imports will not only provide quality goods and services for the domestic market, better meet the demand of middle- and high-end domestic consumers, and help build a strong domestic market and a more prosperous domestic consumer market, but also promote healthy market competition. Competition creates pressure, and pressure promotes innovation and industrial upgrading. Part of the goal is to create a more open market environment that fosters high-quality economic development. Through expanding its imports and further opening its market, China has created opportunities for the rest of the world. China's rapidly growing and large-scale domestic consumer market creates space for other countries to expand exports to drive their economic growth and employment. China is firmly committed to opening its market, expanding imports through practical action and making important contributions to safeguarding the world's multilateral trading system and building a more open world economy. 

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China as Game Changer in Global Commerce

By Swaran Singh

China has taken several bold and innovative initiatives to drive imports as it remains the engine of global growth, and the world expects China to take a lead in redeeming world economic situation.

The second China International Import Expo (CIIE) could not have come at a better time. It coincided with China's negotiations to finalize its "phase one" trade deal

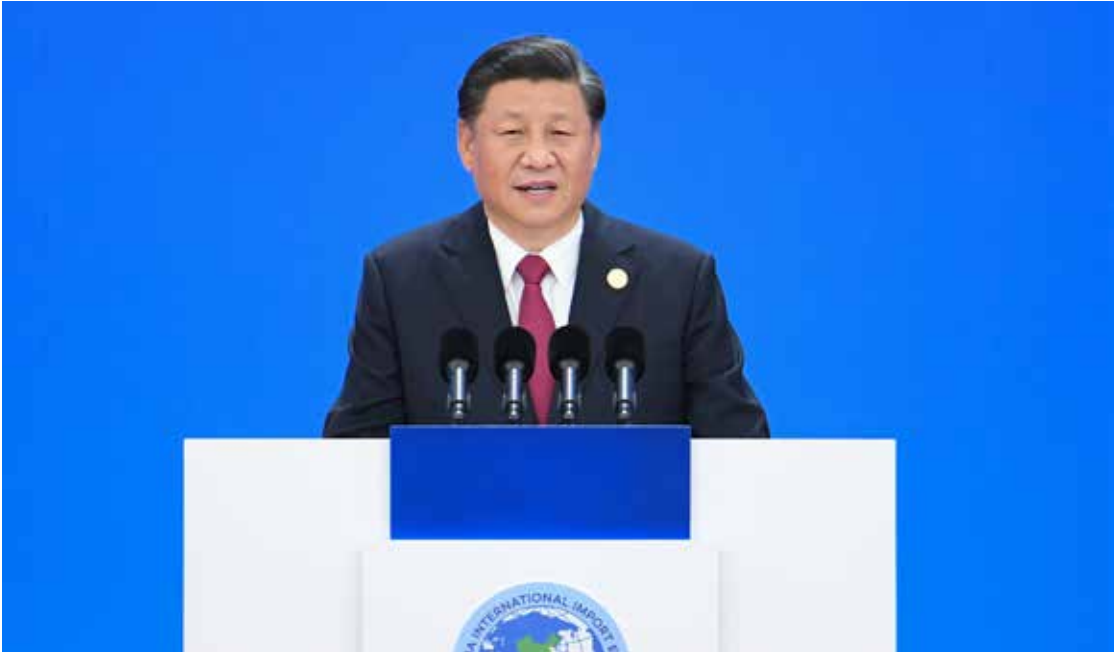
with the U.S. As a result, the CIIE has come to be viewed not just as an event showcasing China as the world's major importer but also a catalyst in redressing China's trade tensions with the U.S.

Exhibiting China as an importer, however, is not easy given that China is predominantly known as one of the world's largest exporters and a manufacturer for the whole world. Since launching its inaugural CIIE in November 2018, China has taken several bold and innovative initiatives to drive imports as it remains the engine of global growth, and the world expects China to take a lead in redeeming world economic situation.

Chinese leadership fully understands this, which is reflected in Chinese President Xi Jinping's keynote speech at the second CIIE that outlines the list of measures China has taken over the past year. China's trade imbalance with several nations, however, may yet weaken their potential in building strong economic



Staff members demonstrate football played on a table in the Hungary Pavilion at the second China International Import Expo. by Xu Xun



■ November 5, 2019: Chinese President Xi Jinping delivers a keynote speech at the opening ceremony of the second China International Import Expo in Shanghai. Xinhua

partnerships with China. Addressing some of these perennial concerns, Xi's speech underlines China's commitment to further opening its market and strengthening protection for intellectual property rights.

For a change, Xi's speech marked a blend of poetic expressions of meeting esteemed guests in a "lovely season tinted with deep autumn hues," with China reaching out its arms and calling on nations to "join hands with each other instead of letting go of each other's hands" and to "stand firm against protectionism and unilateralism."

The theme of the second CIIE, "New Era, Shared Future," reflected Xi's vision of building a community with a shared future for humanity through inclusive and

sustainable development, which is driven by international collaborations as well as infusions of technology and innovations. Comparing globalization to the world's mightiest rivers, Xi emphasized how expanding economic integration was an unstoppable trend.

Endorsing China's global acceptance, the second CIIE hosted participants from 155 countries and regions and 26 international organizations. The most noticeable was the participation of 192 U.S. companies, up from 174 in 2018.

Amongst several leaders present at the opening ceremony, French President Emmanuel Macron echoed how China's partner nations appreciate its drive of reform and opening up. He said: "Much has been done in

recent years with two revisions of the negative lists for foreign investment... Important tariff reductions have been granted," adding that "all French, German, and European companies expect a lot of China's promises here."

The second CIIE also coincided with a series of ASEAN-related summits in Bangkok in the absence of U.S. President Donald Trump. As an outcome of the summits, China succeeded in ensuring an early conclusion of the negotiations for Regional Comprehensive Economic Partnership (RCEP), which will form the largest free trade agreement in Asia. 📌

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A New Day for Chinese Importing

By Bai Ming

The China International Import Expo has promoted balanced trade while honing the country's system for increasing imports.

As the largest exporter and second largest importer in the world, China should coordinate its imports and exports to optimize two-way allocation of resources and enhance its comparative benefits in the international division of labor. In April 2018, Chinese President Xi Jinping highlighted four major moves for China's high-level opening up in his keynote speech at the Boao Forum for Asia, one of which is boosting the country's imports. And the China International Import Expo (CIIE) in Shanghai is one of the key specific measures supporting the policy.

The first CIIE in 2018 turned out to be a major boost for China's imports, with intentional transaction

volume reaching US\$57.83 billion. The expo helped Chinese buyers access quality foreign goods while creating opportunities for foreign enterprises to showcase their products in China, a huge market of 1.4 billion people. Among more than 3,600 exhibitors attending the expo were 220 enterprises among the *Fortune* Global 500 and other leading enterprises in niche industries. Over 300 new products and technologies debuted at the event. As China focuses on innovation-driven development, the first CIIE gave the Chinese people a broader and closer view of cutting-edge technologies from around the world.

A year later, the second CIIE was held. Compared to its predecessor, the second expo boasts operations at

a larger scale and greater participation from global corporations. The numbers of registered countries, regions and enterprises for the second CIIE all surpass the previous event, and many exhibition spots were booked long before. It is notable that attendance by *Fortune* Global 500 enterprises and leading enterprises of their industries both exceed last year. About 70 percent of exhibitors at the second CIIE attended the first expo in 2018. This year is certain to bring more new products, technologies and services.

The CIIE not only facilitates imports but is also conducive to improving the business environment for import trade. The reason why the Belt and Road Initiative (BRI) has been so widely welcomed is that it



October 26, 2019: The National Exhibition and Convention Center in Shanghai. The second China International Import Expo is scheduled to be held in Shanghai from November 5 to 10. VCG

brings real business opportunities for people along the routes. Statistics show that China's intended transaction volume with countries joining the BRI at the first CIIE reached US\$4.72 billion, a significant figure. Many countries participating in the BRI are developing nations. Due to their unsatisfying economic performance, producers from these countries find it hard to sell on the global market. Following the first CIIE, which enhanced unimpeded trade for BRI countries, subsequent events will only further improve the situation.

An import expo may last for

only a few days. Its success depends on how well it boosts imports in general. The first CIIE brought the "6+365" One-Stop Trading Services Platform, aiming to connect the expo and daily import promotion. As the mechanism improves, the second and following expos will bring more benefits to society.

With the endeavor of the first and second CIIE, China's imports have reached a new high. Contrasting conventional trade exhibitions, the CIIE has promoted balanced trade and further refined the country's system for promoting imports. As

China evolves from a trader of quantity to a trader of quality, the CIIE is expected to become a world-famous event like the International Consumer Electronics Show in Las Vegas and Leipziger Messe International as it becomes a permanent driver of trade alongside the China Import and Export Fair in Guangdong Province. 

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China Is More Open for Business

By William Jones

The CIIE fosters a greater understanding of the importance of the worldwide network of trade and development on which the well-being of all humans depends.

The second China International Import Expo (CIIE) in Shanghai has offered a wonderful opportunity for foreign companies to exhibit their wares in a market with over a billion people and a rapidly growing middle class with a much expanded interest in goods of every kind, from household wares and appliances to cell phones and AI hardware. The rise of China has been phenomenal, and it all began with the production of those relatively inexpensive goods labeled “Made in China” and sold all over the world. But they have advanced from that category to that of a rather advanced economy—indeed, one of the most advanced in the world.

The Chinese are a very industrious people and they most fortunately have a government that has a policy of “leap-frogging” from their status in the world market as a low-wage producer of relatively cheap items for foreign consumption to higher levels of technology with a laser-like focus on scientific innovation. This has proven to be the greatest boon to China in moving quickly up the ladder of innovation. But, China still has a long way to go before reaching the level of some of the more advanced industrial nations, which do not face the problem of bringing the remaining several hundred million people out of poverty, or have the necessary commitment to do so. And for China,

development is not a “race to the top.” The country will move in their development at a speed that is appropriate for them to develop the nation’s capabilities as far as they can—for the benefit of the Chinese people.

But while still engaged in developing its own economy, China has also opened the door to development for many other nations. This was uniquely the case in the initiation of the Belt and Road Initiative (BRI) by Chinese President Xi Jinping in 2013. What began as an initiative to offer its neighbors the means of sharing China’s prosperity and helping launch similar development in their own countries, the BRI soon expanded to countries more distant from China, in Africa

and Asia, and has now created a growing sense of optimism in those countries over the possibility of following in China's development footsteps.

Focusing primarily on the development of infrastructure, in particular on rail transportation and ports, the BRI now comprises an extensive grid of connectivity between Europe and Asia, and between North Asia and South and Southeast Asia, greatly accelerating the turnover in international trade. And while it has greatly facilitated the trade in products from China to the rest of the world, it is also designed as a transit corridor for goods from abroad coming into the expanding Chinese domestic market.

The concept of holding an international import expo, which was announced by President Xi Jinping at the First Belt and Road Forum for International Cooperation in Beijing in May 2017, is conceived as a logical extension of the BRI. While countries often organize trade expos in order to showcase their own products to other countries, the notion of having an expo in order to display the products of other nations for sale in one's own country is something of a revolution in economic thought. But for China it is fitting, given the nature of its economic foreign policy. While China has extended a helping hand of development to many nations in the first six years of the BRI, the CIIE clearly underlines the nature of the BRI as a two-way street. And it is totally consistent with the other measures



November 6, 2019: A performer dances in the India Pavilion at the second China International Import Expo. Xinhua

China has laid out in its effort to expand its opening to the outside world. And further opening up of the Chinese market to more trade and investment allows other countries to benefit directly from China's growth and from the growing needs of its population.

The CIIE is also an integral part of China's attempt to build "a community with a shared future for humanity." While the rapid expansion of international trade has brought the world together in this age of "globalization," China has initiated what ought to be labeled Globalization 2.0. The process of globalization was an inevitable result of the growing international division of labor. This process was so succinctly described in the 1960s in the lectures of the late American economist and statesman Lyndon

LaRouche in his notion of "the worldwide cup of coffee." That is, if you take that cup of coffee you drink in the morning and try to trace back all the elements that went into its production, its transportation and its delivery to the consumer, you will have to travel all around the world.

While the initial period of globalization during the post-war era with the establishment of the Bretton Woods system provided great benefits to the world's population with the consumer goods now based not solely on local production but on the international division of labor, the system gradually became directed more toward the interests and the needs of the international banking elites rather than to the interests of the participating nations and their people. In particular, when U.S. President Nixon

took the dollar off the gold standard in 1971, the control over national currencies gradually shifted from the governments to the major banking centers in London and New York. Governments found themselves subservient to the demands of the “markets,” in other words, the financial oligarchy dominating those markets. Debt increased exponentially while the growth of the physical economy stagnated. With the living conditions of the majority of people getting worse, not better, the reaction to that sort of “globalization” set in. And we have seen the results in both Europe and the United

States in the rise of protectionism and unilateralism.

What China is proposing is, however, a much different form of “globalization,” which is inclusive and equitable and in which sovereign governments, responsible to their people, are also in the driver’s seat, not the world’s bankers. As President Xi said in his speech at the First Belt and Road Forum for International Cooperation in Beijing in 2017, “We should foster a new type of international relations featuring win-win cooperation; and we should forge partnerships of dialogue with no-confrontation and of friendship rather

than alliance. All countries should respect each other’s sovereignty, dignity and territorial integrity, each other’s development paths and social systems, and each other’s core interests and major concern.” And this is a form of “globalization” that has won growing support worldwide. This is no more readily apparent than in the overwhelmingly positive response of the developing countries to China’s BRI.

During the earlier phase of “globalization,” the developing countries experienced growing stagnation. Many Latin American countries which had made great progress in the 1970s saw their



A night view of the National Convention Center (Shanghai) where the Hongqiao International Economic Forum, part of the second China International Import Expo, was held on November 5, 2019. VCG

“terms of trade” deteriorate rapidly in the 1980s, throwing them back into poverty. Africa had a hard time benefiting from the initial efforts to cast off colonialism and to develop in the 1960s. By the end of the Cold War, Western investors were little interested in Africa except for purposes of outright looting.

This has changed with the BRI. Concentrating on

And there is no better place to hold such an expo than in Shanghai, with its proximity to the Pacific Ocean, and its location on the Yangtze Delta, which is itself fast becoming a major production center. And Shanghai, with its diversity of cultures, traditions and architectural styles, has always served as a “window to the world” for China.

The CIIE is also an

The CIIE is also an important forum for dialogue between the participating nations and provides a unique opportunity for cultural exchanges.

transportation infrastructure, building rail transport and ports in Africa and Latin America, the BRI is providing the necessary transportation grid for expanding both the internal and external trade in those countries. Landlocked nations now have access to the sea. And, as a byproduct, the local working force is being trained to develop the skills needed in a modern economy in the course of constructing and operating this new infrastructure.

While Chinese investment abroad has been focused on infrastructure construction, the CIIE now gives these countries an opportunity to showcase their own products in a market of a billion-plus people. The CIIE, like the old trade fairs, is also an opportunity for mutual learning, experiencing new tastes, and discovering well-kept secrets.

important forum for dialogue between the participating nations and provides a unique opportunity for cultural exchanges. And no way is better to get to know a country than through the products it prides itself in producing. The dialogue of cultures has always been facilitated by the trade mechanism. During the early days of the ancient Silk Road, a paradigm for what today’s dialogue of cultures can and should become, traders met in the cities along the desert routes where they could compare their wares and expand their interests. The development of mankind was propelled by the exchange of silk, paper, spices, wool, cotton, gold and silver. And it also gave impetus to that important exchanges of ideas between the East and the West which have enriched the cultures of all nations, a

global transmission belt that led at that time to the proliferation of the arts and the sciences and provided the basis for the development of many civilizations, bringing the wisdom of the East to the West to take root in ancient Greece and provide the basis for Western civilization.

It is this type of broad vision that lays at the basis of President Xi’s vision of building “a community with a shared future for humanity.” And the cultural exchanges necessary for nourishing the lives of the people today more than ever also applies to the exchange of ideas in science and technology, the advancement of which is so essential to continued global economic development.

The CIIE no doubt makes a strong contribution to that effort in providing the participants with a greater knowledge of the array of products and technologies now being developed in different parts of the world. Many important agreements have been signed and many new contacts have been made. More importantly it facilitates a greater understanding among those involved of the importance of the worldwide network of trade and development on which the well-being of all humans depends. ■

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Piloting Opening Up in a New Era

By Li Dawei

Pilot free trade zones have become major experimental fields for China's further reform and opening up.

On August 26, 2019, the Chinese government unveiled six new pilot free trade zones in Shandong Province, Jiangsu Province, Guangxi Zhuang Autonomous Region, Hebei Province, Yunnan Province and Heilongjiang Province, respectively, adding the total number of pilot free trade zones in the country to 18. Since September 2013 when China (Shanghai) Pilot Free Trade Zone opened, China's pilot free trade zones have been innovating systems concerning investment, trade, finance and supervision. They employ a variety of methods to build a business environment with a sound legal framework, internationalized regulations and streamlined procedures. They also attach

great importance to conducting institutional innovation according to their respective characteristics. Pilot free trade zones have become important engines for regional trade and investment while accumulating experience conducive to China's further reform and opening up.

According to statistics, China's 11 free trade zones—excluding China (Hainan) Pilot Free Trade Zone—utilized foreign investment of more than 107.3 billion yuan (around US\$15.3 billion) in 2019, 12.12 percent of the foreign investment used by the whole nation. Their aggregate import and export volume reached 3.74 trillion yuan (around US\$534.3 billion), accounting for 12.25 percent of the country's total. Pilot free trade zones have become new

platforms for China's economic and trade cooperation with the rest of the world. For example, China (Shanghai) Pilot Free Trade Zone contributed a quarter of the city's GDP and tax revenue with only



March 3, 2019: The entrance of the Qianhai & Shekou Area of Shenzhen of China (Guangdong) Pilot Free Trade Zone. Established over four years ago, the free trade zone has witnessed the rise of one skyscraper after another. The beautiful park in the free trade zone has become an ideal place for people to enjoy their leisure time during weekends. VCG

one-fiftieth of the city's land. About 45 percent of regional headquarters of multinationals and foreign-invested R&D centers in Shanghai are found in the free trade zone. Over 120 institutional innovations of the free trade zone have been applied around the country, highlighting its role as an experimental field of reform and opening up. The Qianhai & Shekou Area of Shenzhen, part of China (Guangdong) Pilot Free Trade Zone, has carried out bold innovation to improve legal systems and optimize the business environment. It has taken the lead in establishing a "financial court" and an "intellectual property court." It also established a demonstration zone for innovation and entrepreneurship for youth from Guangdong, Hong Kong and Macao. Since its establishment, the demonstration zone has attracted more than 10,000 Hong Kong enterprises to register and conduct business. It has emerged as one of the platforms featuring the closest and most successful cooperation among Guangdong, Hong Kong and Macao.

REASONS FOR EXPANSION OF PILOT FREE TRADE ZONES

Three key reasons are driving the expansion of China's pilot free trade zones: First, the need to optimize the matrix of opening up. Half of the six newly established pilot free trade zones are located in the coastal areas, achieving full coverage of pilot free trade zones in China's coastal provinces. This is crucial for the coastal

areas to further enhance their own opening up while stimulating the opening up of China's inland areas. At the same time, pilot free trade zones have been set up in border areas in Yunnan, Guangxi and Heilongjiang for the first time. Now, pilot free trade zones can be found in coastal, inland and border areas of China, which helps make new ground in opening the country further through links running eastward and westward, across land and over sea.

The second reason is the need to explore different institutional innovation in different regions. China's economy is shifting from high-speed growth to high-quality development, and factor endowment and economic foundation in different regions and different industries are not the same. Therefore, the focus of deepening reform and expanding opening up should also be different. The six newly established pilot free trade zones reflect the idea of differentiated exploration in a wider arrange of areas and on more levels. For example, the pilot free trade zone in Jiangsu highlights the need to improve cooperation related to foreign investment and provide stronger financial support for the real economy. The pilot free trade zone in Yunnan highlights innovation on cross-border economic cooperation.

Third is the need to deeply integrate with and serve major national strategies. For example, the pilot free trade zone

in Hebei emphasizes its role in serving coordinated development of Beijing, Tianjin and Hebei, and the pilot free trade zones in Yunnan and Heilongjiang focus on serving the Belt and Road Initiative. The one in Guangxi serves the construction of China's new western land-sea corridor.

INSTITUTIONAL OPENING UP IN A NEW ERA

China has transitioned from factor-based opening up to institutional opening up, which demands further reduction of tariffs, facilitation of trade and attraction of foreign investment to accumulate high-end factors. It is also necessary to integrate with international rules and regulations in "post-border" fields including intellectual property protection, investment regulation and commercial regulation.

In the future, China's pilot free trade zones will focus on reform and innovation of "post-border" regulations and promote greater liberalization and facilitation of investment, trade, finance and emerging industries. They will be pioneering in terms of setting rules, testing pressure and integrating with international standards, making great contributions to a new mechanism of opening up. ■

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Quality Life in a Shared Future

By Zhou Xin

The import expo is helping foreign enterprises explore the Chinese market while giving Chinese consumers greater access to quality global products.

A famous line from *Analects of Confucius* goes, “It is such a delight to have friends coming from afar.” The second China International Import Expo (CIIE) was held in Shanghai from November 5 to 10, 2019. China continues to increase its opening up and share the fruits of development. Its efforts to organize the expo are helping foreign enterprises explore the Chinese market and find more opportunities while at the same time providing Chinese consumers easier access to quality global products that can improve their lives.

Chinese President Xi Jinping remarked in his keynote speech at the opening ceremony of the second CIIE, “The Chinese people often say, ‘The world is a big place, and I want to see just more of it.’ What I want to say

to you today is that the Chinese market is such a big one that you should all come and see what it has to offer.”

“I have faith in the bright prospects of China’s economic development. China’s development, viewed through the lens of history, is an integral part of the lofty cause of human progress. China will reach out its arms and offer countries in the world more opportunities of market, investment and growth. Together, we can achieve development for all,” he added.

A BETTER EXPO

“It is our sincere commitment to open the Chinese market,” Xi pledged at the opening ceremony of the first CIIE last year. “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.”

Following the success of the first expo, this year’s event improved comprehensively. According to statistics, the second CIIE was attended by 181 countries, regions, and international organizations. Over 3,800 enterprises from various trades and professions joined. Exhibits including high-end equipment, smart household appliances and delicious foods from all over the world provided Chinese traders with numerous opportunities and amazed Chinese visitors with opportunities to taste exotic delicacies. China’s ministries and local governments sent 39 trading delegations to the second expo, far more than last year. The total exhibition area expanded to over 360,000 square meters. Compared with the first CIIE, the

average booth space for each exhibitor increased from 74 to 90 square meters, and the number of countries designated as guests of honor increased from 12 to 15. One in three countries joining the country exhibition was new to the expo.

The day the second CIIE concluded, Sun Chenghai, deputy director of the CIIE Bureau, announced that a total of US\$71.13 billion worth of tentative deals had been reached for one-year purchases of goods and services during the event, up 23 percent from the previous expo.

Upon the conclusion of the second edition, a clock started counting down seconds until the next event and a new registration link appeared on the official website of the CIIE. Sun had previously revealed that recruiting work for the third expo has already begun and so far 115 companies from around the world have signed up for exhibition booths with a total area of more than 60,000 square meters. China's resolve to expand opening up and promote win-win cooperation is clear. As President Xi pointed out in his keynote speech at the opening ceremony of the Boao Forum for Asia in 2018, "China's door will not close but only open wider."

LUCKY CLOVER

The National Exhibition and Convention Center in Shanghai resembles a giant silver four-leaf clover when viewed from



A new passenger plane model from Russia displayed in the Russia Pavilion at the second China International Import Expo. by Xu Xun

the sky. Each "leaf" of the venue offered a great variety of products. The seven major exhibition areas covered Trade in Services, Automobile, Equipment, Sci-tech Life, Lifestyles, Medical Equipment & Health Care Products, and Food & Agricultural Products. Dazzling exhibition booths set each other off with cool exhibits and great functionality.

In the Equipment section, cutting-edge devices from around the world were displayed including a set of robotic arms assembling an automobile. Five large robotic arms moved quickly and efficiently to assemble the car. The equipment was made by a Japanese robotics maker. According to a representative from the Japanese company, their products are mostly used by Japanese automobile companies operating in China. He expressed hope that his first trip to the CIIE would attract more Chinese carmakers to use the equipment his

company provides.

Recently China has been promoting new measures for garbage sorting and recycling. Many people are finding the extremely detailed rules for garbage classification difficult to navigate. In the Sci-tech Life section, a thoughtful German software and business solution provider came up with a smart assistant for sorting garbage. A small device scans a piece of garbage to suggest how it should be disposed. Users can also classify the garbage by following its official WeChat account and uploading a picture. The product and service in tandem can make the sorting process more convenient and time-saving.

As the living standards of Chinese people improve, the requirements for the quality of drinking water have also risen. Devices offering purified water are booming in communities all over China.

The chief representative of an Israeli company in China believes that such devices have many shortcomings. Some devices are vulnerable to bacteria and other sources of pollution, jugs are a waste of resources, and transportation of water requires logistics costs. The electricity or diesel-powered water machine built by his company, however, produces clean drinking water without the need for a conventional water supply. Moreover, the device produces water so easily that its operation shows particular promise for conditions such as in the aftermath of a major disaster.

"HONGQIAO WISDOM" POWERING THE WORLD ECONOMY

"Improvement in global governance requires strengthening dialogue between civilizations," remarked Du Zhanyuan, president of China International Publishing Group, at a sub-forum themed "China's 70 Years of Development and Building a Community with a Shared Future for Mankind" at the second Hongqiao International Economic Forum. He dubbed people-to-people exchange the most basic and effective measure for global governance in this era. Global

governance is significant to the interests of all countries and the well-being of the people. While human hearts wield the greatest political power, dialogue between civilizations is the most basic, solid and sustained value and power of the international community. Civilization dialogue can lay the foundation for reform and improvement of the global governance system to increase its benefits.

The second Hongqiao International Economic Forum was held in Shanghai on November 5. It consisted of one major forum and five sub-forums. Guests from political, business and



November 6, 2019: Du Zhanyuan, president of China International Publishing Group, delivers a keynote speech at a panel meeting of the sub-forum "China's 70 Years of Development and Building a Community with a Shared Future for Mankind," part of the second Hongqiao International Economic Forum held on the sidelines of the second China International Import Expo in Shanghai. by Xu Xun



Delicious food and agricultural produce displayed at the second China International Import Expo. The Food & Agricultural Products section hosted nearly 2,000 enterprises from over 100 countries, the most in all sectors.
by Xu Xun and Wan Quan

academic circles around the world conducted in-depth discussions on topics such as China's contributions to the world, global economic growth and the Belt and Road Initiative. More than 3,600 guests from official delegations of over 130 countries and regions, international organizations, exhibitors and purchasers joined people from political, commercial and academic circles to attend the event.

Chen Chao, deputy director of the Department of International Trade and Economic Affairs of the Chinese Ministry of Commerce, explained that the forum aims to capitalize on new trends of the world economy, tackle new challenges facing global economic development, highlight open development

and innovation and explore paths and prospects for revitalization of the world economy through "Hongqiao Wisdom" found in the "Hongqiao Proposal."

A rule-based multilateral trade system is the foundation of economic globalization and free trade, according to Luhut Binsar Pandjaitan, Special Envoy of the President and Coordinating Minister for Maritime Affairs of Indonesia. He added that Indonesia supports necessary reform of the World Trade Organization in line with the value of the multilateral trading system through strengthened regulations. Doing so is the only path to a stable and predictable future for international trade.

Aranca Gonzalez, executive director of the International Trade Center,

stated that e-commerce has revolutionized relations between purchasers and sellers while maximizing value on both sides. Future development of e-commerce requires sound global regulation. It is good news that China, the United States and the European Union are engaging in constant efforts to formulate rules for emerging realms such as cyber security.

Peter Mwangi Kagwanja, president and chief executive of Africa Policy Institute in Kenya, noted that there had never been a country with 1.4 billion people making such an achievement as China did. China has become a leader in globalization, and its development manifests that civilizations can coexist and that modernization requires diverse development. No universal development mode can be applied to all countries. 📷

CIIE: Open Door to the Chinese Market

By Nathan Bennett

As China's consumption economy continues to rise, this will create opportunities for global companies to enter the Chinese market.

China has been opening up its economy, but what if foreign companies looking to enter the Chinese market cannot find the door? Recently in Shanghai, that door was lit up for companies to see. The second China International Import Expo (CIIE) ran from November 5 to 10, 2019 and brought together over 3,000 foreign companies, large and small, including over 250 of the Global 500. The CIIE gave foreign companies a platform from which to explore the Chinese market by introducing potential distributors and partners or industrial customers.

Foreign companies may face different challenges moving into the Chinese market. Large companies have to keep up with a web of companies and

organizations, not just buyers and sellers, and engage as reliable business community members. Small companies may be the size of a single person, and they have to crack the communication barrier to find a handful of distributors who can make it possible for them to reach Chinese consumers. The CIIE made connections possible for every angle of doing business in China.

DEEPEN CONNECTION WITH CHINA

Large companies at the CIIE had lavish and extensive displays, featuring demos of helicopters, engines, refrigerators, fashion, shelves of food products, full demos of audio recording equipment—almost everything you can imagine,

and with enough space to show them off. Boeing and Honeywell, featured at the expo, already have long histories in China, and the CIIE was a chance for them to deepen their connections with the country.

Curtis Cartier from Boeing Communications described the give-and-take opportunities for Boeing at the expo. On the one hand, he reported that they were able to share about Boeing's "latest innovations, new partnerships," as well as the company's "vision of a more connected future." On the other hand, they "learned about new technologies and developments across a wide swath of industries."

The convergence of technological, social, legal, business, manufacturing and other requirements in



Booths in the Equipment section of the second China International Import Expo. by Xu Xun

such advanced products as passenger aircraft requires a well-maintained web of relationships with a broad array of business partners, both direct and indirect. Summarizing Boeing's participation in the CIIE, Cartier said, "We hope that our presence at the CIIE demonstrates our overall commitment to China, and to working together with Chinese government departments, customers, suppliers and communities to grow the commercial aviation industry in a way that benefits all."

Boeing announced two partnerships at the second CIIE, one with the China Aviation Supplies Company for parts manufacturing and the other

with Tsinghua University High School for education. At Tsinghua University High School, they are cooperating with the Newton Project from Scandinavia to open a Newton Room at the school to enhance STEM education.

For the conglomerate Honeywell, which delivers "hi-tech solutions ranging from aerospace products and services, control technologies for buildings and industry, and performance materials to the Internet of Things" according to Lu Chunhua, Director of Corporate Communications for Honeywell, the CIIE provided an opportunity to demonstrate its commitment

to the Chinese market and its customers. Its display at the second CIIE, themed "The Future Is What We Make It," was three times larger than its display the previous year. Honeywell signed dozens of deals at the first CIIE and scored more deals at the second.

Honeywell cooperated in the production of China's first indigenous jumbo jet aircraft, the C919, and has worked to integrate with many of China's macro trends, like the digital economy, the Beautiful China initiative, and the Belt and Road Initiative, according to Lu. He indicated that Honeywell's revenue in China increased six-fold from

2004 to 2018, and China has become Honeywell's largest single country market outside the United States since 2013. Over 30 leading technologies were featured at the expo, and the ability to directly connect with Chinese customers and demonstrate their "capabilities to solve global challenges in terms of manufacturing, energy efficiency and safety" made CIIE participation worth it for Honeywell. Honeywell is pursuing a strategy called "East for East," fully indigenizing itself to the Chinese market, and in turn export to the rest of the world through its strategy "East to Rest."

NEW FACES IN CHINA

Small companies at the CIIE had a range of booth sizes.

Some were perhaps 10 to 20 square meters, and others were as small as the space taken up by a single office desk in an area of identical cubicles. Some countries had their own exhibition areas in product-specific halls, and smaller companies set up their displays within a set of provided spaces.

The Colombian chocolate company Gironés participated in the CIIE for the first time in 2019. The company's Projects Director Mario Andres Rojas Afanador stated that the expo helped Gironés evaluate and validate its products portfolio and identify traditions, consumer tendencies and preferences. The company produces everything from industrial cocoa ingredients and cocoa ingredients for cooking to chocolate bars and

drink powder. Afanador stated generally that the CIIE helped them connect with "distributors, manufacturers, retailers, wholesalers" and others.

Having no previous "direct or indirect trade relations with Chinese companies or customers," Gironés, like many other suppliers of tea, coffee, and other confectionary goods from around the world, was able in person to establish relationships with partners further into the Chinese market in order to move their products more conveniently, thanks to the CIIE. For many small businesses, it may only take one regular buyer to sustain operations, especially for smaller producers of raw or value-added agricultural products, and distributors help make those products available



Cars displayed at the second China International Import Expo. by Xu Xun



Staff members of a luxury brand from Italy display their products at the second China International Import Expo. by Xu Xun

for retail in China's second- and third-tier cities.

Luxury brands new to the Chinese market are in a situation similar to smaller companies. Andrey Bednyakov from the Russian company Imperial Porcelain Manufactory (IPM) said that participation in the expo was very helpful for IPM, so he thinks they will "definitely take part" in the 2020 expo. As a luxury brand entering the Chinese market, a company like IPM entering a new market requires a different set of connections than a company like Coca-Cola that sells large volumes of cheap products. They have to find partners who understand high-quality goods, who end-users in turn understand to be offering high-quality goods.

IPM, founded in St. Petersburg in 1744, specializes in hand-painted porcelain, and it has been in the Chinese market for about one year. Brand

recognition is especially important so that consumers will appreciate the price, and in China they have registered under the Lomonosov trademark. Bednyakov said that IPM representatives attended the first CIIE as visitors, and in 2019 they participated as an exhibitor. The expo helped them establish brand recognition with business-to-business partners like hotels and gifting companies.

Bednyakov reported that it was important to find local partners to produce quality packaging and product photos which appeal to Chinese customers. Shipping from Russia is expensive, so utilizing bulk shipping and then packaging locally for distribution within China was an important point in their logistics. They already have a presence on Chinese online retail platforms and are looking to expand their market share.

OPEN THE DOOR WIDER

The CIIE is hard evidence of China's efforts in opening up. As China's consumption economy continues to rise, this will create opportunities for global companies to enter the Chinese market and, seeking to develop their own industries back home and improve their product offerings. Producers in developing countries will benefit from increased cash flow as they learn to incorporate value-added processes before finally exporting their products to the Chinese market. The ongoing operations of companies worldwide encourage the development of industries in developing countries on a non-governmental level, even at a grassroots level. However, they have to have someone to call when they pick up the phone to place an order or to make an inquiry. The CIIE allows for the initial contact, paving the way for good relations between buyers and sellers.

The idea of finding the door to enter the Chinese market is a simple metaphor, but the reality involves communication barriers, shipping questions, legal approval, and more. The CIIE makes possible the human relationships that start and sustain the connections which mean a company has found the right door. Knowing that there's someone on the other end of the line to receive a shipment and wire money back makes all the difference in business, and the CIIE is one more step that China has made in opening up its economy to the world. 📺

CIIE: An Expo Beyond an Expo

By He Shuquan

The CIIE, which includes business exhibitions, country exhibitions, international economic forums and supporting activities, is a major initiative of China to open its market to the world.

The second China International Import Expo (CIIE) has wrapped up in Shanghai, attracting worldwide attention as its first edition did in 2018. Compared to the first CIIE, this second event was larger in scale and product range. It showcased more new products, technologies and other content in various forms with the participation of more enterprises.

What makes the CIIE so attractive? The answer is that it is an expo beyond an expo. The CIIE, which includes business exhibitions, country exhibitions, international economic forums and supporting activities, is a major initiative of China to open its market to

the world. It aims to become an important platform for countries to work together to develop and deepen cooperation and for enterprises to develop their businesses.

First, it is an important window to learn more about China's efforts to optimize its business environment and deepen its opening up. A year ago, China made a commitment to further opening its market to the world, and the past year has seen the realization of the commitment. China released its 2019 Negative List in June 2019, which is much shorter than its 2018 version. It also set up six more free trade zones in August 2019. In addition, several new laws and regulations regarding foreign investment, business environment and e-commerce

have been passed and implemented. The newly-revised regulations on the administration of foreign insurance companies and the administration of foreign banks made it easier for foreign banks and insurance companies to enter the Chinese market.

Second, the “never close” and “6+365” model ensures a spillover effect. With the world's largest population, China has become the second-largest economy as well as the second-largest importer and consumer in the world. It provides a huge market and numerous business opportunities for international companies. The CIIE not only benefits enterprises through their business transactions but also helps in their business future

by providing a “never close” and “6+365” one-stop trading services platform. With links to the free trade zones and other national strategies, the CIIE is not a stand-alone event. The China (Shanghai) Pilot Free Trade Zone has been recently expanded not only in size but also in function, which will facilitate the CIIE to achieve spillover effects. The Hongqiao Import Commodity Exhibition and Trading Center is one of the permanent trading platforms where bonded exhibition, transaction, logistics and storage services are all available. As a major platform that demonstrates and expands the spillover effects of the CIIE, it is positioned as a distribution center for imported goods that connects the Yangtze River Delta, serves the whole nation, and even radiates across the Asia-Pacific region.

Jungheinrich AG, a leading intra-logistics solutions provider based in Germany, participated in the first CIIE and is now focusing strongly on China. It is investing a lot of money into its operations there, and has set up its own factory and established cooperation with Chinese companies in order to continue growing with new products in the market. At the first CIIE, Jungheinrich exhibited a broad range of material-handling equipment, and at the 2019 event it focused more on automatic systems, such as its new STC stacker crane for automated mini-load warehouses.

Elekta, a Swedish company that provides cancer-care



■ Cutting-edge medical equipment displayed at the second China International Import Expo.
by Xu Xun

devices and solutions, is another beneficiary of the CIIE's spillover effects. The company received dozens of orders at the first CIIE, and many of its products have been deployed at Chinese hospitals. Only three months after the company debuted its latest self-adaptive accurate stereotactic radiosurgery treatment system at the first CIIE, the system was officially deployed at the Shanghai Gamma Knife Hospital. The Swedish company established Elekta (China) Investment Co., Ltd. at the end of 2018 with the number of its employees in China exceeding that at its headquarters in Sweden, and its R&D personnel in China now accounts for about half of the company's worldwide total.

Third, the Hongqiao International Economic Forum offers a high-end dialogue platform for global political, business and academic communities to put forward suggestions on improving and transforming the global economic governance system. With the theme “Opening-up and

Innovation for Win-win Cooperation,” the forum attracted over 4,000 representatives from around the world to discuss how to better promote sustainable and healthy economic development, create a better business environment for enterprises, and benefit more people. The CIIE has sent an important message that imports are as important as exports, reminding us that trade is not a zero-sum game. In a world where added value is globally linked and economy and trade are being transformed by the modern industrial revolution and technological progress, it is even more vital for all countries to work together to build a better world.

China has been ramping up efforts to optimize its business environment to ensure that entrepreneurs and innovators can compete in a fair environment based on market rules. With its aim of creating a higher-quality and better exhibition as well as stimulating more innovation, the second CIIE has been improved through its service, reputation and achievements, thereby increasing its spillover effects. The CIIE brings benefits to both producers and consumers, countries and businesses, and eventually to China and the world. 

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The article is reposted from China.org.cn with editing. The author He Shuquan is a professor with the School of Economics, Shanghai University.

Six Major Outcomes of the Second CIIE

By Hisham Abu Bakr Metwally

The CIIE is a platform to demonstrate the openness and willingness of the world's second-largest economy to work with international companies and expand its import market.

Against a backdrop of rising protectionism and trade frictions, the second China International Import Expo (CIIE) showcased China's commitment to a full-fledged opening up to the world.

The CIIE is a platform to demonstrate the openness and willingness of the world's second-largest economy to work with international companies and expand its import market.

Under the principle of promoting trade multilateralism, the Chinese government has estimated that the country's total imports of products and services will exceed US\$10 trillion over the next five years.

The five-day event held in Shanghai welcomed thousands of businesses from

more than 170 countries and international organizations under the banner of "New Era, Shared Future."

Here are some of the event's highlights.

UNPRECEDENTED DEALS

This year saw a 23-percent increase from the inaugural import fair last year. In total, a record US\$71.13 billion worth of deals were struck under the roof of the National Exhibition and Convention Center, the venue for the second CIIE.

The sheer number and value of the deals struck between international companies and Chinese importers encouraged more than 230 foreign businesses to immediately register for the 2020 event.

CHINA AS A BUSINESS HUB

In the past, it was more common for Chinese companies to send their trade delegations to various countries around the world in search for business. Now, China is increasingly taking center stage in hosting business and trade expos.

This has greatly increased international exhibitors' interest in the Chinese market.

The CIIE has brought unprecedented gains to both buyers and sellers and represented a major step forward in the promotion of openness and trade multilateralism.

IMPROVING CHINA'S GLOBAL IMAGE

In the past, many companies worried that the Chinese



Japanese automobile assembling robots displayed at the Equipment section of the second China International Import Expo. by Xu Xun

market was difficult to access and that Chinese consumers did not welcome foreign goods. However, this expo has completely dispelled the worry and shown that Chinese consumers welcome quality products from countries around the world, and also that access to the Chinese market is not so difficult after all.

The perception of global business has likely changed completely after the second CIIE. It is now increasingly difficult to make the claim that China is an inward-looking country.

BUILDING A MULTILATERAL TRADING COMMUNITY

The trade protectionism of the Trump administration has been proven to be severely detrimental to the United States as well as the world economy. This import expo was an example of the importance of building an open world for all and offers

proof that trade and gains are greater with the policy of cooperation, sharing and multilateralism. The second CIIE further integrated global supply chains and helped global companies expand their business despite the difficulties created by protectionist policies of some countries.

The import fair has demonstrated that a win-win global trade movement can be built if all parties cooperate to develop appropriate policies and strategies that allow free exchange of goods and services.

ACHIEVING CLOSER AND BETTER COMMUNICATION BETWEEN PEOPLES

The CIIE has provided an opportunity for all participating countries to exchange ideas quickly and easily. Exhibitors also had the opportunity to exchange experiences with different

cultures and share valuable information regarding their customs and traditions.

The expo has become a great opportunity for a new generation of traders from different countries to build good and sound relations based on the principles of shared interest and mutual respect.

It is expected that with each successive edition of the CIIE, links between companies and peoples will increase dramatically, and will pave the way for a world that shares development and a common destiny.

AN OPTIMISTIC OUTLOOK FOR THE GLOBAL ECONOMY AND TRADE

With the sharing of ideas and increasing partnerships, events such as the CIIE will greatly benefit the global community. It creates an environment for developing economies and emerging markets to enter into strategic partnerships with leading technology companies to build a better future capable of facilitating trade and achieving rapid growth of the world.

In sum, I would like to pay tribute to the success of the CIIE in its promotion of inclusive and win-win cooperative development based on shared values and a common destiny. ■

The article is reposted from China Focus with editing. The author Hisham Abu Bakr Metwally is an Economist Researcher at the Central Department for Export and Import Policy under the Egyptian Ministry of Foreign Trade and Industry.

RCEP: India's Woe behind Retreating

By Mao Keji

Although “temporary retreat” is India’s rational choice after weighing the pros and cons, it is a pity that India cannot obtain the “optimal solution” for its economy because of its situation.

On November 4, 2019, the third conference of leaders for the Regional Comprehensive Economic Partnership (RCEP) issued a joint statement in Bangkok, announcing the conclusion of the textual negotiation of all 20 chapters among its 15 participating countries, except for India. The agreement is expected to be formally signed in 2020. At the same time, India confirmed that it will not join the RCEP for the time being. Although “temporary retreat” is India’s rational choice after weighing the pros and cons, it is a pity that India cannot obtain the “optimal solution” for its economy because of its situation.

WOE FOR INDIA

India’s failure to join the RCEP after seven years’ negotiation reflects its woe. In 2012, ASEAN announced the beginning of RCEP negotiations with six partner countries, including China, Japan, South Korea, Australia, New Zealand, and India, under the framework of “10 + 6.” Since then, India has been involved as a negotiator. In 2014, Narendra Modi, known for his ambition for reform, was elected Prime Minister of India. He even regarded the RCEP as an opportunity for India’s export industry to leapfrog to another stage of development by reducing the market barriers of its

importers, and fully replicate the miracle of China, which has shared the global dividend after its entry into the WTO.

Although the wish is good, the reality is cruel. Since 2012, after several rounds of negotiations, 15 countries except for India gradually approached to reaching an agreement. U.S. President Donald Trump’s protectionism and rule-breaking behaviors are also a factor accelerating the RCEP negotiations. However, India has not been able to advance a domestic reform agenda during this period, and its market is not prepared to participate in fierce international competition. To make matters worse, India also experienced a



November 4, 2019: The 3rd Regional Comprehensive Economic Partnership (RCEP) Summit is held in Bangkok, Thailand. Xinhua

sustained economic downturn in 2019. In the second quarter, its GDP growth rate was only five percent, dropping by three percentage points from the previous year. Its sales of automobiles, real estate and fast-moving consumer goods plummeted.

Though international negotiations of the RCEP are progressing fast, India is not prepared domestically, and even faces new risks. If Modi chooses to push forward the controversial RCEP negotiations in this situation, no doubt there will be mass criticism from the public in India, which will be unbearable political pressure for Modi. In the recent parliamentary elections

in Haryana and Maharashtra, Modi's Bharatiya Janata Party (BJP) performed worse than expected, which is an alarm. Therefore, under the

will be good. And there won't be any loss if they cannot. Under this strategy, India has proposed replacing the "one-time reduction" of tariff

Though international negotiations of the RCEP are progressing fast, India is not prepared domestically, and even faces new risks.

conditions that it is impossible for India to join the RCEP, the Modi government chose to gamble by raising the requirement in the final stage of the negotiations. So long as they can get favorable terms, it

with "gradient reduction." It also proposes introduction of a "proportional circuit breaker" for imported goods, and opening up of the service industry. But in the final stage of the RCEP negotiations,

these special requirements became the main obstacle to reaching an agreement. Many leaders of ASEAN countries, including Malaysian Prime Minister Mahathir Mohamad, expressed dislike for India's approach.

DILEMMA IN REALITY

For India, pressing ahead with reform through opening up is not feasible. Maybe the biggest dividend from “forced opening up” will be “forced reform,” which can drive the ruling party to keep competitive by updating its policies. However, due to problems of political structure and governance, India cannot transform the pressure brought by opening up into impetus for reform. As a result, the opening up of India may lead to a distorted effect: Although it withstands the competition from foreign companies,

the pressure is absorbed by the society and the opening up won't trigger the reform relating to the vested interests. For example, no matter how big the pressure will be for the fragile agriculture and animal husbandry of small-holders, Indian soil owners

Although it withstands the competition from foreign companies, the pressure is absorbed by the society and the opening up won't trigger the reform relating to the vested interests.

will not give up resistance on the acquisition of land. And no matter how immense the pressure will be for the rigid and inefficient manufacturing industry in India, staff of the Indian administration will absolutely not give up heavy protection for rights of labor.

India's history and its current situation both show that opening up may have nothing to do with reform. Instead, it brings pain. Historically, the South Asian Subcontinent was one of the biggest economies in the world before the invasion

of British colonizers. It was particularly famous for its prosperous textile industry. However, after India was forced by the British colonizers to open its doors, it was brutally exploited. Its industries and people suffered heavy losses, which became the beginning of the country's colonial history. As a result, the Indian people, ranging from political elites to common people, all hold negative attitudes to opening up. The idea has even become part of the national character of India.

What's more, India has seen itself “suffer more when signing more free trade treaties” in recent years. After signing the Comprehensive Economic Partnership Agreement (CEPA) with South Korea, for example, the growth rate of import from the East Asian country has been much higher than the average growth rate of India's total import, but its exports to South Korea have



July 4, 2019: An Indian merchant introduces goods to visitors at the 25th China Lanzhou Investment and Trade Fair. Xinhua



China and ASEAN countries have constantly strengthened cooperation with other economies outside the region and promoted the construction of the Belt and Road to reach more achievements benefiting the world. The picture shows the container wharf of the Qinzhou port in southern China's Guangxi Zhuang Autonomous Region. Xinhua

grown much slower than its export to other countries. The result is a surging trade deficit with South Korea, increasing from US\$5 billion in 2009 to US\$12 billion in the 2018-19 financial year. Similarly, its trade deficit with ASEAN countries has also grown steadily since the relevant free trade pact was implemented.

The surge of trade deficit with South Korea and ASEAN countries after signing free trade pacts suggests that if opening up its market to New Zealand and Australia, both having developed animal husbandry, and China, an economy with an advanced manufacturing industry, India's economy may suffer a terrible blow, which is politically and economically unacceptable.

In fact, since his successful reelection in May 2019, Modi has carried out some policies beneficial to India's industrial development. For

example, India's Ministry of Finance recently introduced many tax reduction policies, and its Ministry of Commerce and Industry put forward a number of industrial stimulus policies, which demonstrate that India attaches great importance to the development of the manufacturing industry. Although Modi is eager to bring India into the international division of labor with the Asia-Pacific region as the hub and get more shares from the global value chain, he still chose to retreat at a critical moment, considering the economic predicament and the outstanding political contradictions.


NATIONAL STRENGTH AT THE CORE

For India, there is no loss in the short term for not joining the RCEP, though it may lose a golden opportunity to participate as a

founding member in the division of labor in the Asia-Pacific region. In the end, the shortage of national strength makes the core reason of its hesitation for joining the RCEP.

First, it is difficult for India to coordinate between short-term gains and long-term interests. It cannot sacrifice some short-term political and economic interests for larger dividends in the long term. However, in the era when industries around the world are deeply integrating, India may miss the opportunity for national rejuvenation if it refuses to make progress.

Second, it is also difficult for India to coordinate between those who gain and those who suffer. Voices of gathered opponents (dairy farmers, for example) and scattered supporters (consumers of dairy products) are not balanced. Nor can they cooperate to reach a good result for both.

The third reason, and the most critical one, is that India has always been lacking the ability of pushing forward in-depth reform. If complete reform of key factors including labor and land cannot be carried out, it can be expected that the industry of India will not be prepared for further opening up. And it will be even harder for India to get integrated in the international division of labor. 

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BRICS Partnership on New Industrial Revolution: For Higher-Quality Cooperation

By Tian Bin and Yu Juan

Deepening the BRICS Partnership on New Industrial Revolution will serve as the key to launch the second “golden decade” of the BRICS mechanism and enrich BRICS cooperation.

The 11th BRICS leaders’ meeting was successfully held in Brasilia, the capital of Brazil, in November 2019. In his keynote speech titled “Together for a New Chapter in BRICS Cooperation,” Chinese President Xi Jinping called on the BRICS countries to seize the opportunities that come with reform and innovation, deepen the BRICS Partnership on New Industrial Revolution, and strive for more productive cooperation in such fields as trade and investment, digital economy, and connectivity. He pointed out that these efforts would motivate economic

growth and promote the high-quality development of the BRICS economies.

The proposal of establishing the BRICS Partnership on New Industrial Revolution was put forward by China, initially at the 10th BRICS summit in Johannesburg, South Africa, in 2018. It was officially written into the 10th BRICS Summit Johannesburg Declaration. Nowadays, advancing this partnership becomes the important

direction for the five member countries to expand opening up and deepen innovative cooperation.

The world is now undergoing profound changes unseen in a century. The profound changes have been caused mainly by two sets of forces. On the one hand, the global economic and trade situation is growing more complex and volatile, with uncertainties and destabilizing factors constantly emerging, and protectionism and

The world is now undergoing profound changes unseen in a century.



June 28, 2019: Chinese President Xi Jinping (2nd left) meets with Brazilian President Jair Bolsonaro (center), Russian President Vladimir Putin (1st left), Indian Prime Minister Narendra Modi (1st right) and South African President Cyril Ramaphosa (2nd right) at a BRICS leaders meeting on the sidelines of the G20 Summit in Osaka, Japan. Xinhua

unilateralism on the rise. On the other hand, a burgeoning round of technological revolution and industrial transformation is taking place, which contributes to the rapid re-shaping of global economic structure, as well as the flourishing development of new technology, new products, new applications and new business models. These positive factors have provided unprecedented boost to economic and

social development, and they are pushing forward the profound adjustment of economic landscape and industrial patterns.

The BRICS Brasilia Summit was held under the theme of “BRICS: Economic Growth for an Innovative Future.” Against the current backdrop of a new round of industrial transformation driven by technological revolution, the BRICS member countries should uphold the BRICS

spirit characterized by openness, inclusiveness and win-win cooperation, and work together to promote the construction of the BRICS Partnership on New Industrial Revolution. The efforts will be conducive to effectively improving the competitiveness of the BRICS countries, emerging economies as well as developing countries, advancing the high-quality development of industrialization, and



July 18, 2018: The 3rd BRICS Media Forum is held in Cape Town, South Africa. Media representatives from BRICS countries held a series of discussions under the theme of “BRICS Media Cooperation—Fostering an Inclusive, Just World Order,” aiming to explore ways to further exchange and cooperation. Xinhua

pursuing the inclusive growth of the global economy.

We should conform to the transformational trend and take hold of the opportunities brought by it. The essence of the new

industrial revolution lies in tapping the potential of the new generation of information technology, including the mobile internet, Internet of Things, big data, cloud computing

and 5G, to achieve effective connection and deep integration of various needs, supply resources and factors of production, which contributes to accelerating the digital, networked, and intelligent transformation of manufacturing. As an ancient Chinese saying goes, those people who can discern the trend are wise, while those who can drive the trend will win. In the face of a historic period of converging timeframes of strategic development goals, and under the influence of ongoing profound transformation, it is crucial that we adhere to the philosophy of openness, inclusiveness, mutually beneficial and win-win collaboration, and innovative cooperation. We should endeavor to promote the development of



April 12, 2018: The National Art Museum of China hosts the event “Uniqueness and Convergence: Forum of BRICS Alliance of Art Museums and Galleries” in Beijing. Xinhua

the BRICS Partnership on New Industrial Revolution, which will be beneficial to further intensifying innovative cooperation in such fields as digitization and industrialization. It is of great significance to closely follow the trend of the times and seize the important development opportunities brought by the Fourth Industrial Revolution.

We should build consensus and determine the direction forward. The primary objective of building the BRICS Partnership on New Industrial Revolution is to grasp the major trend of the new round of technological revolution and industrial transformation in a proactive manner, and tackle the current resurgence of protectionism on a global scale by appropriate means. It marks a major transition of the emerging economies from responsive and passive opening up in the past toward prevailing and proactive opening up. It represents the new solutions, new agendas, and new rules put forward by the BRICS countries to expand opening up. The construction of the partnership will release the huge potential of economic cooperation among different stakeholders. Through enhancing macro-economic policy coordination, more thorough alignment of development strategies of the five countries will be realized. Advancing the partnership will set the direction for the next



On November 13, 2019, Kids and Glory, the first documentary co-produced by the BRICS countries, was premiered during the BRICS Culture and People Exchange Forum in Brasilia, capital of Brazil. The photo shows the premiere ceremony of the film. CNS

“golden decade” of BRICS cooperation, and successfully launch the pragmatic cooperation model under the BRICS Plus mechanism.

We should enhance innovative cooperation, especially in key areas, while giving play to the comparative advantages of each country. While pursuing economic growth and transformational development, we should also explore new models of international cooperation. It is often much easier to follow than to lead. However, BRICS cooperation is committed to leading the world economy and globalization in the right direction, other than only being an active participant in and contributor to the international order. At the same time, it is also important to activate the development potential of each country and promote

concrete, win-win cooperation, with a focus on six key areas including industrial and sci-tech parks, innovation centers, incubation centers and enterprise networks.

An ancient Chinese proverb says that it takes 10 years to grind a sword. Deepening the BRICS Partnership on New Industrial Revolution will serve as the key to launch the second “golden decade” of the BRICS mechanism and enrich BRICS cooperation. It will further propel the industrialization process and inclusive growth of the BRICS countries and inject strong boost to transforming the global economic governance system. 

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BRICS: A Decade-Long Endeavour

By Sreemati Chakrabarti

If the BRICS wants to be meaningful for the entire world in the next decade of its existence, people-to-people ties through wide-ranging cultural contact need to be vigorously promoted.



November 14, 2019: The BRICS leaders pose for a group photo at the 11th BRICS summit in Brasilia, Brazil. Xinhua

The 11th BRICS summit was held in Brasilia in November 2019 under the theme of “BRICS: Economic Growth for an Innovative Future.”

The BRICS is now more than a decade old and it is the right time to assess its utility for the global community and for each of the BRICS nations. It is an extra-regional organization spanning four continents. About 45 percent of the planet’s population lives in the BRICS countries. Summits of the leaders of the five BRICS countries, as well as ministerial meetings, are held each year. In my view, it is the most important achievement of the BRICS that nearly half the world is in harmony with one another. As emerging economies, all the five countries play a significant role in maintaining stability in the multi-polar world. Less-developed countries look to these countries for cooperation and support; hence a multilateral organization like the BRICS has much to offer.

The primary objective behind the formation of the BRICS was to ensure that the world was freed from the domination of the Western-led financial institutions like the International Monetary Fund (IMF) and the World Bank. For many years, scholars and public figures from across the globe expressed the need to form a non-Western-led financial institution which offers support to developing countries without strings attached. To this end, the BRICS Bank was set up in

2015, which is now known as the New Development Bank (NDB). It has been made clear that the NDB is not meant to challenge Western banks and financial institutions but will complement them. Open to all members of the United Nations (UN), the NDB focuses on financing infrastructure and sustainable development in emerging economies and developing countries. So far, it has financed many projects, and it is expected to improve regulations to ensure that the development projects are not harmful to communities and the environment. One can say with certainty that the establishment and good functioning of the NDB is a significant fruit of BRICS cooperation.

Therefore, in economic cooperation among BRICS nations we see such important initiatives achieved such as the NDB and the Contingent Reserve

Arrangement. In security-related issues there is also visible progress in matters pertaining to international crimes related to drugs, terrorism, cyber security, maritime security to counter piracy and so forth. The BRICS countries have also contributed a large number of forces for UN peacekeeping missions.

Within a few years after the BRICS emerged, scholars and economists have tried to study its impact on global governance and, in particular, on economic governance. The question that arises is whether the BRICS is just a superficial construct of some rising economies or its coordinated efforts can determine the future of global governance. What kind of role the BRICS is likely to play in the transformation or the restructuring of global governance will be more visible in



On October 30, 2019, the third edition of the BRICS Media Joint Photo Exhibition opened in Sao Paulo, Brazil with the presence of more than 100 media representatives from the BRICS countries. The photo shows viewers at the exhibition. CNS

its second decade. The main impediment here, however, is the different economic situations of its member nations.

PEOPLE-TO-PEOPLE BOND

On the issue of interactions among BRICS countries, it is clear that there are limited remarkable achievements at the people-to-people level. In 2018 after the summit of leaders in Johannesburg, BRICS ministers of culture signed a declaration to enhance cooperation in cultural areas. Cooperation in fashion, culture and animation were envisaged. The culture ministers agreed to engage the NDB to fund cultural and creative industry programs. They also endorsed the establishment of the BRICS cultural working group comprising of senior officials from BRICS countries to promote people-to-people cooperation. The culture ministers also endorsed institution-to-institution collaboration which includes cooperation among museums and art galleries.

While these efforts are a welcome development, on the ground, not much appears to be happening. Cultural relations and exchanges have a far wider connotation. In my opinion, exchanges in literature, films and performing arts are essential to strengthen cultural relations among common people. Setting up BRICS institutes of culture in each member country can considerably increase cultural interactions. Such

an institute can organize film festivals on a yearly basis as well as music and dance performances. Let us not forget that all the BRICS nations are inheritors of rich cultural and civilizational heritages. Similarly, such an institute can promote exchange of literary works by supporting translation of the writings of eminent literary figures.

Educational exchanges also need to speed up. At a 2017 meeting in Beijing, BRICS education ministers pledged

As major civilizations, there is so much for China and India to give and take, but opportunities are not well taken.

to deepen their cooperation. They discussed issues that are common to all the member nations including reforming education, bringing equity and quality in higher education in particular, and organizing student exchanges. In 2018 when BRICS education ministers met in Cape Town, they welcomed the initiatives taken by member countries to provide a “transformative education agenda” that can actively address challenges of the 21st century especially regarding the technological changes commonly known as the Fourth Industrial Revolution. The resolution called to strengthen collaboration in technical and vocational education and training as well as to introduce BRICS scholarships to

students. Two other meaningful initiatives aimed for establishing the BRICS Network University and the BRICS University League.

Undoubtedly, these measures are necessary for educational collaboration to succeed. However, nothing significant has happened in this arena. If the BRICS aims to evolve into a consolidated, meaningful and active organization, then decisions taken at such meetings must be implemented with all sincerity. If the BRICS wants to

be meaningful for the entire world in the next decade of its existence, people-to-people ties through wide-ranging cultural contact need to be vigorously promoted.

CHINA-INDIA DYNAMICS

China and India are the two most populous nations of the BRICS grouping. Their close relations and interactions are key to strengthening BRICS cooperation. On matters pertaining to climate change, piracy, drug-trafficking and so forth, China and India have taken similar positions. At the political level, the leaders and diplomats of both countries have efficiently managed differences. Even if those differences do not get resolved in the foreseeable future, the



■ November 13, 2019: Chinese President Xi Jinping speaks at the closing ceremony of the BRICS business forum in Brasilia, capital of Brazil. Xinhua

two Asian siblings can maintain very cordial relations if cultural and educational exchanges are enhanced.

In the arena of China studies, I feel disappointed when seeing that Indians and Chinese are so ignorant of each other. As in the case of BRICS countries in general and between India and China, people-to-people contact, in particular, has so far been minimal. As major civilizations, there is so much for China and India to give and take, but opportunities are not well taken. The BRICS forum, however, provides opportunities for Chinese and Indian leaders to meet in a multilateral as well as bilateral vista to discuss a whole range of issues. Closer cooperation between India and

China will make the BRICS a more compact and robust organization.

On November 13, 2019, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi held bilateral talks on the sidelines of the BRICS summit in Brasilia. Writing about this, Chinese Ambassador to India Sun Weidong pointed out, “The overarching message from the Brasilia meeting was that the two leaders should continue to maintain close communication to jointly steer China-India relations to new heights. Reaffirming the Wuhan and Chennai consensus, the two leaders reiterated their joint resolve to enhance mutual trust, properly manage differences and expand practical cooperation in diverse fields.

The meeting was marked by a blend of sincerity and pragmatism, which will continue to shape China-India relations in the future.”

The above is an optimistic yet realistic assessment of China-India relations. As closer ties emerge in the relationship, it will be a stabilizing factor for the entire globe and further encourage the BRICS to strengthen itself which will be in the interest of all developing countries around the world. The BRICS of the future will perhaps be able to include more nations. 🇮🇳

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The author is an honorary fellow and vice chairperson of the Institute of Chinese Studies, New Delhi.

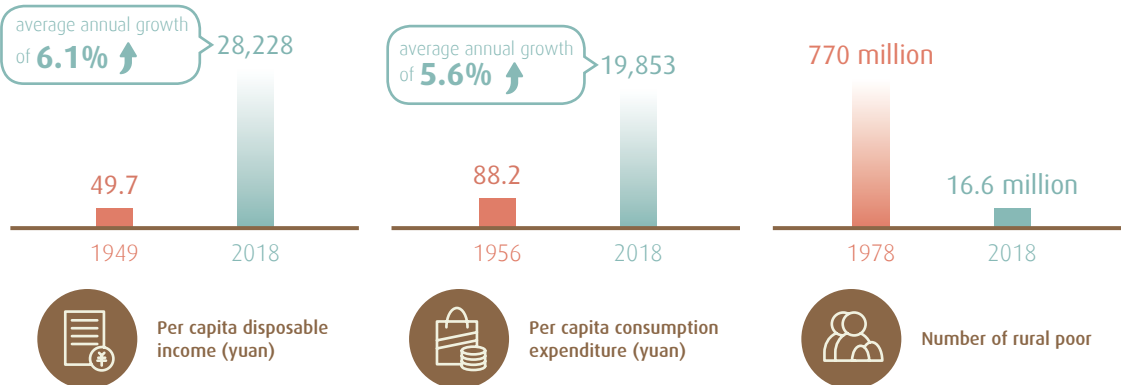
Better Livelihood: 70 Years of Development in China

Edited by Hu Zhoumeng



Across the 70 years since the founding of the People's Republic of China in 1949, especially since the beginning of the country's reform and opening up in the late 1970s, the income of urban and rural residents has increased significantly, their consumption level has grown dramatically, and their quality of life has improved enormously. From living without adequate food and clothing to building a moderately prosperous society in all respects, people's lives

have changed greatly. Since the 18th National Congress of the Communist Party of China (CPC), China has issued and implemented a series of policies and measures for the benefit of the people, especially the targeted poverty alleviation strategy, which has driven continuous and rapid growth of residents' incomes, further enhanced their consumption level and quality of life, and laid a solid foundation for completing the building of a moderately prosperous society in all respects. 🇨🇳



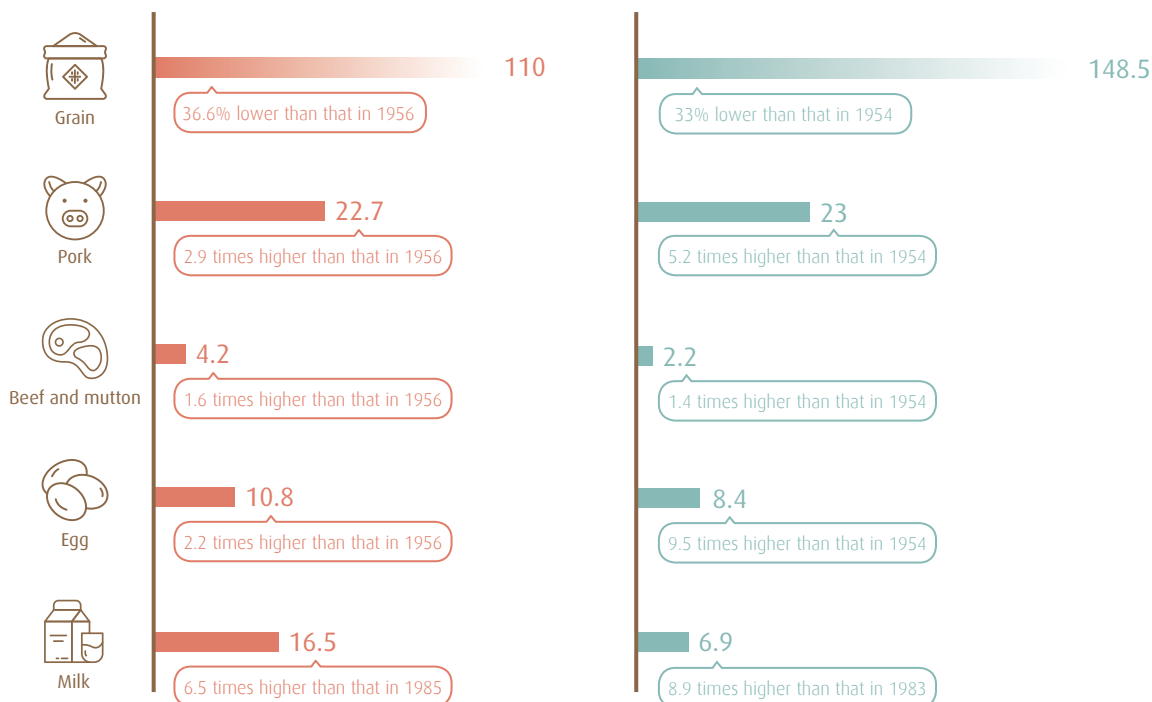
Note: In 1979, the exchange rate between RMB and USD was around 1:0.59; In 2018, the exchange rate between RMB and USD was around 1:0.15.

From Scarce to Abundant Food, From Dressed Warmly to Beautifully

Food consumption structure changed significantly

Per capita consumption of all types of food in 2018 (kilograms)

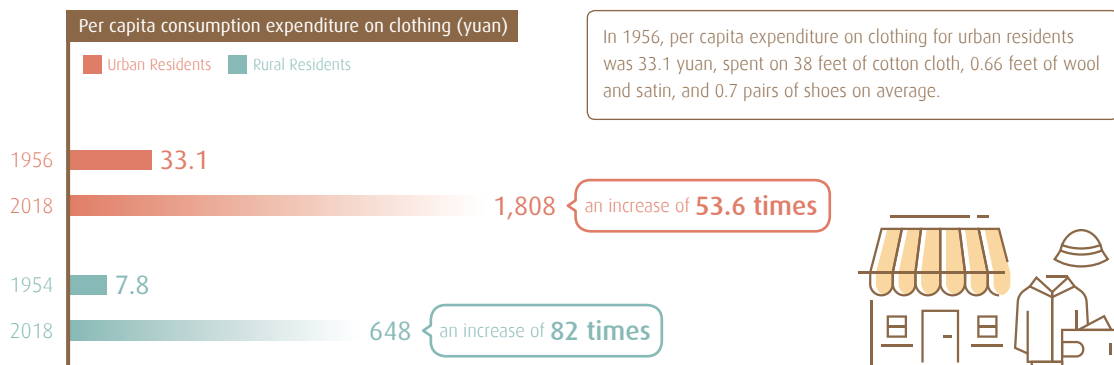
Urban Residents Rural Residents



Fashionable Clothing

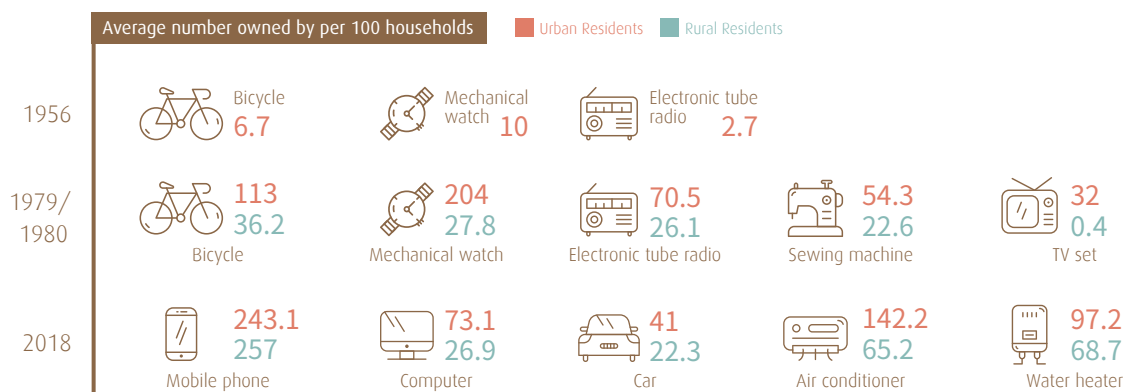
From the early days after the founding of the People's Republic of China to the time before the reform and opening up, people's demand for clothing was mainly to keep warm, and they generally purchased cloth to make their own clothes.

After the beginning of China's reform and opening up, both urban and rural residents have gradually changed from producing clothes, shoes and hats on their own to purchasing from stores. Brands, fashion and individuality of clothing have become the common pursuit of people, and the clothing consumption has increased significantly.



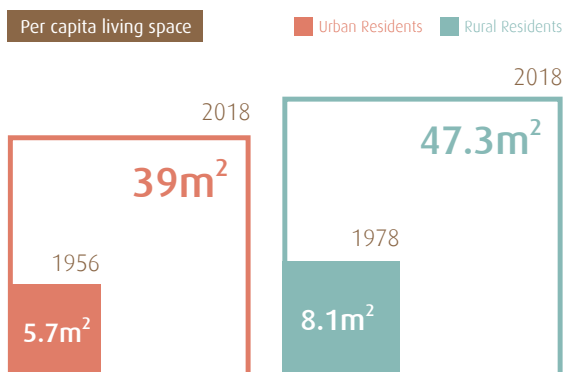
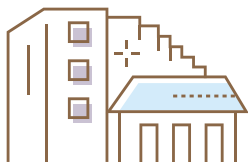
Durable Goods Constantly Upgraded, Quality of Housing Greatly Improved

Durable Goods Have Been Constantly Upgraded



Living Quality Has Been Greatly Improved

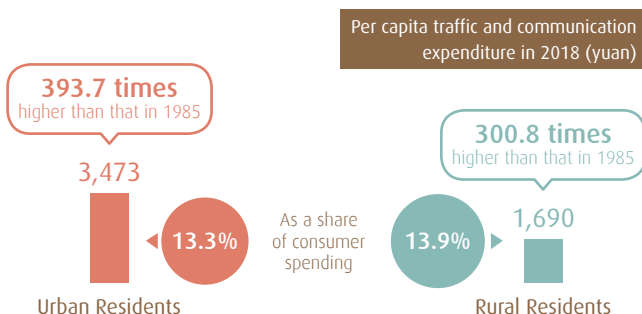
In the early days after the founding of the People's Republic of China, most urban residents rented housing from their company or the housing administration department. Only a few of them had houses of their own. It was common that three generations lived under one roof. Since the beginning of China's reform and opening up, investment in the construction of residential housing has constantly increased, and construction of low-cost housing and affordable housing, and renovation of shanty areas and dilapidated houses in poor areas, along with other measures, have been implemented to solve the housing difficulties of residents.



Modernization of Transportation and Communication, Enrichment in Consumption of Culture, Education and Entertainment

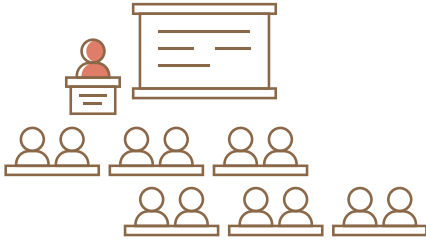
Transportation and Communication Have Become More Convenient

Before the reform and opening up, means of transportation of urban and rural residents were constrained by inadequate infrastructure, and communication mainly relied on the postal service. Over the past 70 years since the founding of the People's Republic of China, great achievements have been made in the construction of transportation infrastructure, facilitating travels of urban and rural residents. Modern communication tools have gradually become popular in urban and rural households, making communication increasingly efficient and convenient.



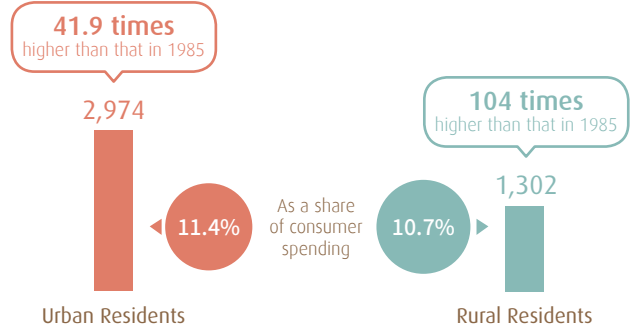
Enriched Cultural Life

Since the founding of the People's Republic of China, higher education has been gradually strengthened and overall education has been continuously improved. In 2018, the completion rate of nine-year compulsory education reached **94.2 percent**, and the gross enrollment rate of higher education reached **48.1 percent**.



Per capita expenditure on education, culture and entertainment (yuan)

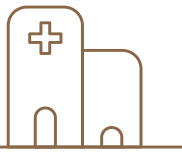
With the improvement of the material living standards of urban and rural residents, people are paying more attention to spiritual and cultural life. Emphasis on education investment is constantly enhanced, and entertainment has become more diversified.



Great Progress in Medical and Health Services, Significant Improvement in Living Conditions

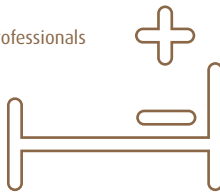
Continuous Improvement of Residents' Health Level

By the end of 2018 there were **997,000** medical and health institutions



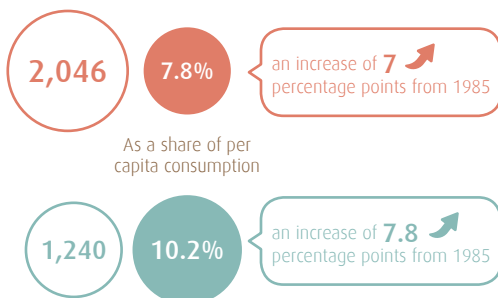
9.52 million medical and health professionals

8.4 million hospital beds in China



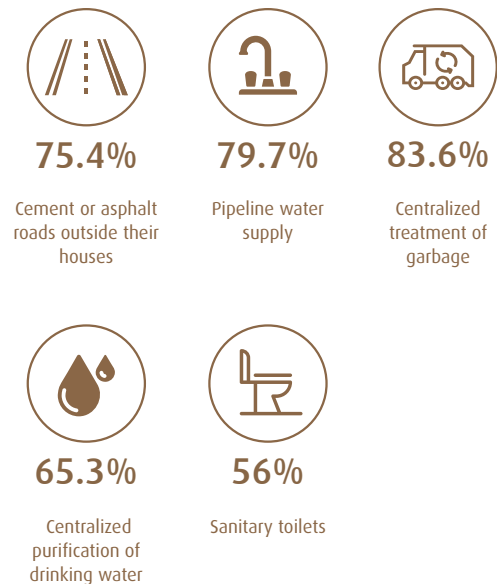
Per capita expenditure on health care (yuan)

Urban Residents Rural Residents



Marked Improvement of Rural Living Environment

The proportion of China's rural households with residential facilities in 2018



Source: National Bureau of Statistics of China

Building a Sustainable Home

Concept by China-India Dialogue



Finding ways to develop sustainably is never easy. It demands firm resolve and effective action to transform economic growth mode, tackle environmental pollution and

adopt a greener lifestyle.

Both China and India are battling air, soil, and water pollution. What policies and measures should governments implement? How do people utilize technologies to reduce and prevent

pollution? Responding to such questions, two contributors share their experience and opinion with *China-India Dialogue*. And most importantly, building a sustainable home requires the efforts of the whole society.

Down with Pollution – Find a Solution

Aditya Kumar Pandey

Age: 27

Occupation: Doctoral student with Jawaharlal Nehru University

Birth place: Gorakhpur, Uttar Pradesh

Current residence: New Delhi



When I first arrived in Beijing as a foreign student in September 2014, the city had all the luxuries and amenities that I had read about in books and seen in movies before coming. The city suffered heavy smog, however, especially when winter arrived. Poor visibility and suffocating air became a common phenomenon, and only on rare occasions can one see a clear blue sky. At that time I would often go for short trips to other cities just to escape the polluted air. But things changed rapidly. Significant progress in improving Beijing's air quality has been evident.

Back in 2014, the air quality in New Delhi never reached an alarming stage. New Delhi's summer and monsoon air was once considered cleaner

than that of Beijing, with air pollution only rising in winter. On December 23, 2015, however, the Air Quality Index in New Delhi was recorded to be 435 and the residents were advised to avoid outdoor exposure. In October 2016, New Delhi again faced one of its worst smog episodes as the PM 2.5 level rose over 750. The situation went from bad to worse in the following years and New Delhi got the infamous tag of being one of the most polluted capitals in the world. Pollution masks and air purifiers once alien to the Indian people suddenly became a household need. On the contrary, Beijing today is on the verge of dropping out of the list of the 200 most polluted cities in the world.

The time is ripe for India to learn from China in order to combat the ever-growing crisis of pollution. So, what can India learn from China? The answer lies in the formation of measures and policies to tackle the problem and the establishment of a robust mechanism to ensure efficient implementation of these measures.

In 2013, China's State Council rolled out the Air Pollution Prevention and Control Action Plan to curb pollution. Major factors causing air pollution were demarcated under the plan. Coal consumption was substantially reduced and factory emissions were banned on the outskirts of Beijing. Electric vehicles were

actively promoted and the shared bicycle ecosystem grew by leaps and bounds. When I re-visited Beijing in 2016, I was amazed to see shared bicycles in every nook and corner of the city which could be easily used by scanning a QR code. What stunned me more was the clear blue sky that persisted all week long.

India also rolled out a similar plan in 2016 but it failed to have a concrete effect in curbing pollution. Unlike in Beijing, the major pollutants in New Delhi are much more diverse and complicated. While industrial and vehicular emissions contribute to air pollution, the main cause of winter smog in New Delhi is the agricultural stubble which is burned in the neighboring states of Haryana, Rajasthan, Punjab and Uttar Pradesh every year in October and November, just before the farming season begins. China too, traditionally having been an agricultural society, faced the problem of crop stalk burning prior to 2015. To tackle this problem, the governments of regions neighboring Beijing initiated massive "no burn" campaigns to create awareness amongst the farmers. This led to a significant reduction in smog caused by crop stalk burning.

Rather than following a Western model to solve these problems, India can learn from the experience and success that China has gained. It is time for New Delhi to call for stringent action to improve its air quality.

Safer Soil

Sun Yafei

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Current residence: Beijing



Unremitting efforts in soil remediation are the greatest chance to stop polluted soil from harming humans.

Cadmium is a toxic metal element. In mineral ores, it is usually bound to zinc. In some mining and industrial processing sectors, cadmium can cause serious pollution and even threaten human health.

Since the 1930s, doctors in Japan have observed patients suffering from odd symptoms of disturbed calcium metabolism, osteoporosis and osteomalacia, which was associated with itai-itai disease. Eventually, they discovered that the condition was caused by cadmium pollution.

Mining or industrial waste containing cadmium often seeps into water systems, which is why cadmium pollution is also found in rural areas and other non-industrialized places. Because soil is so absorbant, when water containing heavy metals is used for irrigation, the soil becomes

polluted. Plants absorb heavy metals in the soil, which can then be transferred through the whole ecosystem. In such a cycle, cadmium will inevitably be consumed by humans through the food chain.

Cadmium pollution is only a small piece of soil pollution in China. According to a report of national general survey on soil contamination released in April 2014, about 16.1 percent of China's soil was polluted. The worst pollutant in the soil is cadmium, which is found in as much as seven percent of soil.

That percentage may not seem large, but China has more than 2 billion *mu* (about 133 million hectares) of arable land, only after the United States and India. A mere seven percent of that land is still 140 million *mu* (about 9.3 million hectares), enough to threaten the food safety of hundreds of millions of people. Soil pollution has certainly become a tough problem impeding China's sustainable development.

Therefore, soil remediation has caught a lot of attention in China. Many methods and technologies are being deployed, because eliminating cadmium pollution has become so urgent. Among the various technologies providing remediation, a popular method involves biological control, which is easy to implement. Since some plants absorb cadmium very well, people grow them in the polluted soil. Then these plants are dried and purified, which reduces the cadmium content in the soil while recycling.

Theoretically, the method is

ideal, but it's far from time-efficient. Plants need time to grow, and it can take several rounds of planting to reduce cadmium in the soil to a safe range. Furthermore, during the process of remediation, land may not have output for several years, which is an unbearable cost for farmers.

A faster way to solve the soil problem has been employed when building public facilities. Clean soil can be transported to replace polluted dirt. This method promises really fast results, so builders can build as scheduled. However, the disadvantages of this method are obvious. It does not fundamentally solve the problem and is unlikely to be promoted on a large scale.

Removed soil can be made into bricks. Although heavy metal elements can't be eliminated by burning, they can be transformed into inert oxides by heat, so they won't harm humans. If the cost of soil replacement is acceptable, this plan works.

In rural areas, some scientists found a new way to deal with soil pollution. They use rich agricultural resources to carbonize agricultural waste at high temperatures, which becomes a porous material with strong adsorption like activated carbon. The carbonized waste can be spread on farmland to absorb heavy metals and minimize transfer to crops.

Many other soil remediation technologies are being tested all the time. Unremitting efforts in soil remediation provide the greatest chance to devise a solution to prevent polluted soil from harming humans. 🌱

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Hindu Gods in Zaiton

By Wang Liming

Photographs courtesy of Quanzhou Maritime Museum

In the Middle Ages, when Quanzhou was known internationally as Zaiton, many Indian merchants traveled across the ocean and settled in the Chinese city. They witnessed the glorious days of this port city along the Maritime Silk Road.

In China, many people are familiar with the story of the eminent Buddhist monk Xuanzang (602-664) of the Tang Dynasty (618-907) who embarked on a 16-year journey to India in his quest for the knowledge of Buddhism. Ancient India deeply influenced Chinese Buddhism. However, 80 percent of Indians today believe in Hinduism, rather than Buddhism. Hinduism

came into being nearly 1,000 years earlier than Buddhism. It influenced Buddhism at first and later merged with the new Brahmanism, a branch of Buddhism.

Hinduism is one of the oldest religions in the world. With complex doctrines, it embraces multiple beliefs and denominations, and features complicated folk customs, lifestyles and

cultural phenomena. While most Chinese people are not familiar with Hinduism, one ancient city on the southeastern coast of China preserves the remains of Hindu temples well. The city is Quanzhou.

Today, anyone who talks about the relationship between ancient Hinduism and China cannot do without mentioning the city of Quanzhou. From the 10th to



A traditional Chinese painting by artist Li Shuoqing depicting the bustling Quanzhou port in the Song Dynasty (960-1279).

the 14th century, Quanzhou, then known as Zaiton, was a famous port city throughout the whole world. One of the most typical port cities along the Maritime Silk Road at that time, the bustling Quanzhou was a major Eastern port described by many medieval travelers and was home to a number of religions. Its past prosperity left the city a great number of precious cultural relics. Among them, the carving art of Hinduism presents people opportunities to understand Hindu scriptures and myths, and exhibits the friendly exchanges between Quanzhou and India's Tamil Nadu which started more than 1,000 years ago. In this way, Chennai's friendship with Quanzhou along the Maritime Silk Road becomes more detailed and specific.

As the capital city of Tamil Nadu, Chennai is located along the southeastern coast of India and served as an important transit hub for business and trade around the Indian Ocean in ancient times. Seafaring

Chinese merchants from the east and Arab merchants from the west stayed in Chennai during their trading voyages. They repaired their ships, took transfer ships, and purchased commodities during their stays. During China's Song (960-1279) and Yuan (1271-1368) dynasties, Chennai was consecutively under the administration of the Chola and Pandyan

dynasties. Chinese geographer Zhao Rushi of the Southern Song Dynasty (1127-1279) mentioned the Chola Dynasty in his geography book *Records of Foreign Countries*. Chinese navigator Wang Dayuan of the Yuan Dynasty talked about the Kingdom of Pandyan in his travel notes *A Brief Account of Island Barbarians*. In history, both kingdoms had close trade contacts with Quanzhou.



A Hindu stone carving preserved by Quanzhou Maritime Museum.

According to historical documents, as early as 558 during the Southern Dynasties (420-589), eminent Indian monk Gunarata visited Quanzhou. Gunarata came to today's Fengzhou Township of Nan'an, Quanzhou City where he planned to take a big ship at Liang'an Port to go home. However, at the earnest request of Quanzhou prefecture chief and local Buddhist followers, Gunarata stayed and began to translate *The Diamond Sutra* in the Jianzao Temple (today's Yanfu Temple). It was not until 562 that he set sail for his southbound journey home from Liang'an Port.

The relationship between Quanzhou and southern India developed from commerce and trade. During the period from the end of the Tang Dynasty to the Five Dynasties (907-960), Quanzhou became an important port along the Maritime Silk Road. Merchants from both Quanzhou and Tamil Nadu maintained frequent contacts, and both sides were eager for each other's commodities. Silk, porcelain and metal products from China, and pepper, spices and cotton products from India were popular goods in each other's markets. Many Quanzhou merchants traveled to India to engage in trade, and a great number of Tamil merchants came across the ocean and settled in Quanzhou to do business.

Medieval foreign travelers vividly described the frequent trade exchanges between China and India in their books.



Spices and medicinal herbs found in a shipwreck from the Song Dynasty (960-1279) in Quanzhou Bay.

Renowned Italian traveler and explorer Marco Polo saw in Quanzhou that "all Indian ships carrying spices and other valuable goods arrived at this port... The amount of imported jewels and pearls is incredible." He also noted that Indians rushed to Quanzhou for tattoos. Ibn Battuta, a Berber Muslim scholar and traveler, found 13 Chinese merchant ships docked at the western coast of India. Each merchant ship carried more than 1,000 crew members, boasted huge keels and shell plates, and employed watertight bulkhead technology. He indicated that such large ships could only be built in China's Guangzhou and Quanzhou ports.

The communication between Quanzhou and southern India reached its peak in the Yuan Dynasty. Shouldering missions given by the royal court, envoy Yang Tingbi and famous navigator Iqmis of the Yuan Dynasty had sailed from Quanzhou to Pandyan a number of times. The Yuan Dynasty and the

Kingdom of Pandyan had sent envoys to each other on many occasions. The close political ties had provided an important guarantee for the maritime trade between Quanzhou and Tamil merchants. The commercial relationship between the two places had expanded rapidly in just a few decades, and the cultural exchanges became increasingly frequent and active with the development of trade and commerce.

With Quanzhou's growing popularity globally, people with different religious beliefs from all over the world came to the city. While Christianity, Islam, and Judaism arrived one after another, Hinduism also came with Indian merchants. Followers built magnificent Hindu temples and sacrificial altars in the metropolis. In December 1956, a stele with Tamil inscriptions was unearthed from the residential area of Wubao Street, Quanzhou. The inscriptions revealed that after an Indian

merchant obtained his business license in the city in 1281, he built a local temple dedicated to Lord Shiva to pray for Quanzhou.

Today, this very temple, which was described as “extremely magnificent” in the local historical annals, has long been destroyed. Although it is impossible to see its original appearance, a large number of exquisite stone carvings have been unearthed in Nanjiaochang, where the temple was probably located. Hindu architectural components have also been found at many locations in the city.

Some of the stone relics were relocated to the Kaiyuan Buddhist Temple and the Heavenly Empress Palace which was built to worship the goddess watching over sailors at sea. These stone relics became a must-see in their new homes. All the stone carvings unearthed, around 300 pieces in total, are building components of Hindu temples and altars from the Yuan Dynasty in Quanzhou. They include stone shrines, stone pillars, vertical god statues, chapiters, plinths, and foundations. The stone carving patterns are generally complicated and mysterious, and take the main deities of Hinduism and related myths and legends as their themes. The carvings also combine traditional Chinese decorative patterns to form a unique style with strong artistic appeal.

Wu Wenliang (1903-1969), known as the founder of Quanzhou’s religious stone carving research, had a lot to say. “Most of these stone carvings

are finely carved in a delicate manner,” he revealed. “The stories carved on the stones are all related to the two great Indian epics – *Mahabharata* and *Ramayana*, which were written 3,000 years ago.”

Based on the unearthed stone deities, most Hindu stone carvings in Quanzhou depict the stories of Hindu deities Vishnu and Shiva. In Hinduism, three main gods are worshiped: Brahma the creator, Vishnu the protector, and Shiva the destroyer and regenerator. In the Middle Ages, Brahma’s importance declined, while the number of followers of Vishnu and Shiva reached a peak. Thus, the two major sects of Hinduism, Vaishnavism and Shaivism, were formed. Many believe that either sect could find followers among the Hindus residing in Quanzhou back at that time. On the stone carvings, Vishnu appeared in his original form, incarnations or the wife of Vishnu. He appeared mostly as Krishna, his most familiar incarnation with Indians, on the carvings. Images of Shiva on the carvings included Shiva Linga, Lord of the Dance, and the wife of Shiva. On many occasions, he appeared in the form of the most widely-worshipped Shiva Linga. Contents and expressive forms of these stone carvings are very similar to those in Tamil Nadu. Decorative patterns on the stone carvings are mainly snakes and lotus petals with Tamil style, which are combined with traditional Chinese auspicious patterns. Although

these architectural components are only a small part of the original buildings, they contain rich information and are important references to study Hindu temples in Quanzhou as well as the economic and cultural exchanges between Quanzhou and Tamil Nadu during the Yuan Dynasty.

These stone carvings carry great cultural significance. Behind them are touching human stories. Looking at these stone carvings, people find that more questions need to be answered: Did these carvings come from the same temple, or from different temples? Was it skilled local artisans and workers or experienced foreign craftsmen in Quanzhou who created the statues of Indian gods with Eastern charm? What kind of communities did Indians build in Quanzhou? How long had they lived in Quanzhou? These puzzles have yet to be solved.

The stone carvings have showcased the frequent historical exchanges between China and India, and opened a door for people to understand communication between the two different cultures. Today, the stone carvings are also the envoys that have brought China and India, two great ancient civilizations, closer to each other. They serve as cultural bonds that enhance mutual understanding and communication between the two peoples. 📷

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The author is a researcher with Quanzhou Maritime Museum.



A Study on Look East Policy of India

*Penned by Sun Xianpu
China Social Sciences Press
August 2018*

The author of this book attempts to explain the background, reasons, and development of India's Look East Policy, analyze the development of relations and multilateral mechanisms between India and other Asia-Pacific nations under the perspective of the Look East Policy, and explore the strategic impacts of the policy on the Asia-Pacific region and China. From the perspective of academic research, the book aims to analyze and evaluate one branch of India's foreign policy and provides a meaningful research text on the development of the policy. Sun Xianpu now serves as an associate researcher with the Institute for International Strategic Studies of the National Academy of Governance. His research areas include international relations in South Asia, China-India relations, and the Asian policy of the United States.

India's Look East Policy and China-India Economic Relations

By Sun Xianpu

In the early post-Cold War period, China and India supported each other and worked closely on international affairs. After the founding of the People's Republic of China in 1949, India became the first non-socialist country to establish diplomatic relations with China. After the establishment of

diplomatic relations, the two countries cooperated and supported each other in the international arena and established a good bilateral relationship. On the Korean issue and the issue of Indochina, India had adopted independent and impartial policies and maintained close contacts with China, which increased

mutual trust. In the mid-1950s, China-India relations entered a honeymoon period, and the two sides carried out cooperation in a number of fields. In 1954, the People's Republic of China and the Republic of India signed the *Agreement on Trade and Intercourse between the Tibet Region of China*



■ November 8, 2019: A Brazilian businessman shows his WeChat QR code to a businesswoman from Guizhou Province at the Nan'an international stone expo in Fujian Province. Xinhua

and India. The two countries also jointly proposed the Five Principles of Peaceful Coexistence. However, with the development of friendly cooperation, key issues between the two sides had yet to be completely settled.

As the boundary question between China and India has not been properly resolved, it gradually became the leading cause for the deterioration of relations between the two countries, and eventually led to border conflict. After the 1962 border conflict between China and India, relations between the two countries entered a longstanding stalemate. However, bad bilateral relations were obviously not in the national interest of either side. Therefore, starting from the early 1970s, leaders of both countries sent out positive messages and the political deadlock was broken. In 1988, then Indian Prime Minister Rajiv Gandhi's landmark visit to China marked the resumption of bilateral visits by the heads of government from the two sides, an important symbol of the normalization

of China-India relations. Since then, exchanges between the two countries have continued to deepen, and political cooperation has been strengthened.

After the implementation of India's Look East Policy in 1991, India attached great importance to its economic interest when formulating its foreign policy. It believes that China's economic development could help India's economic

a number of fields including engineering contracting, investment, and technical cooperation. India is now China's largest trading partner in South Asia, and China is India's largest source of imports in the world.

The development of China-India trade is largely affected by the domestic economic situations of both countries. The economic development of the two

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growth. Propelled by the economic development of both China and India and the improved bilateral relations, economic and trade cooperation between the two countries has seen rapid development. China-India economic and trade cooperation has gradually expanded, from trade in goods in the early 1990s to

countries provides the foundation for the rapid growth of bilateral trade. In the early 1990s, the annual trade volume between China and India was only about US\$300 million, but the figure soared to US\$1.2 billion by 1996. Bilateral trade developed significantly. Since then, the pace of trade development

between the two sides has not slowed, and the overall situation has constantly improved. In 2000, the trade volume between the two countries reached US\$2.92 billion. The figure increased to US\$18.5 billion in 2005 and US\$61.7 billion in 2010. Although trade between the two countries was affected by the 2008 international financial crisis and bilateral trade underwent ups and downs, the total trade volume between the two countries remained huge.

After Indian Prime Minister Narendra Modi took office in 2014, he placed economic factors in an important position in his foreign policy. The prime minister considered economic cooperation a major opportunity for the development of China-India relations, and continued to promote the development of China-India strategic economic dialogue. In May 2015, during Modi's visit to China, he met with some Chinese business leaders in Shanghai. He expressed his wish that more large Chinese enterprises would come into the Indian market and enter fields including the internet, e-commerce, logistics, and transportation. By doing this, he hoped to promote the development of India's infrastructure and transportation, thus changing India's economic landscape. Modi attaches great importance to India-China trade, and bilateral trade has realized sound development. In 2016, China-India bilateral trade volume exceeded US\$69.62 billion, including US\$8.96 billion of Indian exports to China and US\$60.66 billion of Indian imports from China. India's exports to China are mostly mineral products, textiles and raw materials as well as chemical products. The country's main imports from China are mechanical and electrical products, chemical products, and base metals and products. At the same time, India has vigorously promoted connectivity with China in the regional economy and actively joined the Asian Infrastructure Investment Bank, which demonstrates the country's



June 20, 2019: An official group of Indian pilgrims arrive in China's Tibet Autonomous Region through the Nathu La Pass to begin a 12-day travel. Xinhua

determination for economic expansion.

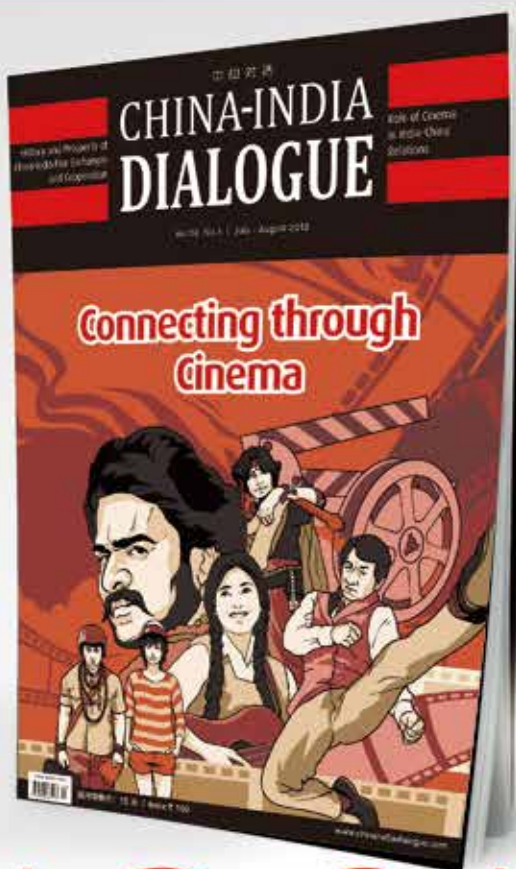
Although China-India economic and trade cooperation has developed rapidly, the problem of trade imbalance has been increasingly apparent and may become a major obstacle to the future economic and trade development between the two countries. The China-India trade imbalance is mainly caused by India's trade deficit with China. The trade gap began to emerge around 2006. As the trade volume between the two countries continues to rise, the trade imbalance has led to a sharp increase in India's anti-dumping investigations on Chinese goods in recent years, and made it difficult for the two sides to reach consensus on a planned free trade zone. Although the trade volume between China and India reached US\$73.9 billion in 2011, the trade imbalance between the two countries also increased to US\$27 billion. The trade deficit has resulted in domestic tensions on bilateral trade issues in India and caused concerns of both countries.

Mutual investment has also seen rapid growth. However, due to some factors, mutual investment between the two countries lags significantly behind the development of bilateral trade. From 1991 to 2001, China's investment in India totaled US\$150 million, and was mainly

in areas of home appliances, information technology, and automobiles. As of 2000, India's investment in China exceeded US\$100 million, which mainly fell in fields such as pharmaceuticals and information service. Entering the 21st century, the growth rates of mutual investment began to accelerate. In particular, many large Indian companies entered the Chinese market and invested in the country. As of December 2011, China's cumulative investment in India had reached US\$576 million, and India's investment in China had totaled US\$442 million.

In generally, the ever-closer economic and trade relations between China and India help both sides develop into stakeholders to each other, which in turn facilitates the development of bilateral relations, stabilizes the strategic connections between the two sides in other aspects, and promotes peace and stability in bilateral relations. However, judging from the scale of China-India economic cooperation, the room for future growth in economic cooperation is still huge. As two emerging economies, both sides can find a wider scope for expansion in the economic field. 📺

The article is excerpted and edited from the book A Study on Look East Policy of India.



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