

VIEWS

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Govt can help stabilize economy

China's exports have shown strong resilience in the face of the COVID-19 pandemic, and the country has significantly sharpened its competitiveness over the past few years. Total exports in renminbi terms increased 4.0 and 21.2 percent respectively in 2020 and 2021, driving up GDP by 0.7 and 1.7 percentage points, while in the first 11 months of 2022, China's total exports reached a high of 21.8 trillion renminbi (\$3 trillion) — a year-on-year increase of 11.9 percent.

As a result, net exports are expected to contribute up to 1 percentage point to GDP growth this year.

However, Chinese exports also face multiple challenges. First, because of the US Federal Reserve's aggressive rate hikes, the global economy could contract significantly, which might cause some developed countries and emerging economies to slip into recession or encounter an economic downturn that could curb China's exports.

Second, with the impact of the COVID-19 pandemic weakening globally, China has to adjust its exports structure. In the early period of the pandemic China had advantages in checking the spread of the virus and managed to keep a strong export. But now it should be focused on exploiting relative advantages.

Third, the rapid rise of the US dollar also means unstable outlook for emerging economies, which again will destabilize exports. This unfavorable external situation cannot be improved by enterprises alone. For that, the visible hand of the government needs to play a more important role.

Recently, provincial officials in Jiangsu, Zhejiang, Shandong and other provinces heavily dependent on foreign trade have taken chartered flights abroad to “grab orders”. That the local governments have taken the initiative to promote high-quality opening-up and the people in southern China have a strong sense of national development has come in for special praise.

Worse, the United States-led West, which has gained advantages in many vital fields, is making efforts to decouple their economies with China's, opposing economic globalization, and resorting to trade protectionism, greatly squeezing China's external development space. On the one hand, China has been clearing the hurdles obstructing its endogenous development.

So everyone is looking forward to seeing what role the government can play in stabilizing exports and attracting more and more orders from abroad.

However, the economic situation is grim. So the government and enterprises should work together to overcome the developmental difficulties and pro-



mote development, while local governments ought to make efforts to attract more and more investment.

In the past, the government used to set up the stage, and provide various convenient services for enterprises. Why do many local enterprises expect the government to lead the initiative to attract investment this time?

In fact, the government stepped forward to dispel the enterprises' doubts. Given the gloomy outlook for the global economy, it is easier for people working as a team to “grab orders” than individuals working alone. And the government should take advantage of the country's industry chains to build teams that can attract foreign investments by highlighting the comparative advantages of China's foreign trade and Chinese products' competitive advantages.

Also, the government should not replace enterprises in marketing. Instead, it should focus on building cordial and clean relations with businesses and solving problems for private enterprises, because a healthy job market and sustained development of market entities are important to local and national stability.

The government should also focus on implementing policies that will help market entities to meet their needs, minimizing non-market social risks for enterprises and reducing their transaction costs, in order to stabilize exports, promote consumption and expand domestic demand.

But the two main factors acting as hurdles for the government are bureaucratism and formalism, and the best way to clear these hurdles is to promote innovation and widen open-

ing-up, and implement the people-centered development concept. The optimization of China's anti-pandemic measures and strengthening of the government's ability to balance pandemic prevention and control and socioeconomic development are conducive to overall economic recovery.

However, China faces the triple pressure of demand contraction, supply shocks and weakening expectations. So governments at all levels should take more proactive measures to make a good start for the comprehensive construction of a modern socialist country.

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Qin Sheng

Hail the pioneering spirit of relations between China and NZ

China and New Zealand established diplomatic relations after New Zealand officially recognized the government of the People's Republic of China as the sole legal representative of China in December 1972. In the 50 years of trade partnership and cooperation since then, the two countries have set an example for international relations — that despite their ideological, cultural and institutional differences, countries can build a constructive relationship based on mutual respect, mutual trust and mutual benefit.

As Chinese President Xi Jinping said recently, China and New Zealand together have created many “firsts”, highlighting the pioneering feature of bilateral relations in many fields including trade, education, tourism and the fight against climate change.

The 1990s was a significant period in China's history as the country applied to join the World Trade Organization in that decade. And at a time when China was facing various kinds of challenges, New Zealand was the first developed country to support China's accession to the WTO by concluding bilateral negotiations. And in 2004, New Zealand became the first country to recognize China as a market economy.

New Zealand's support sent an important message to the international community that China's reform and opening-up had indeed helped transform it into a market economy.

New Zealand is also the first developed country to commence and conclude free trade agreement negotiations with China. And the China-New Zealand FTA is the most vital free trade deal for New Zealand since the Closer Economic Relations agreement with Australia in 1983. It is also the first FTA China signed with a developed country.

Also, thanks to its geographical location, New Zealand can become a global logistics center and a China-Latin America transportation hub.

On Jan 26, 2021, China and New Zealand agreed to upgrade their existing FTA by increasing access to each other's market, introducing tariff-free programs and hastening the exports process so both sides could gain more benefits from the free trade deal. Thanks to the move, till October this year, bilateral trade in goods reached a record NZ\$40 billion (\$21.14 billion), and Chinese direct investment in New Zealand now covers hotels, primary industries, forestry, manufacturing, infrastructure, financial services and other sectors.

Besides, the China-proposed Belt and Road Initiative has helped New Zealand and China to expand collaboration in different areas. In 2015, for instance, New Zealand became the first developed country to become a prospective founding member of the Asian Infrastructure Investment Bank, and in 2017, the two sides signed a memorandum of arrangement to jointly explore ways to work together in Belt and Road projects.

New Zealand has also sent delegations to the Belt and Road Forum for International Cooperation and China International Import Expo, paving the way for jointly promoting the initiative. Also, thanks to its geographical location, New Zealand can become a global logistics center and a China-Latin America transportation hub.

That the two countries have also been cooperating in the global fight against climate change is another example of the pioneering character of their relationship. For example, in 2014, two years before the Paris Agreement came into force, China and New Zealand signed the climate change cooperation arrangement. Since then the two have held four ministerial-level dialogues on climate change where they have discussed, among other things, how to strengthen global climate governance.

Education and tourism links between the two countries have been growing over the last two decades. People-to-people exchanges have grown from both countries selecting three students each for exchange programs to China becoming the largest source of foreign students in New Zealand. The two-way tourist flow, too, has seen a rapid increase, with more than 80 direct flights operating between New Zealand and China every week during high season. In fact, China is the most rapidly-growing source of tourists for New Zealand.

The development of China-New Zealand ties is guided by regular dialogue. Regular reciprocal visits by the two countries' leaders have enhanced mutual understanding and built political trust. And the wisdom and foresightedness of the two countries' leaders are evident in every bilateral development, from the upgrading of bilateral ties to a comprehensive strategic partnership or China-New Zealand FTA Upgrade.

While regional issues in the South Pacific are becoming increasingly complicated, China, New Zealand and the Cook Islands have created a win-win situation by undertaking a tripartite development project. Using the development advantages of both China and New Zealand, the project is aimed at providing better water infrastructure facilities to the Cook Islands. This project presents a scenario which is very different from the intense geopolitical competition in the region, and shows that China and New Zealand offer a healthier way to resolve bilateral and regional issues in the Pacific and help the Pacific Island countries to overcome the challenges.

In the future, cooperation between the two sides will deepen, with green and digital being the new key words. To be sure, China and New Zealand will work together to contribute more to global development, uphold multilateralism and build an open world economy.

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Chen Haiming

Chinese modernization unique but beneficial to world

The 20th National Congress of the Communist Party of China, which promoted Chinese-style modernization, was one of the biggest events in 2022 that had an equally big impact on the world. The 20th CPC National Congress report describes Chinese path to modernization as the modernization of a huge population, pursuit of common prosperity, advancement of material and culture ethics, promotion of harmony between humankind and nature, and realization of peaceful development.

Like civilization, modernization contains elements of both universality and particularity. According to the 20th Party Congress report, Chinese-style modernization contains elements common to the modernization processes of all countries, but it has features that are unique to China. Modernization with Chinese characteristics has shown that modernization is not Westernization, and every country can choose its own path to modernization in line with its own national reality.

However, Chinese path to modernization and Western modernization are not necessarily mutually exclusive. They can be complementary, as both manifest the modernization of human civilization. Likewise, Chinese-style modernization, as a product of the creative transformation and innovation-driven development of traditional Chinese culture, will suit the international community's interests.

Common prosperity, which is essential to socialism, is a significant feature of Chinese-style modernization. It refers to the prosperity of all people,

rather than a few. The concept can be traced back to Confucianism, according to which inequality rather than want is the cause of all the troubles.

By eradicating absolute poverty, China has taken a big step toward realizing common prosperity because rising incomes mean increasing consumption, which in turn will promote development.

The development of a modern society of more than 1.4 billion people with shared prosperity will in itself be a big contribution to overall global development, as China's modernization will enlarge China's already huge market.

Material, cultural and ethical advancement is a key feature of Chinese-style modernization. In the modernization process of many countries, material advancement has been valued above cultural and ethical progress, leading to many social problems. Philosophically speaking, one-sided development leads to alienation. But Chinese-style modernization attaches importance to developing harmony between material civilization and spiritual civilization, leading to the all-round development of human beings.

The people-oriented approach to modernization will facilitate comprehensive social progress, and coordinated material, cultural and ethical development will enrich people's spiritual and cultural life, and promote mutual learning between Chinese and Western civilizations, enriching human civilization as a whole.

In the modernization process, which asserts the subject-object dichotomy, people have treated nature as an object

of conquest, severely damaging ecosystems and endangering human existence. By contrast, traditional Chinese culture emphasizes the importance of unity between humans and nature, and regards humans as an integral part of nature, as is reflected in Taoist sage Laozi's philosophy that man is modeled on Earth, Earth on heaven, heaven on Tao, and Tao on nature.

China believes that “lucid waters and lush mountains are invaluable assets”, and has significantly reduced carbon dioxide emissions per unit of GDP and cut energy consumption.

It has also been fighting climate change and participating in global environmental governance, while forging ahead in renewable energy development and capacity. According to China's National Energy Administration, by the end of 2021, China's installed renewable energy capacity was 1.06 billion kilowatts, accounting for 44.8 percent of its total installed power generation capacity. In 2021, China generated 2.48 trillion kWh of electricity from renewable energy sources, which accounted for 29.8 percent of its total electricity consumption.

Chinese-style modernization featuring harmony between humankind and nature is also beneficial to global ecological and environmental governance. In fact, China has substantially contributed to the development of the global renewable energy sector, and accounts for nearly half of the global renewable energy capacity.

China aims to achieve modernization by following the path of peaceful development, rather than by fighting

Wars, invading or colonizing other countries, as some countries have done. China became the world's second-largest economy by realizing rapid economic development, participating in global economic and trade cooperation and adhering to the UN-based international order. And it wants to realize modernization through innovation-driven development in order to improve the well-being of the Chinese people, instead of achieving prosperity at the expense of other countries.

China's contribution to the world can be gauged from the fact that it contributes more than one-third of global economic growth, with the Belt and Road Initiative serving as a global public good, and that it is the second-largest contributor to the UN's regular and peacekeeping budgets, it also has more than 2,500 personnel serving on UN peacekeeping missions, more than any other permanent member of the Security Council.

China's contribution to the world highlights the Confucian concept that a man of perfect virtue, wishing to establish or develop himself, also seeks to establish or develop others. And since Chinese-style modernization follows Confucius' philosophy, it will not only benefit the Chinese people but also promote and safeguard the international community's interests.

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