

Enhancing the Level of Opening up to Achieve Mutual Benefit and Win-win Results

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From upholding opening up strategy of mutual benefit and win-win results to developing top-level design of higher level open economy, then further to putting forward targets of actively participating in global economic governance and supplying public products and enhancing voice in institutional building, and still further to opening the developing concepts and planning, the CPC Central Committee has commanded the deep insights for development and demonstrated a broad vision and long-term planning featuring ‘acting locally and thinking globally’.

The 5th Session of 18th CPC National Congress highlighted ‘Opening up ‘as one of the five major development concepts, reiterating the steadfast resolve that ‘China will never shut down its door of opening up’, outlining the concrete approaches of ‘Opening up will be further intensified’. From upholding opening up strategy of mutual benefit and win-win results to developing top-level design of higher level open economy, then further to putting forward targets of actively participating in global economic governance and supplying public products and enhancing voice in institutional building, and still further to opening the developing concepts and planning, the CPC Central Committee has commanded the deep insights for development and demonstrated a broad vision and long-term planning featuring ‘acting locally and thinking globally’.

Boosting reform and development by opening up is the important panacea for China to make new achievements

As put forward by General Secretary XI Jinping, constantly expanding opening up and improving its level, boosting reform and development by opening up is the important panacea for China to make new achievements one after another. Retrospecting China’s reform and opening up, opening up has played significantly leading and facilitating role. Opening up has brought about fundamental

changes in social resource allocation, and the system of market economy has been phased in and improved. Meanwhile opening up has remarkably improved use efficiency of production elements such as labor and capital, and speeded up high-end elements accumulation such as capital and technology. China’s economy has enjoyed growing weight globally.

Deepening opening up needs constant endeavors, particularly development vision of advancing with the time and innovative thinking with pioneering progress. Because of historical restrictions, such as low productivity, China’s opening up was at relatively low level in a span of time. The low level is resulted from mismatch between deep-rooted contradictions in national economy and existing model of opening up. Now there are many bottlenecks in China’s opening up, such as structural imbalances, under-innovation of technology and impact from external shocks, etc. Some problems emerge when reforms progress into deep waters, some are the results of changes in developmental phases, internal and external environments. Low level opening up will reinforce the lock-in effect, and stem the potential for China’s economic growth in the future.

China’s opening up at the current stage demonstrates diminishing marginal utility of positive energy unleashed. There are two major problems:

1. China is at low spectrum of international

division of labor, making the driving impetus insufficient for structural upgrading and improvement of people's welfare, and the global industrial chain, China's overall strengths are at the bottom level, export trade and inbound investment activities are less science and technology-based with low added value.

II. China's voices unsounded in the international economic life is not conducive to expand the growth potentials for the national economy in the future. It is undeniable that China has scored remarkable achievements in the economic development. Some major western media always defame and deny China's political system and development path. The western values have penetrated in the trade and investment negotiations, and even brought about market access barriers in many cases. To progress and address these problems and difficulties, it is imperative to conduct in-depth changes of opening up.

Only by improving comprehensive opening up can a community of shared fate be built.

It is to be noted that in the future China's economy shall accelerate its transformation and achieve set targets of sustainable and steady development via high level opening up. High level opening up is the foundation and pre-condition for China's mid and high-speed growth. The optimization of opening up model and strategy is in the interest of overall economy in the New Normal. Only by upgrading transformation of opening up to high level in all round manner can highly efficient and open market be formed, high-end effective industrial system nurtured, and high welfare social system built. Only by improving comprehensive opening up can China together with others build a community of shared fate in globalization and achieve common development and benefit shared among human community.

Firstly, deepening coordinated development of technological and institutional innovation, updating China's position in the global value chain. In recent years, China's high-speed railway and large complete set of equipment have tapped the international market, and become great branding for China's export. This is a good beginning. However, labor, land and other production costs are surging constantly, and it is essential to speed up the transformation of comparative production model. As a result, technological and product innovation shall be combined with trade innovation, market innovation with those in trade policies, forming synergy for export and outbound investment to create a new model for China to participate in the international division of

production, and to support China long-term economic development in the future.

Secondly, encouraging active high-end international investment, upgrading China's participation in international economic circle. Efforts shall be made to enhance industrial preference of inbound investment, to shut down the door to projects of high pollution and low efficiency, and guide investment to high-tech industries by optimizing market environment and policy incentives. On the other hand, outbound investment paired with international cooperation on production capacity shall be pillared by advanced industrial exportation. 'Going global' shall be accelerated via integrated group, so as to create and spur the high-end product export. Meanwhile efforts shall be made to speed up transformation to net capital exporter, and boost new market competitiveness by reasonably making use of the position as creditor country.

Thirdly, prioritizing the development of high-end service trade to nurture new type model with comparative advantage in the future. From the mid and long term perspective, expanding international service trade, particularly high-end production-related ones, can extend industrial chain of export trade and outbound investment, improve efficiency and market benefits, facilitate to nurture new growth pole to participate in global economic development in the future and bring about new and major field for development.

Fourthly, striving for greater high-level voice so as to expand China's leading role in the international economic circle. Due to some factors in history, China is a late comer in the international economic stage, and some schemes in the international economic order have positioned China less privileged. China, therefore, need to take more initiatives to participate in international competition and cooperation. Recent focus shall be on boosting and accelerating changes of international economic pattern by implementing the Belt and Road Initiatives. Greater efforts shall be made in international aid, proposal of major themes for facilitating global economic growth, leading the tide of globalization in the future, and position China in the moral highland of international economic governance.

China has undergone fast growth for successive three decades and beyond, which has benefited from opening up. Looking into the future, over the span of "13th Five Year" and beyond, Opening up as one of the core concepts of development will offer constant impetus for China economic reform and development.