

Qiushi



ORGAN OF THE CENTRAL COMMITTEE
OF THE COMMUNIST PARTY OF CHINA

Vol. 6 No. 2 April 1, 2014

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Promoting the All-Round Enhancement of China's Open Economy

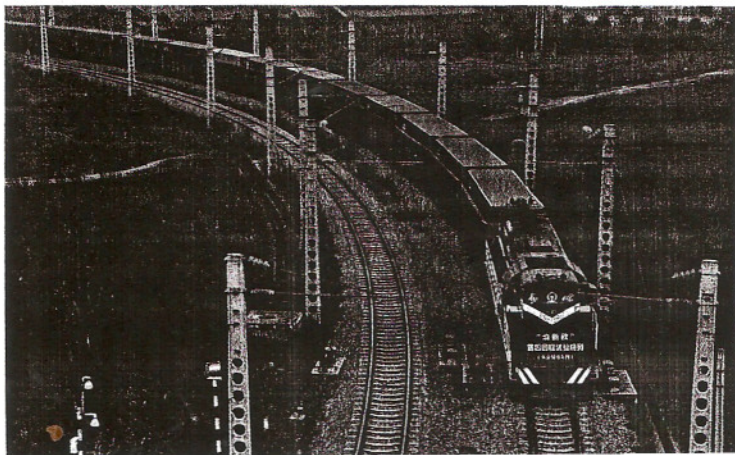
Gao Hucheng

The year 2013 marked the 35th anniversary of China's reform and opening up drive. In this year, the Third Plenary Session of the Eighteenth Central Committee of the Communist Party of China (CPC) set out major strategic plans for the comprehensive deepening of reform at a new historical starting point. The implementation of these plans is sure to exert a significant and far-reaching influence on the development of socialism with Chinese characteristics. The Decision of the CPC Central Committee on Major Issues Concerning Comprehensively Deepening Reform (hereinafter referred to as the Decision on Comprehensively Deepening Reform, or simply as the Decision), which was passed at the plenary session, points out that: "In response to new developments in economic globalization, we must work to ensure that opening up domestically and opening up to the outside world reinforce each other; better integrate the 'bring in' and 'go global' strategies; and promote the orderly and free flow

Note:

Author: Minister of Commerce of the People's Republic of China

March 18, 2013, the first train to make a return journey on the Chongqing-Xinjiang-Europe Railway slows down as it nears its final destination, the Chongqing Tuanjiecun Railway Container Central Station. / Photo by Xinhua reporter Liu Chan



of international and domestic factors of production, the highly efficient allocation of domestic and international resources, and the in-depth integration of domestic and international markets. In doing so, we will step up efforts to foster new competitive advantages in participating in and leading international economic cooperation, with a view to promoting reform through opening up." These statements have charted a clear course for China's efforts to continue opening up wider to the outside world and promote the all-round enhancement of its open economy in the period ahead.

I. Changes in internal and external environments pertaining to China's open economy

At present, the global economic structure is going through profound changes, international competition with regard to systems, rules, markets, technologies, and resources is intensifying, and the internal and external environments pertaining to China's development are undergoing complex changes. Against this backdrop, the significance and pressing nature of China's efforts to enhance its open economy are becoming increasingly evident.

The forces that drive economic globalization are undergoing significant changes. In the five years that have passed since the international financial crisis broke out, the world economic recovery has been riddled with setbacks and uncertainty. With the WTO Doha Round of trade talks remaining deadlocked, the process of regional economic integration

has continued to advance with strong momentum, and the establishment of free trade zones has emerged as a trend in world economic development. As of July 2013, a total of 249 regional trade agreements had come into force after being notified to the WTO. In particular, the decision of the US and the EU to bypass the WTO and proceed with negotiations on free trade zones, such as the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), has exerted a far-reaching influence on the international economic and trade environment. New changes have also been taking place in the international division of labor, with certain mid-to-high-end manufacturing activities flowing back to developed countries and service outsourcing and investment emerging as new areas of robust growth in international economic and trade cooperation.

Competition in the formulation of international economic and trade rules has become increasingly intense. In the face of new changes in the world economic and trade landscape, the scramble among countries for international markets and capital has intensified, signaling that profound changes are set to take place in the system of global economic governance. In a bid to gain the upper hand in future international competition, developed countries are committed to establishing new rules for international trade and investment, and are actively promoting negotiations on new "21st century" issues such as "competitive neutrality," labor standards, and environmental protection.