

of the novel coronavirus pandemic, China has promoted the establishment of a human health community with a shared future for mankind, shared pandemic prevention experiences, provided assistance within its capacity, carried out international anti-pandemic cooperation, and made efforts to contribute to the stability of the world economy.

Leading development direction of globalization. At the 2017 annual meeting of the World Economic Forum, President Xi Jinping put forward the China plan on how to lead the world economy out of predicament. China has always championed economic globalization, consistently adhered to the rules of the World Trade Organization, supported an open, transparent, inclusive, and non-discriminatory multilateral trading system, and helped build an open world economy. China and other countries have strengthened coordination and improved governance, and jointly pushed forward the development of economic globalization in a more open, inclusive, sharing, balanced, and win-win-oriented direction. China and the international community have strengthened high-quality cooperation in the joint construction of the BRI and jointly promoted global connectivity to allow more people in more countries to share the fruit of development.

At this stage, China has made good use of the general development trend at home and abroad, implemented a more proactive opening-up strategy, developed a higher-level open economy, supported the liberalization and facilitation of global trade and investment, and pushed forward economic globalization in a more open, inclusive, sharing, balanced and win-win-oriented direction.

II. Achievements and Contributions of China's Opening-up

When the day comes, the roc will go up with the wind and fly up to the highest sky.

China's continual expansion of opening-up to the outside world has promoted sustained and healthy economic and social development. As a result, China has developed from a poor and backward country into the world's second-largest economy, largest industrial power, largest trading country, and a major outbound investor and inbound investment destination. While achieving its own development, China has also vigorously promoted the development of the world economy, becoming an important promoter of global openness, a stable driving force for world economic growth, a

vibrant market for other countries to expand their business opportunities, and an important contributor to the reform of the global governance system (Figure 7-1).

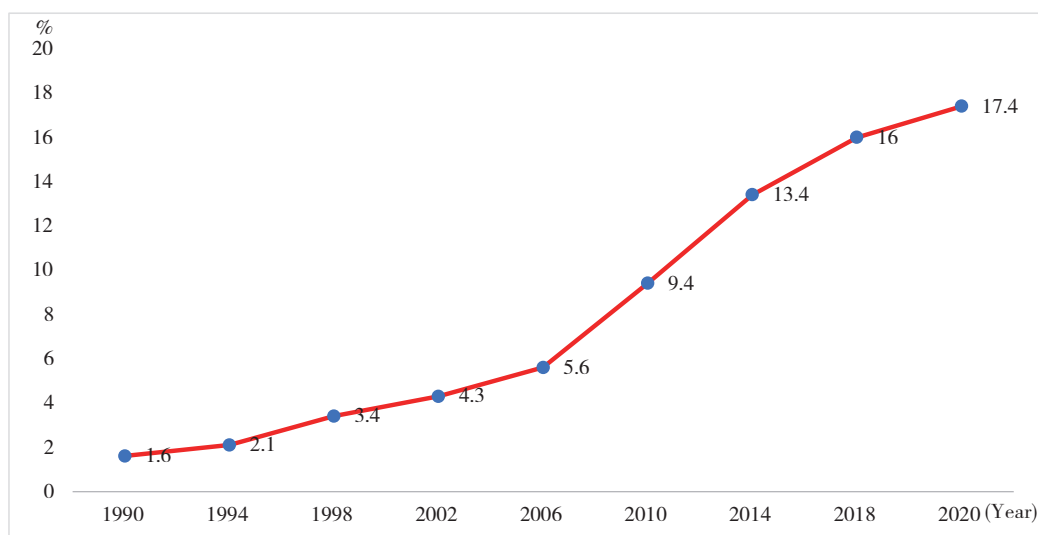


Figure 7-1 Ratio of China's Economic Scale to World Economy (1990-2020)

Source: World Bank

1. Open economy continues to reach a new level, promoting a significant improvement in overall strength

Status of major trading power further consolidated. From 1978 to 2020, the average annual growth rate of China's import and export of goods was 13.8%, and its share in the world's total rose from 0.8% to 13.1%. The total trade in goods in 2020 was \$4.65 trillion. (Table 7-1) From 1982 to 2020, the average annual growth rate of China's service trade was 14.3%, and its global share increased from 0.6% in 1982 to 6.6% in 2019. China's total service trade in 2020 was \$661.7 billion.

Table 7-1 China's Foreign Trade Growth and Global Share (%), 1982-2020

Period	Growth of Total Foreign Trade	Global Share (year)	
1982-1985	17.6	1.6	1985
1986-1990	10.9	1.5	1990
1991-1995	20.9	2.6	1995
1996-2000	10.8	3.5	2000
2001-2005	23.9	6.4	2005
2006-2010	16.2	8.7	2010

(Continued)

Period	Growth of Total Foreign Trade	Global Share (year)	
2011-2015	6.6	10.7	2015
2016-2020	6.0	13.1	2020

Source: WTO.

In the early days after the founding of the new republic in 1949, 80% of export commodities were primary products, and the proportion of industrial manufactured goods exports has now reached more than 90%. In the 1980s, the export of high-tech products accounted for only about 2% of China's total export; and the ratio reached 33% in 2020. The export of railway locomotives, communications, ships and other products has grown rapidly, becoming China's new export business card. The import and export of private enterprises are developing rapidly, and their share in total foreign trade in 2020 was 46.6%. New models of business, such as cross-border e-commerce and market procurement trade, have developed and expanded. China has dozens of trading partners in 1978 and now it has exceeded 230, and it has become a major trading partner of more than 120 countries and regions (Figure 7-2). The contribution of China's foreign trade to its national economy has increased; foreign trade directly or indirectly creates about 180 million jobs, accounting for more than 20% of the country's total employment. Tariffs, import value-added taxes, and consumption taxes have become important sources of national fiscal revenues.

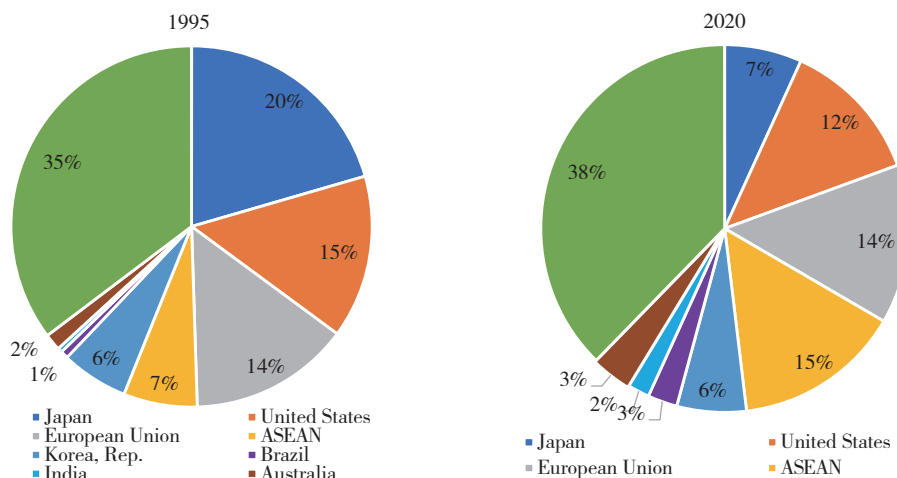


Figure 7-2 Changes in Export and Import Proportions of China's Major Trade Partners in 1995 and 2020

Source: General Administration of Customs.

Quality of foreign capital utilization further improved. From 1978 to 2020, China attracted a total of \$2.3168 trillion in non-financial foreign direct investment, with more than 1 million foreign-invested enterprises established. China has been a global leader in terms of utilization of foreign capital for many consecutive years (Figure 7-3). In 2020, its utilization of foreign capital increased to \$149.3 billion. At present, the number of foreign-funded high-tech industrial enterprises accounts for about a quarter of the national total. Multinational companies have invested in more than 2,000 regional headquarters and R&D centers in China. On January 1, 2020, China's *Foreign Investment Law* formally came into force, which was its first unified basic law in the field of foreign investment. China's business environment continues to improve, and its attractiveness to foreign investment is increasing. A large amount of foreign investment in China has brought advanced production technologies and management expertise, promoted the transformation and upgrading of traditional industries and the development of emerging industries, and pushed forward China's industrialization, urbanization and modernization.

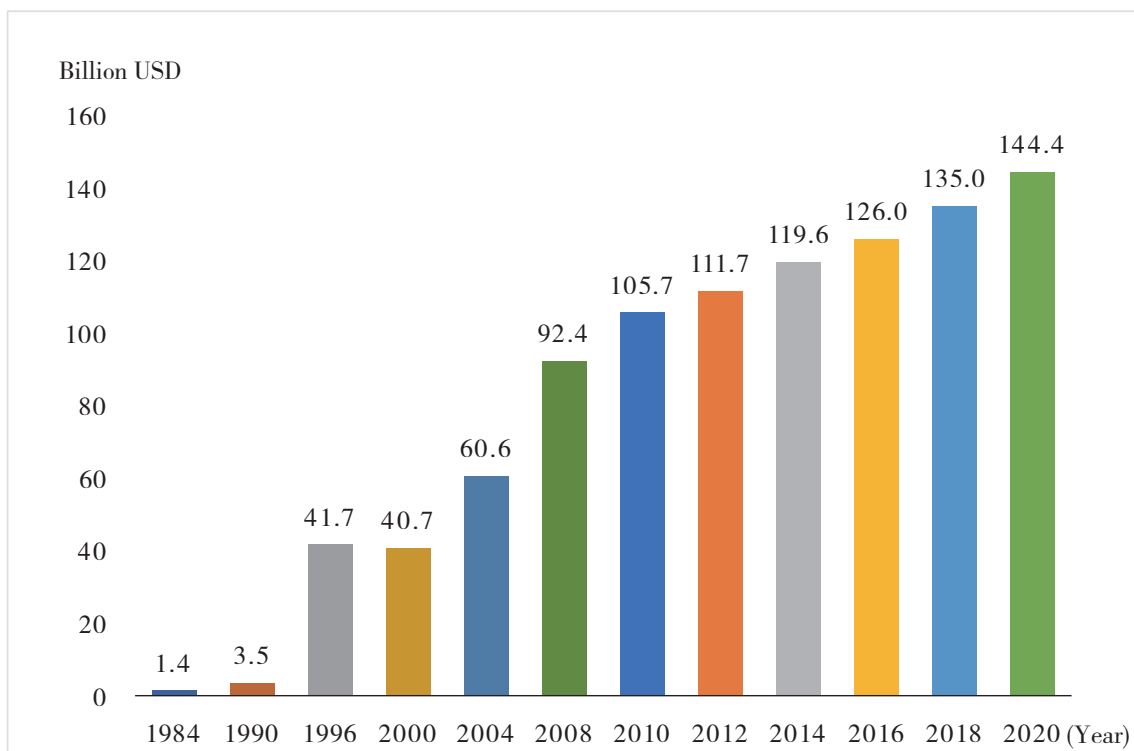


Figure 7-3 Changes in China's Actually Utilized Foreign Investment

Source: Ministry of Commerce, National Bureau of Statistics.

Ability to allocate resources globally further improved. In the early 1980s, the flow and stock of China's foreign direct investment accounted for less than 0.1% of the global total. With the progress of the *Going Global* initiative, China's outbound direct investment has increased from \$2.9 billion in 2003 to \$132.9 billion in 2020 (Figure 7-4). China has actively participated in international industrial cooperation. In 2020, China's non-financial direct investment in countries involved in the BRI increased by 18.3% year-on-year despite the unfavorable global economic situation. Chinese enterprises have accelerated their *Going Global* pace, contributing to promotion of economic growth and expansion of local employment in the host country. As of the end of 2020, China had invested a total of 309.4 billion yuan in overseas economic and trade cooperation zones, creating 373,000 local jobs. A survey by the School of Oriental and African Studies at the University of London shows that local jobs account for 90% of the total jobs of Chinese companies that build construction sites and factories in some parts of Africa.

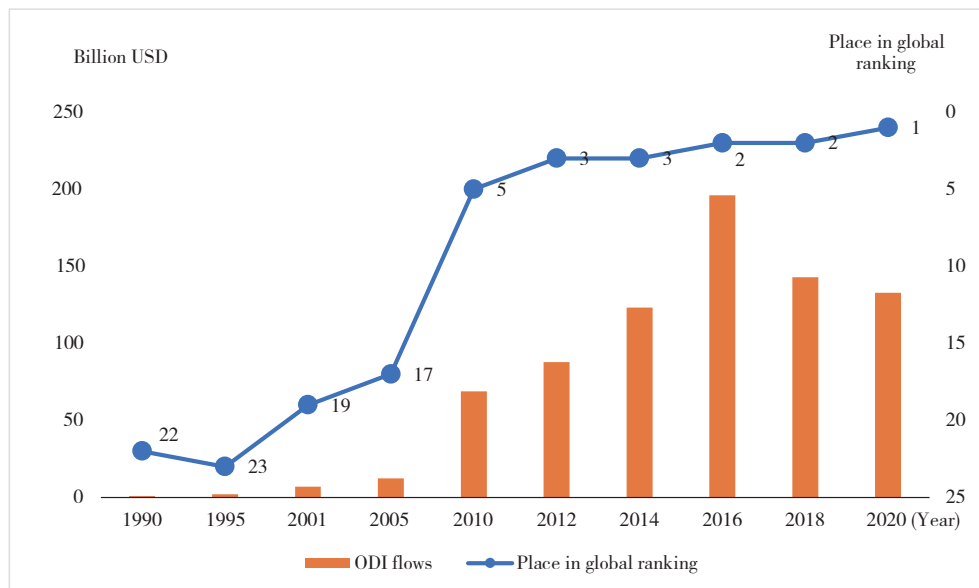


Figure 7-4 China's ODI Flow and Global Rankings

Source: Statistical Bulletin of China's Outward Foreign Direct Investment.

2. Level of participation in global openness cooperation continuously improved, contributing to common development of all countries

Bilateral cooperation continuing to deepen. From the establishment of cooperative and stable relations among major countries, to the diplomatic principle of

“amity, sincerity, mutual-benefit and inclusiveness” when dealing with its neighbors, to the policy principle of “sincerity, real results, amity and good faith” towards Africa — China actively develops and consolidates friendly cooperation with other countries. At present, China has signed bilateral investment protection agreements with more than 130 countries and regions, bilateral cooperation in various fields, such as economy and trade, is gradually advancing, and its convergence of interests with other countries has been constantly expanding.

Significant progress in regional cooperation. China has implemented a free trade zone promotion strategy and built a high-standard free trade zone network aiming to serve the whole world. By the end of 2020, China had reached 19 free trade agreements with 26 economies. It had successfully signed the *Regional Comprehensive Economic Partnership Agreement (RCEP)*, becoming the world’s largest free trade zone. It has completed the China-EU investment agreement negotiations. It has actively pushed forward a number of free trade negotiations, such as those on the China-Japan-Korea and the China-GCC free trade agreements; and it has promoted regional and sub-regional cooperative initiatives, such as the Lancang-Mekong River cooperation, the Greater Mekong River sub-regional cooperation, and the Grand Tumen Initiative cooperation.

Increasing contribution in terms of multilateral cooperation. China has a global perspective. It has the world in mind, and constantly seeks the convergence of interests of all countries that represent their greatest common divisor. It has firmly safeguarded the multilateral trading system and actively participated in the reform of WTO. It has actively participated in the United Nations, the G20, APEC, BRICS, SCO and other multilateral and regional mechanisms, and put forward its own plans and proposals. After the COVID-19 outbreak, China has supported the WHO playing a leading role in the fight against the pandemic, and called on the international community to increase political support and financial input for the WHO and improve the global public health governance system. While ensuring its domestic anti-pandemic needs, China has tried its utmost to export anti-pandemic materials to more than 200 countries and regions. China exported 1.08 billion nucleic acid testing kits to provide support for COVID-19 test work worldwide and 271,000 ventilators in 2020. From March 2020 to the end of 2020, China exported 224.2 billion masks, equivalent to providing nearly 40 masks for everyone outside China. It also exported 2.31 billion protective suits, 290 million pairs of goggles, 2.92 billion pairs of surgical gloves, 271,000 ventilators, 663,000 patient

monitors, 120 million infrared thermometers, and 1.08 billion novel coronavirus detection kits. By August 4, 2021, China had provided 770 million doses of vaccines to more than 100 countries and international organizations through various channels, such as assistance, export, and joint production, benefiting hundreds of millions of people and contributing enormously to international anti-epidemic cooperation and promotion of building a health community with a shared future for mankind.

3. New progress continuously made in collaborated opening-up in various fields, promoting cultural exchanges and mutual learning

Much headway made in scientific and technological cooperation. Since the beginning of Reform and Opening-up, China has successively signed intergovernmental science and technology cooperation agreements with France, the United Kingdom, and the United States. At present, China has established scientific and technological cooperation relations with more than 160 countries and signed more than 110 intergovernmental cooperation agreements. Since 2013, China has become the world's second-largest R&D investor, ranking first in the world for many consecutive years in terms of total number of R&D personnel and invention patent applications. According to the Global Innovation Index released by the World Intellectual Property Organization, in 2020, China ranks the 14th in the world in terms of national innovation capability, and it is the only middle-income economy to enter the top 30 list.

Cultural *Going Global* initiative enhancing mutual trust. Cultural trade and investment have grown rapidly. Since the Reform and Opening-up, China's cultural exchanges with other countries have continued to expand and deepen. In 2019, its import and export of cultural products totaled \$111.45 billion, its outbound investment in culture, sports and entertainment reached \$540 million, and its cultural exports to countries and regions involved in the Belt and Road Initiative was \$20.35 billion, which declined moderately in 2020 due to the impact of the pandemic. Its "soft power" of culture continues to improve. It has established a high-level people-to-people exchange mechanism with relevant countries. The cultural *Going Global* initiative, including cultural exchanges, cultural trade, and cultural investment, has helped promote the spreading of the Chinese culture to the other parts of the world.

Educational cooperation accelerated. The number of students studying in China has increased from more than 1,200 in 1978 to more than 490,000 in 2018. China has

become the largest Asian destination country for international students. The structure of international students in China has been continuously optimized. In 2019, the proportion of students studying in China with academic qualifications reached 54.6%; the proportion of international students from countries involved in the Belt and Road Initiative reached 54.1%. The number of Chinese students studying abroad increased from 860 in 1978 to 704,000 in 2019, with their accumulative number exceeding 6.56 million. In 2019, the total number of Chinese students who returned China after studying abroad exceeded 580,000, a year-on-year increase of 11.7%. In 2020, education cooperation was, to a certain extent, adversely affected by the pandemic, but two major trends — studying abroad and returning from abroad — have become popular, which is increasingly in line with the country's national strategy and industry demands.

III. Experiences and Lessons of China's Opening-up Development

Practice gives rise to wisdom, and history reveals the direction of the future. Through looking back at China's opening-up to the outside world, summing up its successful experiences, understanding and catering to the law of history, and detecting the future direction, the concerned parties will be able to better promote global openness cooperation and jointly build a community with a shared future for mankind.

1. Adhering to adapting to the general trend based on national conditions

Since the founding of the new republic more than 70 years ago, China has, after taking into consideration its own conditions, seized external opportunities to actively integrate into the world. At the beginning of the country's opening-up, a new round of industrial revolution and economic globalization had just begun. China made full use of its low-cost advantages in such factors as labor, land and resources to fully participate in the international division of labor, develop processing trade and labor-intensive industries, and gradually become the “world factory”. In the new century, the trend of economic globalization is unstoppable. China took advantage of its strong industrial supportive capabilities and adequate infrastructure to undertake higher-level industrial transfers, such as high-end R&D and manufacturing and service outsourcing, and got more integrated into the world economic system. Since the 18th National Congress of the CPC, China has given full play to its new advantages, such as comprehensive strength, huge market,