

Chapter XI

China International Import Expo Serving as International Public Goods in Openness Cooperation

China has been exploring innovative ways of opening-up, and the China International Import Expo (hereinafter referred to as the CIIE) is an important and ground-breaking initiative.

Since 2018, the CIIE has been successfully held for three times, attracting worldwide attention and achieving rich results. It has established an openness cooperation platform for countries around the world to explore the Chinese market, provided an important window for the implementation of the strategy of expanding domestic demand and building a new development pattern.

And it has provided international public goods for safeguarding free trade and multilateral trading system and played its role in building an open world economy and a community with a shared future for mankind, which is exceptionally valuable for our time.

I. CIIE as A Ground-Breaking Initiative to Expand Opening-up in the New Era

The hosting of the CIIE is a major decision made by China focusing on promoting a new round of high-level opening-up to the outside world, and a major move by China to actively open its market to the outside world.

1. Inheriting and carrying on China's openness philosophy

The road of national rejuvenation must be one of opening-up. Having

experienced the glory of the open, inclusive, and prosperous Tang Dynasty, as well as the backwardness and sufferings as a result of its closed-door policy (in the Qing Dynasty), China knows better that “opening-up leads to a prosperous age, while closed-door policy causes decline”. In 1957, China launched the Canton Fair, which opened a window to the outside world and became a vivid epitome of China’s opening-up to the outside world. As it enters the new era, China’s interaction with the outside world has become more comprehensive and profound. Faced with rising anti-globalization and protectionism, President Xi Jinping announced that China will hold the CIIE from 2018, marking China’s proactive opening-up of its large market to the outside world and demonstrating its sense of responsibility as a major country. It is milestone in China’s opening-up history, just like its establishment of the Canton Fair more than 60 years ago and its accession into the WTO 20 years ago. It is also a major ground-breaking move in the history of international trade development, enabling the Chinese people to better understand the world from within China and better understand China from an outside perspective. Through its opening-up, China can see the differences and become more confident. Meanwhile, it has also seen the gap and become more conscious of the right direction towards which it should strive. As the opening-up process goes on, China has been more open, prosperous and confident.

Table 11-1 **China’s Foreign Trade**

| | 1957 | 2001 | 2018 | 2020 |
|-----------------------------------|-------|----------|----------|-----------|
| GDP (billion yuan) | 107.1 | 11,086.3 | 91,928.1 | 101,598.6 |
| GDP per capita (yuan) | 168.0 | 8,717.0 | 65,534.0 | 72,000.0 |
| Total export (\$billion) | 1.6 | 266.1 | 2,486.7 | 2,590.6 |
| Total import (\$billion) | 1.5 | 243.6 | 2,135.7 | 2,055.6 |
| Total export & import (\$billion) | 3.1 | 509.7 | 4,622.4 | 4,646.3 |
| Trade-GDP ratio (%) | 9.8 | 38.1 | 33.2 | 31.6 |

Sources: National Bureau of Statistics of China.

2. Promoting the development of free trade

Innovation of new international free trade theories. From mercantilism to new international trade theories — there has never lacked theories that encourage exports, restrict imports, and develop the domestic economy. The CIIE is the world’s first State-level import-themed exhibition. It is an open platform hosted by China, participated

by all countries, and shared by the world, facilitating ordering and selling from every corner of the world and benefiting dealers and consumers from all over the world. It is a major innovation in the concept of international free trade development and it is unique in the history of world trade. China's proactive expansion of imports is not a stopgap measure, but a long-term plan aimed at promoting its future development and the common development of all countries in the world. Considering that economic globalization has come to a crossroads at present, China's proactive opening-up is particularly valuable. It is a theoretical innovation that transcends mercantilism, equally emphasizes import and export, and promotes free trade. It constitutes the China solution that promotes not only China's growth but growth of other countries, achieve common development, and builds an open world economy.

Boosting new momentum for free trade. In 2020, China's imports are valued at \$2 trillion. It is estimated that in the next 10 years, China's cumulative imports of goods may exceed \$22 trillion. The Chinese market, with a population of 1.4 billion and more than 400 million people of middle-income groups, is an important engine for international trade. China has used its own opening-up, marked by its proactive expansion of imports, to drive the world's opening-up, which will greatly raise the level of global trade liberalization, create new demand for, and inject new impetus into, the world's openness development.

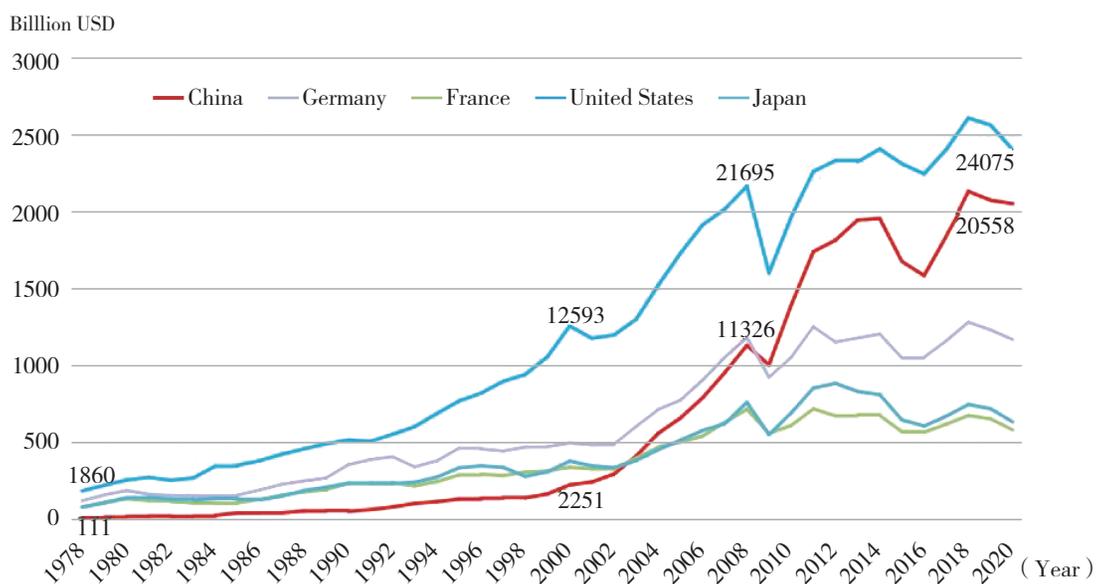


Figure 11-1 Import of Major Countries since 1978 (\$100 Million)

Source: WTO.

3. Promoting the development of China's openness

Meeting people's needs for a better life. China's middle-income groups continue to expand, the consumption structure upgrading is accelerating, and demand for diversified consumption is increasing. Over the past ten years, overseas consumption has grown by double digits every year. In 2020, the import value of consumer goods increased by 8.2% year-on-year, which is 8.6 percentages faster than the overall import growth rate. Sales of Hainan duty-free shops increased by 1.27 times, and sales of some mid- to high-end brands increased by more than 30%. The hosting of the CIIE and the reasonable expansion of import of high-quality goods and services are conducive to enriching domestic consumption choices, optimizing consumption structure, promoting consumption upgrading, meeting people's individualized, diversified and differentiated consumption needs, and better materializing the people-centered development philosophy.

Exploring new path of China's opening-up. The CIIE, domestically, helps meet the domestic requirements of high-quality economic development, deepen the supply-side structural reforms, and boost efforts to promote the formation of an open and integrated major market, trade, and circulation network. Externally, it has become a new platform for China to promote higher-level openness. President Xi Jinping has announced China's measures to expand its opening-up at the opening ceremony of the CIIE for three consecutive years, indicating that China is expanding its market to the world with a more confident and more positive attitude, and developing an open economy on a larger scale, in broader fields, and at a deeper level.

Enhancing capabilities to coordinate both internal and international imperatives. A strong trading power is bound to be a major importer. It is imperative for China to adhere to both import and export and integrate domestic and international markets in order to achieve high-quality development of trade and enhance the competitiveness of the trade sector. The CIIE attaches importance to both traditional markets, such as the developed countries, but also the emerging markets, such as the developing countries, thus strengthening the influence of the large domestic market and improving common bond of interest linking China with other countries. The CIIE has become the *barometer* of China's opening-up, demonstrating the shift from *opening-up as a requirement from the top* to *self-initiated opening-up*, from *opening-up by myself* to *common opening-up*, from *opening-up of factors* to *institutional opening-up*, and

from *opening-up itself* to *quality of opening-up*.

4. Pushing forward the development of global openness

Major action to build an open world economy. In recent years, the global economic growth momentum has become weak, the anti-globalization sentiment has surged, and trade and investment protectionism has intensified, which have combined to pose a challenge to the multilateral trading system. The CIIE fully embodies China’s consistent position of supporting the multilateral trading system and promoting free trade, and sends a clear and positive message of opposing protectionism and building and maintaining an open world economy.

A real action to promote the building of a community with a shared future for mankind. The CIIE provides a new comprehensive public platform for international cooperation, and China said other countries are welcome to take the *express train* and *hitchhike* of China’s development for free. The participation of countries involved in the BRI in the CIIE has helped to deepen and solidify the joint building of the initiative. All relevant parties discuss ways of common development and problem-solving through consultations, which is conducive to guiding economic globalization towards being more open, inclusive, balanced and inclusive. While goods and serves

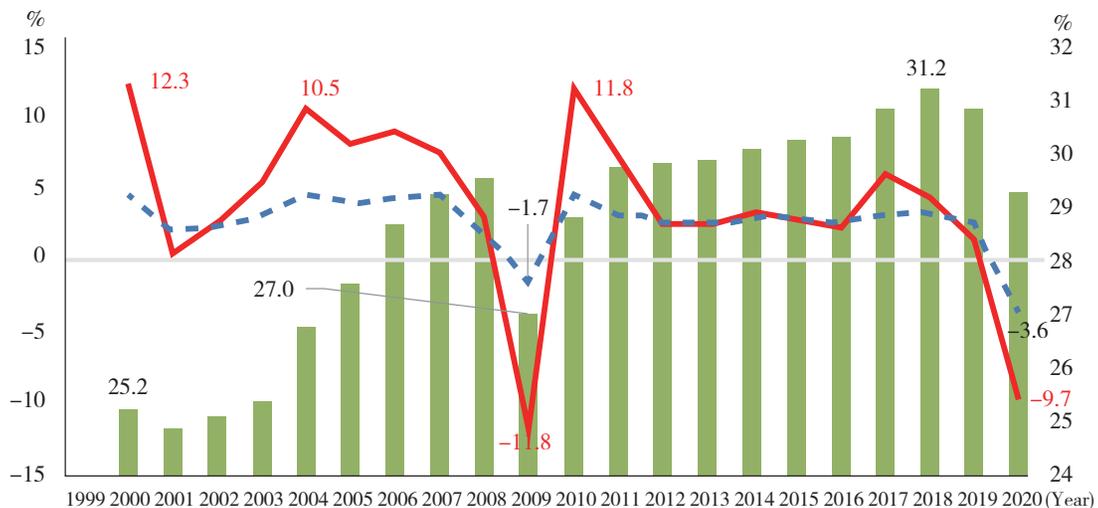


Figure 11-2 World GDP and Trade Growth (%), since 2000

Note: At the level of the world as whole, the export behaves as a mirror of the import. So, it is the import measured by c.i.f price rather than the sum of export and import that is used here as a proxy indicator to world trade.

Source: World Bank, World Development Indicators, online dataset.

are exchanged through the CIIE, the expo is also a channel for exchanges of cultures and ideas. It showcases some valuable ideas of the Chinese civilization, such as *helping others to succeed while seeking one's own success, treating people well although they are far away and do not think the same way, and all nations living in harmony*. It also demonstrates the unique charm of other civilizations. The CIIE has reflected the charm of civilizations by promoting a benign economic and people-to-people exchanges and revealing the profound connotations of *humanity first* and a community with a shared future for mankind.

II. CIIE as A Comprehensive and Open Platform Shared Globally

The CIIE combines exhibition, forum, diplomacy, and people-to-people exchanges. Its attribute as international public goods has continually been strengthened, and the comprehensive spillover effect of the four platforms (international procurement, investment promotion, people-to-people exchange, and openness cooperation) has become more and more apparent.

1. International procurement platform promoting foreign trade

The CIIE, as a platform for transactions between Chinese and foreign dealers from all over the world, has become a world-class exhibition and broadened the channel for global enterprises to enter the Chinese market and carry out international cooperation.

Scale of exhibition continues to expand. A total of 151 countries and regions participated in the business exhibition at the first CIIE, with 3,617 exhibiting companies. A total of 3,893 companies from 155 countries and regions participated in the second CIIE. The number of buyers significantly exceeded that of the first one, involving 39 trading groups, nearly 600 sub-groups, and 506,000 professional visitors. The cumulative intentional transactions totaled \$71.13 billion, an increase of 23% over the first session. Against the backdrop of the global spread of the COVID-19 pandemic, the third CIIE still had companies from 124 countries and regions participating in the event. The number of exhibitors is largely the same as that of the second expo, and nearly 400,000 buyers participated in the exhibition. The value of intentional deals reached \$72.62 billion, an increase of 2.1% year-on-year. The exhibition area covers nearly 360,000 square meters, 30,000 square meters larger than the second session. The