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Boao Events

Asia-Europe Potential Highlighted at the Boao Forum Rome Conference

Asia and Europe must deepen collaboration to protect multilateralism and reinforce open trade flow, according to political and business leaders speaking at the Boao Forum for Asia Rome Conference on Wednesday. Interests aligned by a drive toward win-win opportunities, created from China's further opening-up and the growing global connectivity enabled by the Belt and Road Initiative, must be developed, they said.

"Great potential of cooperation (exists) in reshaping globalization and international rule-setting, based on their common grounds on international trade and investment, infrastructure development, climate change and digital economies," said Zhou Xiaochuan, former governor of the People's Bank of China, China's central bank.

"Reforming WTO and preserving the multilateral trade system are top priorities. China will do its part to further reform and open up its market for international access and actively contribute towards globalization," said Zhou, who is also vice-chairman of Boao Forum for Asia and vice-chairman of the 12th National Committee of the Chinese People's Political Consultative Conference.

Romano Prodi, former prime minister of Italy, said that China and Europe should deepen relations to defend globalization trends that "made possible the prosperity of the present" and make efforts to prevent the spread of protectionism and the rise of populism across Europe.



"Economic transformation is the key feature of the present. In a world that for decades has been hinging on the economic primacy of the US, now the European Union and China are two (of the) biggest economies," Prodi said.

This spirit of open trade was a hot topic at Wednesday's conference and many speakers hailed the China-proposed Belt and Road initiative as a critical platform to reinforce the momentum of globalization through improving connectivity.

"It is certainly an economic cooperation that would promote free trade, build infrastructure, create jobs and income, increase investment, and foster people-to-people understanding, not only between China and each BRI partner country but also between different BRI partners," said Surakiart Sathirathai, former deputy prime minister and foreign minister of Thailand.

"The BRI is not only opening up more free trade, but it is opening up some 70 countries and their people through connectivity through road, rail, seaport and airport construction connecting different parts of Asia and between Asia and Europe," said Sathirathai.

Proposed by President Xi Jinping in 2013, the Belt and Road Initiative advocates improved connectivity of infrastructure, trade, ideas and knowledge between Europe, Asia and other international markets.

Li Baodong, secretary-general of Boao Forum for Asia, added that the objectives of BRI are coherent with the European Commission's 'Connecting Europe and Asia: The EU Strategy', which is a plan launched in September this year with a view to improve Eurasian connectivity.

This sentiment for closer Asia-Europe collaboration was shared among business leaders from both continents at a CEO roundtable discussion on the sidelines of the conference. "Despite various uncertainties in the global political environment, Chinese companies are increasingly expanding overseas and global firms are quickly identifying opportunities from the further opening up of China's market," said Liu Bing, co-president of the Beijing-based Hengchang Litong Investment Management.

"The tide of globalization cannot be turned back, and businesses across Asia, Europe and Belt and Road countries will continue to collaborate by leveraging on our complementarities, because it makes business sense for us to do so," Liu said.

-By Cecily Liu from China Daily UK

Boao Forum for Asia helps deepen China-Vietnam economic cooperation

Boao Forum for Asia held here on Thursday the China-Vietnam Economic Cooperation Promotion Forum, attracting nearly 500 government officials and entrepreneurs from both countries.

Addressing the forum, Li Baodong, secretary general of Boao Forum for Asia (BFA), said BFA has always been committed to promoting China's deepening of bilateral and multilateral pragmatic economic and trade cooperation with Asian countries.

"At the first China International Import Expo held last month, many Vietnamese products were favored by Chinese people, " said Li, adding that many well-known Chinese companies participating in the forum here are also members of BFA. They have invested in Vietnam for years and have been recognized by all walks of life in the country.

Li said BFA is willing to help China and Vietnam accelerate synergy between development strategies, strengthen inter-connectivity and economic and trade cooperation within the frameworks of China's Belt and Road Initiative and the Two Corridors and One Economic Circle Plan of Vietnam.

In his speech, Vietnamese Deputy Minister of Foreign Affairs Le Hoai Trung said the one-day forum attracted hundreds of delegates, fully demonstrating that Vietnam and China and other countries have paid great attention to the future economic and trade cooperation.

Addressing the forum in Hanoi, Xiong Bo, Chinese Ambassador to Vietnam, said both China and Vietnam are determined to achieve new development goals through deepening reform and opening up.



The forum in Hanoi reflects the support for promoting the China-Vietnam economic cooperation, said the Chinese ambassador.

- From Xinhua Hanoi

BFA Steadily Advances Preparations for the Global Health Forum of Boao Forum for Asia

On Dec. 17, 2018, the BFA Secretariat and the Qingdao Municipal Government carried in-depth discussion on the preparatory work for the first Global Health Forum of Boao Forum for Asia. The two sides considered that the current preparatory work was going in a smooth and orderly manner, and the safeguards were basically put in place.



The first Global Health Forum of Boao Forum for Asia will be held in Qingdao next year by the BFA in concert with the World Health Organization. Margaret Chan Fung Fu-chun, the President of Global Health Forum of BFA and Emeritus Director-General of WHO, served as the chairperson of the conference. Not long ago, Margaret Chan presided over the Expert Meeting of the Global Health Forum of Boao Forum for Asia, inviting well-known experts in the global public health field to conduct in-depth discussions on the theme and issues of the conference. A broad consensus has been reached, laying a solid foundation for the subsequent preparations for the conference.

According to the person in charge of the Organizing Committee of the Global Health Forum of Boao Forum for Asia, the health and wellness industry shows increasingly prominent economic potential, and is one of the largest and fastest growing sunrise industries in the world. The BFA is committed to promoting Asian regional cooperation and global development, and has been closely following health and wellness issues related to economic development and people's livelihood. The theme of the first Global Health Forum of Boao Forum for Asia is "Internet Plus Age: Health for All", mirroring the common aspirations of the region and the world in the field of health development.

When asked about the relationship between the “First Boao Health Industry Development Forum” held at the BFA International Forum Center in Hainan and the Global Health Forum of Boao Forum for Asia, the person in charge said that the BFA International Forum Center is an open Forum facility. Some organizations hold various conferences here, and some also attract investment in the name of Boao forum. These have no connection with the BFA. There are also a slew of forums and conferences in the health field recently, but the organization and level of the conferences are wholly different from those of the Global Health Forum of Boao Forum for Asia.

The Global Health Forum of Boao Forum for Asia is a comprehensive platform for high-end dialogue and pragmatic cooperation between governments and businesses. The Forum will not only cooperate with international organizations such as the WHO, but also receive the full support of the relevant state health authorities. At that time, the Forum will be attended by nearly 2,000 participants, including the leaders in charge of health affairs or health ministers from many countries, heads of relevant international agencies and NGO, Nobel Prize winners in the field of medicine, famous entrepreneurs and researchers in related fields, and a variety of exhibitions and performances will be held.

Vice Chairman ZHOU Xiaochuan led a research group to Hainan for Free Trade Port investigation

On Dec. 17, the research group for the development of China (Hainan) Free Trade Port, led by BFA Research Institute in concert with the Office of Pilot Free Trade Zone (Office for Fully Deepening Reform) of Hainan Provincial Party Committee, China Institute for Reform and Development, China Finance Association, and University of Sanya, started its one-week field trip to Hainan. Vice Chairman ZHOU Xiaochuan attached great importance to the research project and visited Hainan to guide the group in person.



On the afternoon of Dec. 17, Vice Chairman ZHOU exchanged views with Liu Cigui, Secretary of Hainan Provincial Party Committee; Shen Xiaoming, Provincial Governor; Mao Wanchun, Chairman of the Provincial People's Political Consultative Conference; Shen Danyang, Vice Provincial Governor; and others on the development of Hainan Free Trade Port. Vice Chairman ZHOU

pointed out that, the BFA, as a non-governmental international conference organization with its annual conference held in Boao, Hainan, will make contribution to the development of Hainan Free Trade Zone and Free Trade Port, through promoting it and providing intellectual support through the BFA platform. The chief leaders of the Hainan Provincial Party Committee, the Provincial Government and the Provincial People's Political Consultative Conference expressed gratitude to Vice Chairman ZHOU and invited the research group to make suggestions on the design of policy and institutional system for Hainan Free Trade Port.

The research group also held talks with the senior executives of 11 local state-owned enterprises and private enterprises such as Hainan First Investment Holdings, Haikou Mission Hills Resort, Hainan Harbor & Shipping Holding, and Coconut Palm Group, and solicited opinions and suggestions from enterprises on key issues related to the development of free trade port, including infrastructure, market opening, business environment, and policy support.



BFA held workshop for its Asian Financial Development Project

On Dec. 16, 2018, the Asian Financial Development Research Group held its first workshop at the BFA Secretariat. The research group members of the BFA Institute, ASEAN+3 Macroeconomic Research Office, the Asian Financial Cooperation Association and the Central Asia Regional Economic Cooperation (CAREC) Institute discussed with the advisory group members from the International Monetary Fund (IMF) and the Asian Infrastructure Investment Bank regarding the objectives, tasks, and writing details of the subject.

The Asian Financial Development Research project is the first cooperative project of the BFA Institute with important international organizations in the region. It will provide relevant recommendations on infrastructure construction and interconnectivity in Asia by analyzing the key characteristics and cases of infrastructure financing in various regions of Asia, for the purpose of promoting economic integration of Asia and economic globalization. The research group plans to complete the Asian Financial Development Report by the end of March, 2019 and publicize it during the BFA annual conference.



Secretary-General LI Baodong Meets with Clare Fearnley, New Zealand Ambassador to China

On the morning of Dec. 13, 2018, LI Baodong, BFA Secretary General, met with Clare Fearnley, New Zealand Ambassador to China, at the BFA Secretariat.

LI pointed out that the new BFA Board of Directors, in keeping with the times, set forth the guiding principles, goals and tasks of the work of the BFA in the new era. Today, as new technologies, new trends, new problems and new challenges emerge constantly, the BFA remains true to our original aspiration. With a focus on Asia and a global perspective, the BFA expands new frontier areas while maintaining the characteristics of the forum on economy. The forum will further draw on the advantages of the international political and business exchange platform, gather the insights from all walks of life and contribute to the maintenance of peace and development in the region and the world.

LI spoke highly of the sustained great support of New Zealand – one of the BFA’s sponsor nations – to the BFA’s work. The New Zealand Embassy in China has also been an active supporter and participant in the events held by the forum. It is hoped that New Zealand gives continued support and help.

Clare Fearnley congratulated the BFA on its achievements, appreciated the strategic vision and working ideas of the new board of directors of the BFA, and supported the Forum’s expansion into Europe and Oceania.

Clare Fearnley said that the New Zealand Embassy in China is willing to continue to foster cooperation with the BFA, and welcomes and supports the forum to communicate with all walks of life in New Zealand.



Boao People

**Vice Chairman ZHOU Xiaochuan's Speech at the Plenary
Meeting of "Facing up to the De-globalization"
(Dec 5th, 2018 at Rome, Italy)**

Ladies and Gentlemen,

Good Morning! Taking this opportunity, I would like to talk about how to reshape globalization, which is under mounting challenges.

Ever since World War II, especially after the dissolution of the Soviet Union and coming-out of new development model of emerging markets in the 1990, a new round of economic globalization has picked up pace, against the backdrop of established global political and economic order and rapid science and technology advancement. Production factors started to be allocated around the globe and knowledge and experience became widely spread, and the world economy entered into a phase of rapid development. Between 1970 and 2017, global trade increased by 58 times, while FDI inflows grew 191 times. Nevertheless, the 2008 Global Financial Crisis hit global trade, investment and economic growth severely, with income distribution worsening and inequality aggravating. Under these circumstances, de-globalization sentiments and populism began to rise, so did trade protectionism and anti-immigration sentiments.

Facing such challenges, some countries have chosen more inward-looking policies. "America First" and the Brexit are two prime examples. Trade disputes start to escalate, investment restrictions imposed and tariff and non-tariff barriers reinforced. These policies, however, are not the way out. In today's world, terrorism, immigration crisis, climate changes and cyber security issues have become humanity's common challenges. It has become impossible for any country to develop without spillovers to, and spillbacks from, the rest of the world. In this regard, we welcome the G20 leaders' declaration just issued in Buenos Aires on December 1, on building consensus for fair and sustainable development, which lays down a solid basis for the international community to strengthen their efforts in reshaping globalization by improving the rules and governance of international trade and investment.

Let me start with challenges facing global economic growth.

This year marks the 10th-year anniversary of the Global Financial Crisis. The world economy finally recovered to the pre-crisis level in 2017, and favorable growth momentum was expected to remain in both 2018 and 2019. Several advanced economies have step out of deflation and embarked on monetary normalization.

Emerging market economies have improved their balance of payments. There are, however, some imminent challenges and uncertainties ahead of us.



First, uncertainties remain in international trade. Although the growth rate of international trade in 2017 has recovered to 4.7%, the strongest since the GFC, the rising global trade tension has notably dampened the growth rate of new export orders since the third quarter of this year. Business and market confidence has been weakened, since prolonged trade disputes have become a severe threat to medium-term growth prospects, by reducing

global resource allocation efficiency, disrupting global supply chain, and hurting productivity. At this juncture, the resumption of trade negotiation between China and the U.S., after the good meeting between President Xi and President Trump in Argentina, has helped trigger a rally in global market. It is, of course, too early to know whether such improvements can be sustained. Yesterday the U.S. stock market experienced a big correction. Nevertheless, I am a bit optimistic that the 90-day negotiation can reach a compromise outcome, so to see de-escalation of trade frictions, creating a better environment for WTO reform.

Second, the change in global financial condition may bring instability and shocks to emerging markets. After the GFC, a prolonged period of accommodative monetary policy in major economies resulted in large capital inflow into emerging markets. In 2018, with global financial condition gradually tightening following the Fed rate hikes and the winding up of QE, some emerging markets, including those with relatively sound fundamentals, experienced severe financial market turbulence.

Third, new technologies, which have brought significant growth benefits, are bringing numerous challenges to policy makers. Artificial intelligence, block chain, big data and cloud computing are empowering a variety of industries and rapidly changing our life and work. These technologies, however, also have the potential to circumvent traditional regulation and do harm to society. In my mind, high-frequency trading in stock markets could distort market supply and demand, crypto currencies could be utilized for illegal transactions as mentioned by President Xi and President Trump, and cyber-attacks could cripple key financial infrastructure as happened in Bangladesh and Russia.

I now would make some preliminary observations on potential ways out.

At current stage, reforming WTO and preserving the multilateral trade system are top priorities. The EU, Canada and several other countries have put forward proposals on WTO reform. In late November, China also announced its five-point proposal on this issue. From these proposals, we can see that both European and Asian countries strongly favor multilateralism in global trade. It is also very encouraging to see that G20 leaders support the WTO reform and will review progress at the 2019 Summit. As part of the global efforts and in line with its firm commitment to further reform and opening up, China has been taking policy actions to level playing field, reinforce IPR protection, prevent forced technology transfer, and strengthen AML- CFT and drug trafficking regulations. China has strong willing to strengthen cooperation with European and Asian countries on WTO reform.

At the same time, the international community should continue to reform the international monetary system and build a strong global financial safety net. This year, since emerging markets came under immense pressure from coping with external shocks, the G20 Argentina Summit made strengthening the global financial safety net an important agenda item. We welcome the G20 leaders' commitment to concluding the IMF's 15th General Review of Quotas in 2019 and further strengthening the global financial safety net with IMF at its center.

In addition, we need to promote a new phase of globalization by improving connectivity and inclusive and digital growth. It is estimated that the economic globalization approach driven by tariff reduction and exemption, could raise the world growth by no more than 5 percent, whereas the new economic globalization driven by improved connectivity, can increase the world growth by 10 to 15 percent. Based on this, China put forward a new globalization initiative to build the "Belt and Road" together with other countries, with connectivity of infrastructure as a core pillar. Such connectivity will be open to all and market-based.

Finally, I see great potential of cooperation between Asia and Europe in reshaping globalization and international rule-setting, based on their common grounds on many important issues, including international trade and investment, infrastructure development, climate change, and digital economy. Countries from the two continents should work closely together to help secure strong, sustainable, balanced and inclusive growth for all.

Thank you for your attention!

Secretary General Li Baodong's Introductory Speech at CEO Roundtable (Dec 4th, 2018 at Rome, Italy)

Ladies and Gentlemen,

Dear Friends,

Good afternoon! I am glad to come to Rome and meet all of you here. Boao Forum for Asia Rome conference will begin tomorrow. And all of us share one the same goal – that is, to make this conference deliver fruitful outcomes.



Today we are here to discuss the 'leading technology industry trends' in a context of current international situation. A resurgence of unilateralism, protectionism and populism has led to the instability of world economy.

Also, we are entering into a new Industrial Revolution shaped by new technologies such as artificial intelligence and big data that will reshape the outlook of the world. Both Asia and Europe cannot afford to be just onlookers. We should make collaborative efforts to seize the opportunity and create new momentum for growth.

As business leaders, you have a great stake in the developing new technologies and diffusing global innovation. That's why we are here. Boao Forum for Asia has always taken time to meet business leaders and discuss with you approaches and measures to address the challenges we face.

Ladies and Gentlemen,

Friends,

Looking at the history of the modern world, we can say for sure that technological innovation is the driving force for a country's economic success. During past periods of innovation, technological revolutions including the creation of steam engine, the application of electricity and automation, as well as the rise of internet have significantly stimulate the development of Western Europe and North America.

The spread of digital economy and sharing economy in recent years has been affecting many sectors and activities of the economy. For instance, E-commerce and Fintech have now been becoming parts of Chinese people's life. Nowadays, online shopping is big business in China. Many Chinese shoppers buy products using their smart phones. The once-in-a-year shopping event called 'Double 11', wrapped up on November 11, are sure to attract world's attention. Moreover, mobile payments are also more commonly used in China. Millions of small shops and sellers in China support payment through the QR code stickers by Alipay or Wechat. All such technologies will substantially boost productivity and reshape human society in profound ways.

However, de-globalization could hurt investment and trade, damage supply chain, and suffocate technological advancement. Europe and Asia should firmly uphold the rules-based multilateral trading system, thus promoting growth, productivity and innovation.

We should stay committed to keeping our doors open and encouraging the spread of new technologies and knowledge so that innovation will benefit more countries and peoples. Let's do our best to keep our big Asia-Europe family together, thus bringing future prosperity for the two continents.

So with that, we'll begin our discussion.

Thank you.

Professor Dr. Surakiart Sathirathai's Speech at the Opening Plenary
(Dec 5th, 2018 at Rome, Italy)

Excellency Lorenzo FIORAMONTI, Deputy Minister for Education, Research and Innovation of Italy,
Excellency ZHOU Xiaochuan, Vice Chairman of the Boao Forum for Asia, Vice Chairman of the 12th National Committee of the Chinese People's Political Consultative Conference,
The Right Honourable Lord Mandelson, President of Policy Network, Former European Commissioner for Trade,
Excellency LI Baodong, Secretary-General, Boao Forum for Asia,
Mr. Valerio DE MOLLI, Managing Partner and CEO, the European House Ambrosetti,

Distinguished Guests,
Ladies and Gentlemen,

First of all, I would like to congratulate the Boao Forum for Asia for organizing this landmark Boao Forum for Asia Rome Conference and to express my sincere appreciation for the kind invitation for me to attend this conference. This conference truly testifies the role and the important link the Boao Forum for Asia could play to enhance and cement the close cooperation between the public and private sectors of Asia and Europe especially during the time when the world is looking for greater efforts and endeavors to forge greater economic ties and cooperation amidst serious threats to free trade, globalization and multilateralism.

In a few days' time it will be China 17th anniversary since it has joined the WTO in December 2001. Because of her economic structure, China's membership to WTO seemed to reaffirm that all economies in the world, capitalist, socialist or communist, were ready to embrace the trade liberalization and the global free trade would operate under similar rules and regulations and that free trade would be healthy for the world economy and the citizens of the world.

The mushrooming of economic and free trade cooperation and integration is emerging in every region and continent of the world. China has been joining hands with countries and groups of countries not only in Asia but all over the world to promote free trade. Today it is not arguable any more that China is one of the world most ardent advocates of global free trade.

But as we often quote in Buddhist philosophy, in life, uncertainty is the certainty. The world foremost leading nation in free trade, the United States of America, has, on the contrary, turned against free trade, globalization and even multilateralism. Protectionism is beginning to creep into the global economic order. The looming trade

war between the world number one and number two economy becomes headlines every day. In addition, the United Kingdom Brexit from the European Union, though not quite the case of a move against free trade as such but certainly a demonstration of anti-globalization sentiment, has demonstrated the frustration people are experiencing after decades of global growth under trade liberalization and globalization.

This phenomenon that has led to American protectionism is not President Trump's fictitious story. For one of the main causes of the anti-free trade and anti-globalization sentiment and bitterness derives from the true but unfortunate stories of inequality suffered by different segments of the global population especially the American middle class while others have enjoyed more benefits of free trade and globalization.

The so-called "Elephant Chart", one of the most famous charts in economics in the past decade, produced by Christoph Lakner and Branko Milanovic in their book 'Global Equality', probably provides the best explanation to this new economic phenomenon. The chart using the World Bank data showed the world's income distribution between 1988-2008. The chart showed that while the rich in the least developed countries were made much richer, the poor are also better off. In developing countries, the rich are also much richer but the middle class become poorer. The global middle class, in particular those in East Asia and India and the ultra-rich in Europe and North America have gained the most benefits of the global economic growth from free trade and globalization. The lower and middle class even in countries like the US and Germany, however, were amongst the world population who did not see their income grow anywhere near their rich neighbors. They became the victims of globalization. The elephant chart helps explain the global resentment and bitterness against free trade and globalization, the American First and Brexit movement and the rise of right wing nationalistic and protectionist movement in Europe. But that does not mean that globalization and free trade is necessary to blame and to be rid of.

Most recently, the World Inequality Report 2018 by the World Inequality Lab at the Paris School of Economics shows that income inequality has increased in nearly all world regions in recent decades, but at different speed. The report has reiterated the findings of the elephant chart by estimating that the global lower and middle class are being squeezed and have gained the least benefits of global economic growth. The unequal ownership of capital, the high growth of private capital wealth while public wealth has been drastically diminished has limited the ability of governments to tackle inequality, especially wealth inequality amongst individuals. In Russia and the United States, the rise in wealth inequality has been extreme, whereas in Europe it has been more moderate. 'Business as usual' will exacerbate the income and wealth inequality in the next couple of decades. All countries must cooperate in tackling the income and wealth inequality to avoid further resentment, citizens' discontent and anti-globalization and anti-free trade movement.

The Anti-EU feeling, the Brexit, the American First, and most recently the “gilets jaunes” or the yellow vests discontent movement in the streets of Paris and other French cities in the last three weekends and the violent that regrettably pursued last weekend in Paris, I believe, have partly been caused by this inequality as a result of “business as usual” economic hardship.



Contrary to the movement to turn away from free trade and globalization, it is now time than ever for all of us to ensure that all forms of economic and trade cooperation, regional or inter-regional, must be accelerated and implemented to ensure that the inequality of wealth and income as illustrated by these studies will be reversed. In other words, ‘business as

usual’ should not be the way we implement our economic and trade cooperation any more. More care and heed are needed to implement global free trade and trade liberalization.

In Asia, where I come from, I strongly believe that there are emerging several economic and trade cooperation frameworks that must speed up its conclusion to address these inequality problems. The Regional Comprehensive Economic Partnership or RCEP, the proposed free trade agreement between the 10 members of ASEAN and the six Asia-Pacific nations, namely Australia, China, India, Japan, New Zealand, and South Korea has the potential of becoming the world’s largest economic bloc of 3.4 billion people. The RCEP is now closer than ever to be concluded an inter-regional economic cooperation. The other cooperation is the FTAAP or the Free Trade Area of the Asia-Pacific, the trade integration of the 21 economies of the APEC or the Asia-Pacific Economic Cooperation. Unlike RCEP, FTAAP could possibly take longer to turn into reality but all of us hope that its conclusion should be within reach. Learning the lessons, all countries involved in both these economic cooperation frameworks must steer these cooperation frameworks in order not to exacerbate the wealth and income inequality and to set out policy that will not let any group of income earners left behind.

The Trans Pacific Partnership or TPP which President Trump turned down as the worst economic cooperation should have been, in fact, another economic cooperation bearing great impact on the economic growth and wealth distribution of so many countries both in Asia and in the American continent. Fortunately, the remaining

partners were not convinced as President Trump did. So, albeit abandoned by the Trump Administration, the TPP has been resuscitated. It has now become the “Comprehensive and Progressive Trans Pacific Partnership” or CPTPP. When concluded, with or without the United States, the CPTPP, too, must take care of those citizens who have been unable to enjoy the sufficient benefits of the free trade.

And then, the Belt and Road Initiative. This may not be an economic cooperation framework as such. But it is certainly an innovation of an economic cooperation that would promote free trade, building infrastructure, creating jobs and income, increasing investment, and fostering people-to-people understanding, not only between China and each BRI partner country but also between different BRI partners as well.

The BRI is not only opening up more free trade, but it is opening up some 70 countries and their people through connectivity through road, rail, seaport and airport construction connecting different parts of Asia and between Asia and Europe. Both trade and the people along the BRI projects will have the unprecedented opportunities to connect and travel to and from each other. Better modes of transportation and communication will benefit everyone’s economic activities.

The digital connectivity is another benefit of the BRI. It is hoped that China great advance in the digital and AI technology will not be confined to China’s benefits. But with the BRI, digital connectivity must make way to improve people’s livelihood economically and socially. Both transport and digital infrastructure will enable people from the grassroots, to the lower and the middle class to improve their economic production, be they in agriculture or industry, their sales through e-commerce as well as their ability to compete by e-learning new skills and being innovative, wherever they live.

The multiplicity and the magnitude of the BRI projects would surely help create jobs and income both directly in the BRI projects and also in other related sectors. An investment in a mega construction and infrastructure project in any area would entail a growth in the service sector, agriculture and food sectors, as well as industrial and technology sectors. The presence of new roads and new railroads creates job and career opportunities as well as entrepreneurship to all communities in the vicinity. The BRI projects must not be seen as a mega construction projects by China. But these are projects that need to be considered for their long-term benefits to the communities and their people as a whole.

Those economic frameworks mentioned earlier would find it more difficult to yield equitable benefits to people from different sectors without the essential connectivity infrastructure which the BRI projects are meant to facilitate. The complementarity between the BRI and the regional economic cooperation frameworks is what is needed

to rectify the shortcomings illustrated by the research findings both in the Elephant Chart and the World Inequality Report.

The 5 years' implementation of the BRI has proved that all the projects under this initiative is laying the necessary infrastructure for free trade and global connectivity that would benefit all sectors of the global population, especially those left behind. The continuation of the implementation of the BRI in the years ahead is hoped to be even more successful if there are more public diplomacy especially amongst the stakeholders, be they policy makers, opinion leaders, or people at the grassroots level to ensure that all have a sense of ownership for the BRI and that the BRI is not only about mega projects but it is to benefit small people, that the BRI respect sovereignty and above all the BRI is inclusive.

And if world leaders join hands in defending and protecting free trade, encouraging more free trade cooperation that more equally and equitably benefits all sectors of their population, I have confidence that the complementarity between the BRI and those free trade cooperation zones would not result in another Elephant curve. And the forecast of the next decades of deteriorating income and wealth inequality will prove unjustified.

I wish to end my presentation by commending the Boao Forum for Asia once again for organizing this conference in this beautiful and ancient city of Rome where I hope the European and Asian wisdom will merge for the optimal benefits to the world.

Thank you very much.

English Translation of Secretary General Li Baodong's Speech at the Plenary Session of the China-Vietnam Economic Cooperation Promotion Forum
(Dec 20th, 2018 at Hanoi, Vietnam)

Excellency Mr. Le Hoai Trung, Deputy Minister of Foreign Affairs
Excellency Mr. Nguyen Duc Chung, Chairman of Hanoi People's Committee
Excellency Mr. Vu Tien Loc, President of the Vietnamese Chamber of Commerce and Industry
Excellency Mr. Xiong Bo, Chinese Ambassador to Vietnam
Chinese and Vietnamese business leaders and friends from the media
Ladies and Gentlemen,

It's really a pleasure to lead the delegation of the Boao Forum for Asia to arrive in the vibrant and dynamic city of Hanoi, the capital of the Socialist Republic of Vietnam. It also gives me much pleasure to join Chinese and Vietnamese business leaders to explore how we can promote China-Vietnam cooperation and align the development strategies of the two countries for the common prosperity of Asia. Here, on behalf of the Boao Forum for Asia, I'd like to first extend my heart-felt gratitude to participants from the Vietnamese government and other communities, particularly to the leaders from the forum's co-organizers. I also want to extend a warm welcome to participating business leaders from various countries.

The Boao Forum for Asia (BFA) was co-founded by 29 Asia-Pacific countries, including China and Vietnam, at the start of this century. It is a high-level dialogue platform for political and business leaders to explore major economic issues facing Asia and the world. Focused on Asia but with a global reach, BFA as an 18-year old organization has been committed to promoting economic globalization and regional integration—by pooling Asian wisdom, building Asian consensus, shaping common agendas and promoting practical cooperation. Today's forum is the first event ever organized by BFA in Vietnam since its inception, and we are full of expectations regarding takeaways from it.

Vietnam, as a major economy in Asia, has been one of the fastest-growing economies in the world. Since the 12th National Congress of the Communist Party of Vietnam, the Vietnamese people, under the leadership of the party and government, have been pushing forward with reforms and working hard towards building a modern industrialized economy. The Vietnamese people have also been pushing for a strong nation as well as a fair, democratic and civilized society in which people are living a rich life. In recent years, Vietnam has been committed to the development model driven by productivity improvement, reform and innovation, and has achieved impressive economic growth, with its GDP expanding at a pace averaging above 6.8% per year. This year, its growth rate is expected to surpass 7% and Vietnam is now hailed by some international organizations as Asia's new tiger economy. The country is now

increasingly favored by international business leaders and investors for its political stability, social harmony and improving infrastructure and business environment. As an economic dialogue platform dominated by business leaders, BFA is happy to leverage its strengths to encourage strong companies to pursue business opportunities in Vietnam. At the same time, BFA will also share the success stories of Vietnam with other Asian countries and emerging economies to help them achieve common development and contribute to the UN 2030 Agenda for Sustainable Development.



Over the years, BFA has been a committed champion of bilateral and multilateral economic cooperation between its host country China and the rest of Asia. As a close neighbor, China has long been the largest trading partner of Vietnam, while Vietnam is also the largest trading partner of China in Southeast Asia. Thanks to the great importance attached by Presidents of both countries, recent years have seen an improvement momentum in our bilateral relations, with our two-way investment and trade structure constantly expanding and optimized. In 2017, the two countries saw their bilateral trade exceeding USD 100 billion and their citizens exchanging over 10 million visits. At the China International Import Expo held last month, many specialties promoted by Vietnam, such as cashew nuts and coffee, became “instant hits” on Chinese online shopping platforms.

Corporate participants at today’s forum also include some prestigious Chinese companies, such as Bank of China, BROAD Group and Trina Solar, which are also BFA members. As companies that have been operating in Vietnam for many years, their active roles in social responsibility are widely applauded by local governments and other communities.

This year marks the 10th anniversary of the formation of a comprehensive strategic partnership between the two countries. Against this background, during State Councilor Wang Yi's visit to Vietnam early this year, the two countries reached an agreement to organize the China-Vietnam Economic Cooperation Promotion Forum as a dialogue and cooperation platform for business leaders from the two countries. The forum is BFA's first step to involve itself in and promote bilateral economic cooperation between the two countries. In the future, we will be happy to continue to help both the Chinese and Vietnamese governments as well as their respective companies facilitate their capacity cooperation and sustainable bilateral trade in support of Vietnam's industrialization, with a focus on implementing the consensus reached by the leaders of the two countries.

Ladies and gentlemen,

Today's world is faced with changes unprecedented in a century—unilateralism and trade protectionism are impacting and challenging the world order and multilateral mechanisms. Over the years of my diplomatic career, I have formed a deep friendship with Mr. Le Hoai Trung in safeguarding the rights and interests of developing countries. I'm deeply aware that China and Vietnam, as "comrades and brothers" that follow the same systems, dreams and beliefs, also share common stakes and ground in promoting global economic openness and preserving multilateral free trade frameworks.

Five years ago, Chinese President Xi Jinping proposed the Belt and Road initiative, which is designed as a new growth driver for the world economy by enhancing connectivity and coordinated development between countries and regions. This initiative is an echo of the shared aspiration of developing countries to advance cooperation and development, and has garnered wide support from over 140 countries and international organizations, including Vietnam. As part of our contribution to the two countries' comprehensive strategic partnership, BFA will be happy to help China and Vietnam align their development strategies and strengthen connectivity as well as economic and capacity cooperation—within the framework of the Belt and Road initiative and the Two Corridors and One Economic Circle Plan of Vietnam

This morning, I was joined by Vietnamese colleagues on respectful visits to the Ho Chi Minh Mausoleum and his former residence. At this moment, I can't help thinking of the first poem recorded in his Prison Diary, "For the great cause to prevail, let the spirit rise forever." Today, the great cause of socialism development in both China and Vietnam is entering a new era, while the grand blueprint of China-Vietnam friendly cooperation is also turning to a new chapter. In only ten days from now we will enter a new year. In the spirit of "good neighbors, good friends, good comrades and good partners", let's ride on the tidal wave of the times, seize historic opportunities and join hands together to push the China-Vietnam comprehensive strategic partnership to new heights in our common strife for a better future for Asia and the world.