

Spotlight Pilot free trade zones push China's opening-up to new heights



The Unveiling ceremony of China (Yunnan) free trade zone. (Photo by Lei Tongsu)

The Information Office of China's State Council, held a press conference on August 26, to brief on the establishment of pilot free trade zones in Yunnan, Shandong, Jiangsu, Guangxi, Hebei and Heilongjiang. So far, China has set up 18 such zones, and cumulatively 60 percent of its provinces, municipalities and autonomous regions have participated in building pilot free trade zones.

In September 2013, the China (Shanghai) pilot free trade zone was established and became another forefront of China's reform and opening up. Ever since

then, China has set up more pilot free trade zones in batches. Among the six newly established ones, three are on the coast and three are along the border. They join the twelve previously established zones to form a stronger version for the country's system of opening-up.

"The setup of eighteen pilot free trade zones reflects the overall enhancement of opening-up in China's coastal regions, as well as the priority given to opening-up in central and western regions," said Bai Ming, deputy director of the International Market Research Institute under

the Chinese Ministry of Commerce. Bai believes that this will provide more reproducible and transferable experiences for expanding China's opening even further.

Each of the six newly established pilot free trade zones has its own features and advantages. For example, the China (Yunnan) pilot is located on the southwestern border of the country and is close to South and Southeast Asia.

The China (Yunnan) pilot free trade zone covers parts of Kunming, the provincial capital, Honghe Hani and Yi Autonomous Prefecture that neighbors Vietnam and

Dehong Dai and Jingpo Autonomous Prefecture, which borders Myanmar, amounting to an area of 119.86 square kilometres.

After the establishment of the pilot free trade zone, Yunnan will take a more active part in building the China-Indochina Peninsula Economic Corridor, the Bangladesh-China-India-Myanmar Economic Corridor, the China-Myanmar Economic Corridor, the China-Laos Economic Corridor and other similar international cooperative efforts. The province will strengthen ties with neighbouring countries and pursue innovative models of border and cross-border economic cooperation. It will promote trade and investment liberalization and facilitate people-to-people exchanges with these countries. It will also increase cross-border cooperation in areas including production capacity, finance, tourism, e-commerce, agriculture, energy, logistics and RMB-based businesses.

(Staff correspondents)

Xi's Remarks

Diversity spurs interaction among civilizations, which in turn promotes mutual learning and their further development. We need to promote exchanges and mutual learning among countries, nations and cultures around the world, and strengthen popular support for jointly building a community with a shared future for both Asia and humanity as a whole.

—Excerpt from Chinese President Xi Jinping's keynote speech at the opening ceremony of the Conference on Dialogue of Asian Civilizations held on May 15th, 2019

Remarkable 70 years

Diqing leading Tibetan autonomous prefectures in development

It is summer time. The village of Shimaigu in Shangri-La of Diqing Tibetan Autonomous Prefecture is a verdant green. Fruits dangle from the branches and send their fragrance far and wide. Jiangchu Nongbu has been living here for 75 years. Outside the village, the railway and expressway to connect Shangri-La with Lijiang is under construction. "When they are completed, we'll have an even better life," Nongbu was full of expectations. In the past decades, he has seen the infrastructure constantly improving in his hometown.

Since the prefecture was founded in 1957, the mileage of its highways has increased 327 times to 6,886 kilometers, bringing prosperity to all its industries. From 1952 to 2018, Diqing's GDP has grown by 3,281 times. Its GDP has maintained an average annual growth rate of 16.4 percent in the past 70 years, leading 10 Tibetan autonomous prefectures in China.

Diqing is the first prefecture to offer 14 years of free education in the province. Education has helped people increase confidence in their own ability to shake off poverty and encouraged them to pursue a happy life. To date, 107 of the 147 originally poor villages have been lifted out of poverty, and the poverty headcount ratio in the prefecture has dropped to 3.57 percent from 24 percent at the end of 2015.

He Zhiguang is a villager of the prefecture's Weixi Lisu Autonomous County, and his homestay hotel enjoyed good business in the summer vacation. "We had so many tourists that we were busy all day long," he said. In 2018, Diqing received 24.1 million tourists. To protect the ecosystems, the prefecture has established one national nature reserve and three provincial nature reserves, covering more than 320,000 hectares, and its average ratio of days with good air quality was over 99.7 percent last year.

(Yunnan Daily)

In Pics

Yunnan puts great efforts in promoting ecological protection

Yunnan has put great efforts in promoting ecological civilization construction by changing its mode of development and developing green and healthy industries. During the 12th Five-year Plan period (2011-2015), Yunnan Province phased out over 23.98 million tonnes of outdated production capacities in total. The water quality of the province's nine plateau lakes, including Fuxian Lake, Lugu Lake and Dian Lake, is also continuously improving. *The photo shows that people interact with black-headed gulls on the bank of Dianchi Lake in Kunming, southwest China's Yunnan province.*

(Photo by Huang Zhechun)



Opinion

US tariffs on China borne by Americans unlikely to resolve trade imbalances: IMF experts

The International Monetary Fund (IMF) warned that American importers and consumers are footing the bill for the US administration's tariffs imposed on Chinese goods, and that the levies won't resolve the trade imbalance between the two economies.

In a blog post titled "Taming the Currency Hype," co-authors Gustavo Adler, Luis Cubeddu and Gita Gopinath argued that imposing tariffs is a counterproductive policy to tackle currency overvaluation because "tariffs and exchange rates work differently."

Gustavo Adler currently serves as the deputy division chief at the IMF's research department, Luis Cubeddu as the

head of the open economic division at the department, and Gita Gopinath as the IMF chief economist.

"A 10 percent tariff does not necessarily offset a 10 percent more appreciated (overvalued) exchange rate," they said.

The IMF researchers said average US tariff on goods imported from China has increased by about 10 percent since early 2018, and it would increase by another 5 percentage points if recently announced plans to impose additional levies are carried out.

The depreciation of China's currency, the renminbi, is largely "a result of these trade actions and associated uncertainties," the economists said.

"US importers and consumers are bearing the burden of the tariffs," read the article. "The reason: the stronger US currency has had a minimal impact thus far on the dollar prices Chinese exporters receive because of dollar invoicing."

"Higher bilateral tariffs are unlikely to reduce aggregate trade imbalances, as they mainly divert trade to other countries," the authors said.

"Instead, they are likely to harm both domestic and global growth by sapping business confidence and investment and disrupting global supply chains, while raising costs for producers and consumers," they added.

(Excerpted from Xinhua)

Story

U.S. "Flying Tigers" families cherish lasting bond with China

Cynthia Chennault, daughter of the legendary late U.S. General Claire Lee Chennault, still remembered how her beloved father described his feeling on the victory over Japan during World War II (WWII).

"He worked hard for this goal," said the 69-year-old, who traveled frequently between the United States and China, dedicated to cultural and people-to-people exchanges, an effort Cynthia deemed vital for the friendship long forged by the two nations. In 1941, General Chennault, commander of the U.S. 14th Air Fleet, recruited the American Volunteer Group, which was later known as the "Flying Tigers."

During WWII, the U.S. general trained, organized and inspired both American and Chinese pilots to over-

come language and cultural barriers. The "Flying Tigers" helped transport arms and other materials to support China's fight against the Japanese invaders. Calling the "Flying Tigers" history "a great success story of mutual friendship, respect and collaboration," Chennault said the experience means more to her father.

"It completely changed his life," she said. "He had never been to China before, and within a very short few months, he developed profound respect for Chinese people, and their bravery and perseverance in such difficult circumstances." "It was an opportunity for him to prove his aviation theory and his fighter pilot theory. So it's a dream come true for him," she said.

When her father died in

1958, Chennault was only eight years old. She made her first trip to the Chinese mainland in 1981 during which she explored more about her father. "She was surprised that there were many more 'Flying Tigers'-themed museums set for the past years, which she thought was 'very positive' as the joint efforts have been widely recognized and remembered. The expert in Chinese culture,

who attributed her career choice largely to her father, said she expects a new chapter could be written based on the U.S.-China WWII friendship. Chennault has been echoed widely by other "Flying Tigers" families on the significance of shared golden memories and the joint efforts to continue the friendship.

(Excerpted from Xinhua)



Photo taken on May 11, 2019 shows Cynthia Chennault (C), daughter of late U.S. General Claire Lee Chennault, speaking during the 4th Sino-American Second World War Friendship and Flying Tigers History Conference in Las Vegas, the United States. (Xinhua/Han Fang)