

China and the World in the New Era

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Contents

Preface

I.China Has Found a Development Path Suited to Its Actual Conditions

II.China's Development Is an Opportunity for the World

III.A Prosperous and Beautiful World Is the Common Aspiration of All Peoples

IV. China Contributes to a Better World

Conclusion

Preface

The year 2019 marks the 70th anniversary of the founding of the People's Republic of China (PRC).

Over the past 70 years, under the leadership of the Communist Party of China (CPC), the PRC has witnessed profound changes and achieved a miracle of development unprecedented in human history. In just a few decades, China has completed a course that took developed countries several hundred years. China has now become the world's second largest economy, taken care of the material needs of its nearly 1.4 billion people, and achieved moderate all-round prosperity. Its people enjoy dignity and rights previously unknown to them. This has brought tremendous change to China. It also represents remarkable progress for human society, and above all, a significant contribution on China's part to world peace and development.

China remains the world's largest developing country, with a large population and foundations that need to be further strengthened. Some of the fundamentals in China remain unchanged, and therefore China is still facing a raft of severe challenges. The Chinese people still have work to do.

Today's world is undergoing a level of profound change that has not been seen in a hundred years. Human society is full of both hope and challenges. Multipolarity, economic globalization, cultural diversity and information technology are extending

their reach. Peace and development remain the themes of the times. At the same time, deep-seated problems are apparent throughout the world, with increasing instability and uncertainties. Building a global community of shared future and building a better world are the common aspirations of all peoples.

China has entered a new era of development. China now has an impact on the world that is ever more comprehensive, profound and long-lasting, and the world is paying ever greater attention to China. What path did China take? Where is China going? What are China's goals in shaping the world? How will the developing China interact with the rest of the world? On the occasion of this 70th anniversary of the founding of the PRC, the Chinese government is publishing this white paper to respond to the world's questions about China, and to help the international community better understand China's development.

I. China Has Found a Development Path Suited to Its Actual Conditions

China is a large country with a 5,000-year-old civilization. Over a long period of history, it ranked among the most advanced countries in the world. In modern times, China was reduced to poverty and weakness, threatened by domestic strife and foreign aggression, and even confronted with complete demise. Through unrelenting struggle, the Chinese dream of prosperity and rejuvenation for their country, and happiness for the people. In 1949, under the CPC's leadership, they founded the PRC, turning a semi-colonial and semi-feudal society into a completely new one, and achieving national independence and the liberation of the people. China then entered a new epoch of development. Over the past 70 years it has been moving forward against all odds, and exploring its path to development. Based on the 5,000-year-old Chinese culture, the experience and lessons from the birth of socialism, the fall-to-rise turnaround of the Chinese nation in 170 years, and the history of revolution, construction and reform, the Chinese people have opened up the path of socialism with Chinese characteristics, and achieved remarkable outcomes.

1. China's development lies in self-reliance and hard work

In the early days of the PRC, following a century of war and chaos, the country and the people were in dire poverty, the industrial and agricultural foundations were

weak, and the economy was on the verge of collapse. The people faced unimaginable difficulties in seeking survival and development. Over the seven decades that followed, through self-reliance and hard work they rebuilt the country from nothing, and have opened up new horizons.

China's economic strength has greatly increased. From 1952 to 2018, China's industrial added value increased from RMB12 billion to RMB30.5 trillion, up 970 times at constant prices, with an average annual growth rate of 11 percent. GDP increased from RMB67.9 billion to RMB90 trillion, up 174 times at constant prices, with an average annual growth rate of 8.1 percent, and per capita GDP increased from RMB119 to RMB64,644, up 70 times at constant prices. According to World Bank statistics, at market exchange rates China's economy in 2018 was worth US\$13.6 trillion, second only to the US economy which was worth US\$20.5 trillion. Currently, China is the only country that possesses all the sections in the United Nations' International Standard Industrial Classification of All Economic Activities (ISIC), with the output of many industrial products ranking first in the world.

China has made remarkable progress in technology. Significant achievements such as nuclear bombs, ballistic missiles, manmade satellites, manned spaceflight, super hybrid rice, supercomputers, synthetic bovine insulin, artemisinin, and high-speed rail, have provided strong support for social and economic development.

China's foreign trade has been increasing constantly. In 2009, China became the world's largest exporter of goods and second largest importer of goods; in 2013, China became the world's largest trader in goods. Since reform and opening up in 1978, foreign investment in China has seen a substantial increase, and China has become very attractive to global investment. China has become the world's second largest economy, largest manufacturer, largest trader in goods, second largest consumer of commodities, second largest recipient of foreign direct investment (FDI), and largest holder of foreign exchange reserves (see Table 1).

Table 1 Growth of China's Economic Strength

Category	1952	2018	Growth
GDP	RMB67.9 billion	RMB90 trillion	174 times
Fiscal revenue	RMB6.2 billion (in 1950)	RMB18.33 trillion	12.5% annually on average
Industrial added value	RMB12 billion	RMB30.5 trillion	970 times
Per capita GDP	RMB119	RMB64,644	70 times
Final consumption rate	78.9%	54.3%	--
Non-financial FDI	US\$920 million (in 1983)	US\$135 billion	146 times

Trade in goods	US\$1.9 billion	US\$4.6 trillion	2,380 times
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The Chinese people's lives have been greatly improved. A persevering effort has provided the Chinese people with adequate food and clothing, and made it possible for them to live decent lives and move towards a moderately prosperous society in all respects (see Table 2). China's rural population living under the current poverty line decreased from 770 million in 1978 to 16.6 million in 2018, and China's rural poverty incidence dropped from 97.5 percent to 1.7 percent, down by 95.8 percentage points (see Figure 1). This is an outstanding achievement in the history of poverty reduction (see Box 1).

Table 2 Improvement of the Chinese People's Living Standards

Year Index	Early years after the founding of PRC	1980	2018
Proportion of rural population living under the current poverty line	Extreme poverty	96.2%	1.7%
Per capita disposable income	RMB98 (in 1956)	RMB171 (in 1978)	RMB28,228
Life expectancy	35	65	77
Infant mortality rate	200‰	48‰	6.1‰
Preschool enrollment rate	20%	95.5% (in 1978)	Completion rate of nine-year compulsory education: 94.2%
Average years of schooling for people aged 15 and above	80% illiterate	5.3	9.6
Gross enrollment rate for higher education	0.22%	2.22%	48.1%

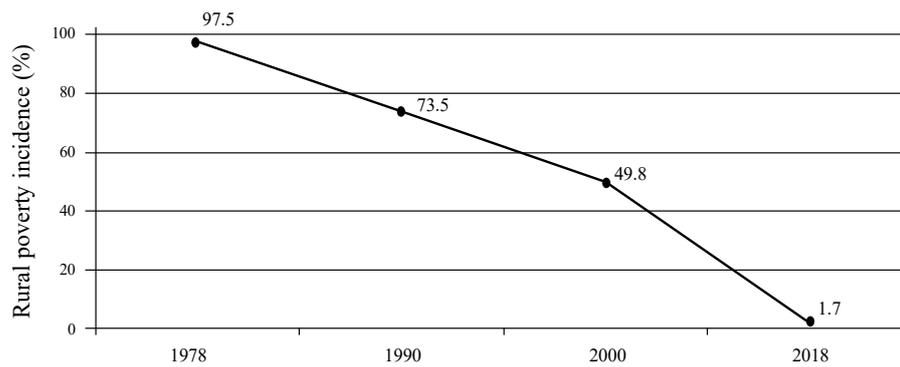


Figure 1 China's Rural Poverty Incidence, 1978-2018

Box 1 China's Achievements in Poverty Elimination

Since the 18th CPC National Congress in 2012, China has launched targeted poverty alleviation and made notable progress. China's rural impoverished population was reduced from 99 million in 2012 to 16.6 million in 2018, a total reduction of 82.4 million, down by 13 million every year on average. China's poverty incidence dropped from 10.2 percent to 1.7 percent, down by nearly 9 percentage points. In 2019, China planned to help at least another 10 million poor and about 330 poor counties out of poverty.

Over more than 40 years of reform and opening up since 1978, according to the World Bank's international poverty line of US\$1.9 per person per day, more than 800 million Chinese population have shaken off poverty, accounting for more than 70 percent of the global figure over the same period. China has become the first developing country to realize the poverty reduction objective in the United Nations Millennium Development Goals. UN Secretary-General António Guterres praised China as the largest contributor to global poverty reduction. In 2018, the UN General Assembly adopted a resolution on eliminating rural poverty, which included the concept and practice of targeted poverty alleviation initiated by China. China has provided a wealth of experience for the global fight against poverty.

China has established a preliminary social security system covering elderly care, medical care, minimum subsistence, housing, and education – the largest in scale and covering the largest population in the world. By the end of 2018:

- Participants in urban workers' basic elderly care insurance numbered 419 million;
- Participants in unemployment insurance numbered 196 million;

- Participants in work injury compensation insurance numbered 239 million;
- Basic elderly care insurance covered more than 900 million people;
- Basic medical insurance covered more than 1.3 billion people, almost everyone in the country.

Over the past 70 years, China's life expectancy has increased from 35 in 1949 to 77 in 2018, higher than the world's average of 72. Over the past 70 years, the Chinese people have witnessed profound changes in their mindset. They have carried forward fine traditional Chinese culture, spread modern Chinese values, and enriched and invigorated their cultural life. According to a global wellbeing report released by the Boston Consulting Group (BCG) in 2018, in the past decade, China's ranking rose by 25 places, the fastest rate among the 152 countries covered.¹

China's international position and influence have greatly improved. In 1971, China recovered its legitimate seat in the United Nations and began to play a more active role in international affairs. In April and May 1980, China recovered its legitimate seats in the International Monetary Fund (IMF) and the World Bank. In 2001, China joined the World Trade Organization (WTO) and began to participate more extensively and deeply in international economic and trade exchanges and cooperation. China has been making friends in the international community, having established diplomatic relations with 179 countries, and 110 partnerships of various types. Since the 18th CPC National Congress in 2012, China has proposed a global community of shared future and the Belt and Road Initiative, which have been written into many UN resolutions and have won extensive recognition and a warm response from the international community.

China's successes have been achieved through hard work. A large country with a nearly 1.4 billion population, China cannot achieve prosperity by asking for assistance and waiting. The only option is hard work. China relied on the solid and unremitting efforts of generations of Chinese people, which is represented in the typical case of "800 million shirts in exchange for a Boeing airplane". China relied on fulfilling its own responsibility in good times and in adversity, without exporting or shifting problems elsewhere, and without seeking development by trading under coercion or exploiting other countries. China relied on a pioneering spirit, like crossing the river by feeling for stones, neither retracing the steps of imperialism and colonialism, nor copying the development model of Western countries, but blazing its own path with bold experiments, based on its own conditions, experience and lessons as well as the achievements of other civilizations.

¹ BCG, "Striking a Balance Between Well-Being and Growth: The 2018 Sustainable Economic Development Assessment", September 2018.

2. China is developing through interaction with the world

China is a part of the world, and China's development is closely related to the rest of the world. In the early days after the founding of the PRC, China made great efforts to break an external blockade, actively conducting economic, trade and cultural exchanges with other countries. Since reform and opening up in 1978, following the trend of globalization and promoting opening up as a fundamental state policy, China has been seeking development with its door open. China has embraced the world, learned from the world, and contributed to the world, through positive interaction and shared development.

“Bringing in” on a large scale. Its door open, China is full of vigor. The international community takes an optimistic view of China. More and more countries are establishing cooperation with China; more and more foreign enterprises are injecting investments and starting businesses in China; more and more foreigners are coming to study, work and travel in China. From 1978 to 2018, China attracted a total of more than US\$2 trillion in non-financial FDI, and nearly 1 million foreign-invested enterprises were set up in the country. In 2018, almost half a million foreign students came to study in China. Since its accession to the WTO in 2001, China's participation in economic globalization has delivered more substantial and speedy outcomes (see Box 2). From 2001 to 2018, China's imports of goods increased from US\$244 billion to US\$2.1 trillion. The rise was 13.6 percent per annum on average, 6.8 percentage points higher than the global average. China's imports of services increased from US\$39.3 billion to US\$525 billion, up by a yearly average of 16.5 percent and accounting for 9.4 percent of the global total.

Box 2 China's Position as a Trading Power Increasingly Strengthened

From 1978 to 2018, China's total imports and exports of goods increased by a factor of 223, and its total imports and exports of services increased by a factor of 147. By November 2018, China had trade relations with more than 230 countries and regions. It had signed 17 free trade agreements with 25 countries and regions, and joined almost all major international economic and financial organizations and multilateral economic mechanisms. According to WTO statistics, in 2017 China's shares of the world's total imports and exports of goods were 10.2 percent and 12.8 percent; in 2018, the two figures were 10.8 percent and 12.8 percent. From 2001 to 2018, the two figures grew by a yearly average of 13.8 percent. The above figures confirm that China's position as the world's largest trader in goods has been further consolidated.

“Going out” in great strides. From economic and trade investment to cultural exchanges, from government cooperation to people-to-people exchanges, China has been conducting all-dimensional, wide-ranging and multi-level exchanges and cooperation with other countries, going global faster, further, and more extensively than ever before. China’s foreign investment and cooperation has seen sound and sustained improvement in quality and scale. In 2018, China’s overseas investment reached US\$143 billion, up by a factor of 53 since 2002, a yearly average growth of 28.2 percent. China’s foreign trade has been growing year by year. From 1978 to 2018, China’s foreign trade amounted to US\$52.2 trillion; in 2018, China’s exports of goods were US\$2.5 trillion and its exports of services US\$267 billion. In recent years, China has maintained its position as the world’s largest source of overseas tourists; in 2018, Chinese outbound tourists numbered nearly 150 million.

Developing the country while benefiting the world. Opening up has brought funds, advanced technologies and managerial experience to China, changed the mindset of the Chinese people and boosted their creativity, and helped China to modernize. At the same time, China’s opening up has provided a broad market for other countries. The opening of China’s investment and service trade has facilitated local economic growth and employment in the countries concerned. China has been an active participant in the international division of labor, resulting in more rational global resource allocation. China’s high-quality exports have met international market demand, reduced living costs in recipient countries, and relieved their inflationary pressure. The Chinese people now travel all over the world, which has greatly enriched cultural exchanges and mutual learning between China and other countries.

3. China has injected positive energy into world peace and development

China’s development path has unique Chinese characteristics, and a broad and farsighted global vision. It is dedicated to the interests of all of humanity. Over the past 70 years, while working hard to realize their own development, the Chinese people have contributed to world peace and added momentum to the common development of all countries.

China contributes solutions to world peace and development. In the early days of the PRC, China established its independent foreign policy of peace, which contributed to global peace after World War II. In the 1950s, China, India and Myanmar jointly proposed the Five Principles of Peaceful Coexistence (mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence). These have become basic norms for international relations and fundamental principles of international law. China has safeguarded the interests of developing countries, playing an important role in building a fair and equitable international political and economic

order. In recent years, China has proposed a raft of significant international concepts and initiatives, including a global community of shared future, a new model of international relations, the Belt and Road Initiative, the principle of upholding the greater good and pursuing shared interests, a vision of common, comprehensive, cooperative, and sustainable security, the principles of extensive consultation, joint contribution and shared benefits in global governance, and the principles of equality, mutual learning, dialogue and inclusiveness between civilizations. These proposals have contributed Chinese wisdom and solutions to protecting world peace and promoting common development.

China safeguards world peace through real actions. Over the past 70 years, China has not provoked a single war or conflict, nor invaded a single square of foreign land. Since reform and opening up in 1978, China has cut its armed forces by over 4 million. China has been an active participant of international arms control, disarmament and nonproliferation, opposing any arms race and safeguarding global strategic balance and stability. China has signed or joined more than 20 treaties on multilateral arms control, disarmament and nonproliferation, including the Treaty on the Non-Proliferation of Nuclear Weapons. China has become the second largest contributor to both the regular and peacekeeping budgets of the UN, and the largest troop contributor among the permanent members of the UN Security Council (see Box 3). In 2015 China announced that it would set up a ten-year, US\$1 billion China-UN Peace and Development Fund, which was officially put into operation in 2016. China has always been dedicated to resolving territorial and maritime delimitation disputes through negotiation and consultation. China has achieved full resolution of land border delimitation problems with 12 of its 14 neighboring countries, and delineated the China-Vietnam maritime boundary in the Beibu Gulf. This has broken new ground for settling inter-country issues carried over from history as well as other international disputes. China has played a constructive role in settling major international and regional issues.

Box 3 China's Active Support for UN Peacekeeping Operations

China is a major contributor to the UN peacekeeping budget and the largest troop contributing country among the permanent members of the UN Security Council. By December 2018, China had participated in 24 UN peacekeeping operations and dispatched more than 39,000 troops, of whom 13 laid down their lives while on duty. In September 2015, China announced its decision to join the new UN Peacekeeping Capability Readiness System and build a peacekeeping standby force of 8,000 troops. Since December 2008, implementing a UN Security

Council resolution, China has been sending naval fleets to conduct regular escort missions in the Gulf of Aden and waters off Somalia. China has also dispatched troops on international disaster relief and humanitarian aid missions.

China promotes common development worldwide. As the world's largest developing country, China has always been an advocate, practitioner and promoter of global poverty reduction and development. In pursuit of these goals, China conducts South-South cooperation, providing to other developing countries assistance with no political conditions attached, and supporting and helping them, particularly the least developed countries (LDCs), in eliminating poverty.

Over the six decades since China began to provide foreign assistance in the early 1950s, it has provided 166 countries and international organizations with nearly RMB400 billion in aid, and dispatched over 600,000 aid workers, of whom more than 700 sacrificed their lives for the development of other countries. On seven occasions, China has canceled debt from interest-free government loans to heavily indebted poor countries and the LDCs. China has provided medical aid to 69 countries in Asia, Africa, Latin America, the Caribbean and Oceania, and provided aid to more than 120 developing countries for implementing the United Nations Millennium Development Goals.

China has been actively engaged in the consultations on the UN 2030 Agenda for Sustainable Development, ensuring its full implementation of the agenda. It was the first country to issue a national plan and a progress report on implementation, and has achieved early outcomes in many fields. Within the framework of South-South cooperation, China has provided assistance to other developing countries for their implementation of the 2030 Agenda. Over the three years since the China-UN Peace and Development Fund went into operation in 2016, China has put in place 27 programs under the 2030 Agenda for Sustainable Development Sub-Fund, which have benefited 49 Asian, African and Latin American countries and added a powerful engine for the global implementation of the 2030 Agenda. In 2015, China announced that it would set up the South-South Cooperation Assistance Fund (SSCAF). By 2018, in more than 30 Asian, African and American countries, China had launched over 200 development cooperation programs under the SSCAF on disaster relief, healthcare, protection of women and children, refugee relief, and environmental protection.

4. China's development path conforms to reality and the requirements of the times

The choice of path is critical to the successful development of a country. As a vast country with a nearly 1.4 billion population, China has no experience of modernization to borrow from in history, but has to blaze its own path. Over the past 70 years, China has achieved great success. The ultimate reason is that China has found and will continue on the right path – socialism with Chinese characteristics.

It is a path based on China's actual conditions. Reflecting on its reality and history, and through experimentation, China has drawn wisdom from its own culture and learned from the strengths of other cultures, both Eastern and Western. China sticks to its choice of path, but is never rigidly opposed to change; China borrows experience, but never copies unthinkingly.

It is a path prioritizing the people's interests. In the PRC, the people run the country in the real sense. For 70 years China has upheld a philosophy of people-centered development, directing all its undertakings towards fulfilling the people's aspiration for a better life and protecting their democratic rights. China seeks driving forces among the people, promoting development relying on the people, and benefiting the people through development.

It is a path of reform and innovation. There is no ready-made solution to the development issues facing China. Working diligently and exploring boldly, the Chinese people have resolved difficulties and challenges through reform and innovation, and removing institutional obstacles hindering development. The purpose is to unleash and develop productivity and social vitality, to improve and develop Chinese socialism, and to modernize China's system and capacity for governance.

It is a path of seeking common development through opening up. China upholds the fundamental state policy of opening up, and pursues a mutually beneficial strategy of opening up. China has promoted interconnected development. While developing itself, China has shared its fruit with other countries and peoples. It has realized a historic evolutionary process from being completely closed, through being semi-closed, to being comprehensively open. China is an active participant and promoter of economic globalization, facilitating peace and development for humanity.

It is a path of law-based governance. China practices the rule of law as a fundamental principle in governing the country. China pursues coordinated progress in law-based governance of the country, law-based exercise of state power and law-based administration in the government. Rule of law is a fundamental, overall and long-lasting institutional guarantee for China's development. Rule of law ensures a vigorous and orderly society in times of profound change, and ensures lasting peace and stability.

Over the past 70 years, China’s success boils down to the CPC’s leadership. Due to China’s vast territory and complicated national conditions, the governance of China is uniquely difficult. Without centralized, unified and firm leadership, China would have tended towards division and disintegration and caused widespread chaos beyond its own borders. The CPC is China’s core leadership, ruling the country for long and supported by the people. The reason lies in its founding mission of pursuing happiness for the people, realizing the rejuvenation of the Chinese nation, and promoting peace and development for humanity, rather than seeking its own interests. The reason lies in its capacity for self-improvement, and in its firm leadership core, effective theories, strict discipline and improved mechanisms for selecting upright and competent officials, which have ensured that the Party remains stable, progressive and clean. The reason lies in its strategic planning for the long-term development of the country and its competence in implementing specific policies. The reason lies in its open-minded ability to adapt to changing times, carrying forward its own heritage while absorbing the strengths of others, and in its ability to unite, organize and inspire the people.

Over the past 70 years, China has defused many risks and overcome many challenges, and marched forward step after step. In particular, since the 18th CPC National Congress in 2012, China has witnessed historic achievements and changes. The Chinese nation has risen and become prosperous, and is becoming strong, closer to the goal of national rejuvenation than ever before. China’s development path will look on brighter and brighter prospects as time moves on (see Box 4).

Box 4 Positive Opinion in and Outside China on Its Future Development

The Chinese people have full confidence in China’s prospects. According to a report of public opinion on the state of society released by the Economist Intelligence Unit (EIU) in November 2018, Chinese respondents were optimistic about the future of their country, with 91.4 percent believing that China will make progress towards being a better society in the coming decade, scoring the highest degree of satisfaction among all countries covered by the survey, which covered 3,221 people in 50 countries and regions around the globe.¹

China’s international image is improving. According to the results of a survey jointly released by German non-profit association Atlantik-Brücke and German polling company Civey in March 2019, 42.3 percent of respondents believed that China is a more reliable partner for Germany than the US.² According to “China National Image Global Survey 2018”, a report covering 11,000 people from 22 countries on 5 continents, released by the Academy of Contemporary China and World Studies (ACCWS) under China International Publishing Group in August 2019, overseas respondents gave China’s overall image a score of 6.2 from 10,

praising China's domestic and foreign policies, with significant recognition of China's domestic governance. The report reveals that China's image as a contributor to global development is becoming prominent, acknowledged by 48 percent of foreign respondents.³

234

Through 70 years of development, China has achieved remarkable progress. However, the basic dimension of the Chinese context – that China is still and will long remain in the primary stage of socialism – has not changed. China's status as the world's largest developing country has not changed. If it is to relieve the strain between unbalanced and inadequate development and the people's ever-growing needs for a better life, and ensure that its nearly 1.4 billion people enjoy a decent level of prosperity, China still has a long road to travel.

II. China's Development Is an Opportunity for the World

With the rapid increase of China's comprehensive national strength and international influence, some people worry that China will fulfill the outdated expectation that a country will invariably seek hegemony when it grows strong, so they have created what they call the "China threat" theory. The causes of this theory include cognitive misunderstanding, deep-rooted prejudice, a psychological imbalance brought about by the prospect of falling power, and deliberate distortions by vested interests. To realize national prosperity, rejuvenation, and people's happiness is a dream shared by the Chinese with peoples of other countries. Rather than a threat or challenge, China's development is an opportunity for the world.

1. China is the main stabilizing force and power source of the world economy

² EIU, "Priorities of Progress: Understanding citizens' voices", November 2018.

³ A public opinion survey by Civey during November and December 2018, entrusted by Atlantik-Brücke.

⁴ ACCWS, "China National Image Global Survey 2018", August 2019.

From 1979 to 2018 China's economy grew rapidly at an average annual rate of 9.4 percent, and became an important engine of global economic growth. In 2008, the world suffered a serious financial crisis and the world economy was hit hard. Through a series of effective measures to deal with the crisis, China's economy recovered rapidly and continued to maintain a medium- and high-speed growth. As a result, China became the main stabilizing force and power source of the world economy.

China is the biggest contributor to world economic growth. Since the 18th CPC National Congress in 2012, China has implemented the concepts of innovative, coordinated, green, open and inclusive development. It has adapted to, steered, and led the new normal of economic development, strengthened supply-side structural reform, and maintained a sustainable and healthy economic development with increasing quality and efficiency. In the past three years, China's economic aggregate has exceeded RMB70, 80, and 90 trillion successively, accounting for nearly 16 percent of the world economy. From 2013 to 2018, China contributed more than 28 percent of world economic growth on average. Estimates show that without China, the average annual growth rate of the world economy from 2013 to 2016 would have slowed by 0.6 percentage point and the intensity of fluctuation would have increased by 5.2 percent. According to a report released by the McKinsey Global Institute (MGI), the aggregate index of the world's exposure to China's economy gradually rose from 0.4 to 1.2 between 2000 and 2017, with China accounting for 35 percent of global manufacturing output.⁵

China's scientific and technological innovations have injected new momentum into world economic growth. In recent years, investment in the field of science and technology in China has been increasing, and major scientific and technological innovations have emerged. In 2018, China's R&D spending accounted for 2.19 percent of GDP. According to the Global Innovation Index (GII) released by the World Intellectual Property Organization (WIPO) and other organizations, China continued its rise in 2019, moving from 17th in 2018 to 14th (see Box 5); it is the only middle-income economy in the top 20.⁶ In the field of high technology, China is catching up and getting ahead. Quantum communications, supercomputing, aerospace, artificial intelligence, fifth-generation mobile network technology (5G), mobile payment, new energy vehicles, high-speed rail, and financial technology are sectors in which China leads the world. China's innovations in science and technology have

⁵ MGI, "China and the world: Inside the dynamics of a changing relationship", July 2019.

⁶ WIPO, Cornell University and INSEAD, "The Global Innovation Index 2019", July 2019.

been widely applied, bringing more convenience to the work and daily life of people of other countries, and injecting new momentum into world economic growth.

Box 5 International Organizations and Foreign Institutions Make Positive Comments on China's Scientific and Technological Innovation

According to the 2019 GII report issued by WIPO and others, the Bloomberg New Economy Forum Survey, and the KPMG Technology Industry Innovation Survey, China continues to improve its global ranking in innovation.

First, China's capability in innovation has continuously improved. China's GII has risen for four years in a row, moving to 14th this year and being the only middle-income economy in the top 20, according to the GII report.

Second, China's science and technology clusters are rising collectively. Eighteen science and technology clusters in China are among the top 100 in the world, an increase of two over last year. This is second only to the United States, which has 26 clusters in the top 100. Among them, the Shenzhen-Hong Kong cluster ranks second and the Beijing cluster ranks fourth. The rankings of almost all Chinese clusters are on the rise compared with last year. According to a Bloomberg survey of global business professionals, 39 percent of respondents believe that Beijing will become the world's top tech city by 2035, and 26 percent believe that Shanghai will become the world's center of technological innovation in the future.¹

Third, the quality of innovation in China has further improved. The GII report points out that the focus of current global competition for innovation has shifted from quantity to quality. China ranks 15th in terms of innovation quality, and has ranked first among middle-income economies for the past seven years. It is also the only middle-income economy that has narrowed the gap with high-income economies in terms of the quality of universities, internationalization of local inventions, and the quality of scientific publications, measured by the number of citations that locally produced research documents receive abroad. The quality of Chinese universities ranks third only to the United States and the United Kingdom. China ranks first among the middle-income economies in international patents and the quality of scientific publications. Its innovation input-output performance is close to or higher than that of some high-income economies, and it is on a par with Germany, the UK, Finland, Israel and the US in terms of innovation output. China's industrial designs, trademark applications, and exports of high-tech and creative products are surging ahead. The number of patent applications for inventions in China has soared from 10,000 in 1990 to 1.38 million in 2017.

Fourth, China is more optimistic about technological innovation. The United States and China have the greatest potential to develop disruptive technology breakthroughs that will have a global impact, according to surveys by Bloomberg and KPMG. China is more optimistic about technological innovation, arguing that

technology promotes the shaping of a better world, which is why China has been able to catch up with and surpass Western countries in some areas of technology.¹

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In the future, China will become more prominent in its role as a stabilizing force and power source. Currently, the world economy lacks momentum for growth, and the solidity of the Chinese economy is becoming more and more important to the world. China's economy is changing from high-speed growth to high-quality development, and new industrialization, information technology application, urbanization and agricultural modernization are gathering speed. The economic structure is undergoing a profound adjustment, industrial upgrading is continuing, and new economic growth areas are constantly emerging. The urbanization rate of permanent residents reached 59.6 percent in 2018 and will increase steadily. The number of permanent urban residents will continue to increase. This will bring a wide range of needs in various areas, such as infrastructure, real estate, new retail, medical treatment and public health, education, culture and entertainment, and provide an important engine for economic development. New industries and business forms are emerging. In 2018, the added value of high-tech manufacturing increased by 11.7 percent over the previous year. Corresponding figures for strategic emerging industries and equipment manufacturing were 8.9 percent and 8.1 percent. New energy vehicles, intelligent televisions, lithium-ion batteries and integrated circuits increased by 66.2, 17.7, 12.9 and 11.2 percent, respectively. The growth rate of the information service industry is as high as 30.7 percent, and the growth rate of mobile games, online shopping, ride-sharing platforms, travel platforms, big data cloud computing and other sub-industries is 30 to 50 percent. Each sub-industry has given birth to a number of "unicorn" enterprises. According to an MGI report, by 2040, the integration between China and the rest of the world is expected to drive economic value of US\$22 trillion to US\$37 trillion, equivalent to 15 to 26 percent of global GDP. Strengthened cooperation between China and other countries will create enormous economic value.⁹

⁷ Bloomberg News Economy Forum Survey, July 2019.

⁸ KPMG, "The changing landscape of disruptive technologies: Global technology innovation hubs", March 2017.

⁹ MGI, "China and the world: Inside the dynamics of a changing relationship", July 2019.

China's economy and the world economy have undergone structural changes and are deeply integrated. China, which has a more stable economy, higher quality of growth, and promising growth prospects, contributes to the development of the world economy in the long run (see Box 6). It is both unrealistic and harmful to regard China's economic development as a "threat" or "challenge" and try to squeeze China out of the global industrial chain, supply chain and value chain so as to "detach" China from the world economy.

Box 6 International Institutions Are Optimistic About China's Economic Prospects

On July 4, 2019, Moody's, an international credit rating agency, confirmed China's sovereign credit rating as A1, with a stable economic outlook. The company believes that the focus of China's economic policy has shifted to improving the quality of growth, and that China has curbed the rise in overall economic leverage and maintained financial stability. China's huge foreign exchange reserves and the government's strategic management of the economy have helped to develop measures aimed at curbing financial risks. While the World Bank's "Global Economic Prospects" in June 2019 lowered its global economic growth forecast for 2019 and 2020, it maintained its forecast for China's economic growth this year, arguing that China has the ability to cope with external challenges and "headwinds".¹

2. All-round opening up creates more opportunities for all countries to share the benefits of China's development

China pursues a mutually beneficial strategy of opening up and strives to open up wider. A safe and stable political environment, large consumer groups with escalating needs, hard-working and well-qualified workers, sound and complete infrastructure, and an international and convenient business environment of fair competition under the rule of law, all provide countries with a broader market, more capital, richer products, and more opportunities for cooperation. China has always been an important promoter of global openness and a dynamic market for all countries to expand business opportunities.

¹⁰ World Bank, "Global Economic Prospects: Heightened Tensions, Subdued Investment", June 2019.

China has the most promising consumer market in the world. It is not only “the world’s factory”, but also a global market. With a population of nearly 1.4 billion and a middle-income group of 400 million, China has the largest market in the world. The sustained and healthy development of China’s economy has created extensive demand in many fields and provided an important engine for economic development. China has huge space and potential for consumption, which is clearly moving up market and making a growing contribution to the economy. The consumption growth rate has surpassed that of fixed asset investment, and its gradient effect is prominent (see Box 7). According to an MGI report, China is the world’s largest market in many categories, including automobiles, alcohol and mobile phones, accounting for about 30 percent of global consumption.¹¹ Its huge consumer demand provides an enormous market for countries all over the world. In the coming 15 years, China’s imports of goods and services are expected to exceed US\$30 trillion and US\$10 trillion.

Box 7 Consumption Is Clearly Moving Up Market

Before reform and opening up started in 1978, urban and rural residents in China focused their spending on food and clothing. In 1978, the urban and rural Engel coefficients were as high as 57.5 percent and 67.7 percent. Since 1978, the level of consumption in China has greatly improved, and the cultural life of its people has become richer. In 2010, the urban and rural Engel coefficients fell to 31.9 percent and 37.9 percent. Since the 18th CPC National Congress in 2012, living standards have further improved and great strides have been made towards a moderately prosperous society in all respects. In 2018, the urban and rural Engel coefficients dropped to 27.7 percent and 30.1 percent. The following is a list of number of objects owned per 100 households:

- 33 cars, 95.3 percent up from 2013,
- 59.2 motorcycles, 49.9 percent up,
- 249.1 mobile phones, 22.6 percent up,
- 109.3 air conditioners, 55.3 percent up,
- 56.4 range hoods, 32.7 percent up; and
- 85 water heaters, 32.4 percent up.

China is the most attractive investment destination. It has a workforce of almost 900 million, and more than 700 million are employed. It has a talent bank of 170

¹¹ MGI, “China and the world: Inside the dynamics of a changing relationship”, July 2019.

million people who have received higher education or vocational education, and generates more than 8 million college graduates each year.

China continues to optimize its business environment, giving foreign manufacturers and investors a broader space and a better business environment (see Box 8). China has implemented a wide range of trade and investment liberalization and facilitation policies, formulated the Foreign Investment Law, and implemented the system of pre-establishment national treatment plus a negative list across the board. It continues to relax market access, and has made great efforts to establish pilots for opening wider to the world.

China has stepped up the protection of intellectual property rights. It has improved the relevant systems, mechanisms, laws and regulations, and enhanced the innovation protection system in line with international economic and trade rules, so as to provide more powerful and effective protection for the investors and IPR holders.

According to the “World Investment Report 2019” of the United Nations Conference on Trade and Development (UNCTAD), global FDI continued its slide in 2018, down by 13 percent from the previous year, but China achieved counter-trend growth and continued as the world’s second largest recipient of FDI.¹² In the first half of 2019, foreign investment in actual use in China was RMB478.33 billion, an increase of 7.2 percent over the same period last year; foreign investment in high-tech manufacturing and services grew especially fast.

Box 8 The Business Environment Continues to Improve

In the context of rising deglobalization and trade protectionism, China has firmly promoted reform and opening up. It launched a series of major opening-up measures in 2018, further improving the business environment.

First, the overall tariff rate has been reduced to 7.5 percent, involving 1,585 tax items, with an average reduction of about 26 percent. Of these, the tax rate on automobiles has been reduced from 25 to 15 percent, and the tax rate on auto parts has been reduced to 6 percent.

Second, China continues to relax market access and encourages competition. We will significantly ease market access for banking, securities and insurance industries, remove foreign ownership limits by 2020, and significantly expand the scope of business. We will give national treatment to foreign investors in industries such as business credit reporting, credit rating, bank card clearing, and non-bank

¹² UNCTAD, “World Investment Report 2019”, June 2019.

payments. We will steadily promote the two-way opening of the capital market. Marked progress has been made in market access and business expansion for foreign-funded financial institutions, and foreign ownership limits on aircraft and shipbuilding industries have been lifted. Over the past three years, China has shortened the negative list for foreign investment three times, and the restrictive measures against foreign investment have been cut by 57 percent.

Third, we will speed up the development of pilot free trade zones and open up new prospects for reform and opening up at a higher level. We will explore the building of a free trade port in Hainan. We will set up a new area in the China (Shanghai) Pilot Free Trade Zone to encourage and support Shanghai's innovative effort in promoting investment and trade liberalization and facilitation.

Fourth, we will improve the business environment. According to a World Bank report, China ranks 46th out of 190 economies in the world in terms of business environment, up by 32 places from the previous year. In ease for starting a business, obtaining electricity, registering assets, and execution of contracts, China ranks 28th, 14th, 27th and 6th, respectively.¹

13

China's further "going global" benefits more countries. Chinese enterprises actively participate in international competition and cooperation, carry out deeper and wider global trade and investment activities, and contribute to the economic growth of host countries and the expansion of local employment. A survey of Chinese investment in Africa by the School of Oriental and African Studies (SOAS) of the University of London shows that more than 90 percent of employees at construction sites and factories run by Chinese enterprises in Ethiopia are local residents. Chinese companies have created a large number of jobs in Africa.¹⁴ It is estimated that China's foreign trade in goods will reach US\$25 trillion in the next five years. With the country opening ever wider to the world, more and more Chinese enterprises will invest abroad, and more Chinese will study, work and travel abroad. China has actively promoted the "going global" of scientific and technological innovation to the advantage of both China and the rest of the world, and more people can enjoy the convenience and benefits brought about by science and technology (see Box 9).

Box 9 China's Innovations in Science and Technology Benefit the World

¹³ World Bank, "Doing Business 2019", November 2018.

¹⁴ SOAS, "Industrial Development, Construction and Employment in Africa", July 2019.

Hybrid rice guarantees global food security. In the early 1990s, the Food and Agriculture Organization (FAO) of the United Nations listed China's hybrid rice technology as one of the prime strategies to solve the food crisis in developing countries. Through the South-South Cooperation program under the FAO framework, China has made hybrid rice cultivation technologies available to 28 countries and regions around the world. By the end of 2018, more than 40 countries had planted over 7 million hectares of hybrid rice, providing an average annual yield increase of more than 20 percent over local rice. This increase could feed about 30 million people.²

Artemisinin contributes to the fight against malaria. Artemisinin is an anti-malarial drug discovered by Chinese scientists in the 1970s. Artemisinin-based combination therapy is considered by the World Health Organization (WHO) to be the best available treatment for malaria. Over the past 20 years, it has been widely used in malaria-endemic areas around the world. The WHO recognizes that the treatment has saved millions of lives worldwide and cured more than 100 million patients every year.³

1516

China's high-speed rail promotes world connectivity. Since the Belt and Road Initiative was proposed, China's high-speed rail has entered foreign markets at a growing pace. It has reached dozens of countries in Asia, Europe, Africa, and the Americas, and its overseas market share is growing steadily. It has promoted local economic development and employment.

China's communications technology bridges the global "digital gap". Chinese telecommunications enterprises actively "go global" and strive to promote global digitization, so as to benefit more people around the world. By 2018, Huawei was supporting more than 1,500 networks in more than 170 countries and regions, providing smooth communication to more than 3 billion people around the world.¹ It had provided communication solutions to remote mountain areas in dozens of countries, including Ghana, Nigeria, Kenya and Algeria, serving a rural population of 40 million. As of June 2019, Huawei had secured 50 5G commercial contracts worldwide and delivered more than 150,000 base stations.²

1718

¹⁵ Statistics from the Department of Agriculture and Rural Affairs of Hunan Province.

¹⁶ Xinhua News Agency, "Tu Youyou's team resolves artemisinin resistance in malaria treatment", June 2019.

¹⁷ Huawei, "2018 Sustainability Report", July 2019.

Opening up should be mutually beneficial rather than a zero-sum game. Only mutual benefit can endure. China is committed to further expanding imports, relaxing market access, improving the business environment, and strengthening the protection of intellectual property rights. Other countries should also open wider to the world and take corresponding measures to improve their business environment. Only by moving towards each other can we create a development environment that is open, inclusive, balanced and beneficial to all, make the “cake” of development bigger, and form a mutually beneficial community of shared interests.

3. China is providing more public goods to the international community

The Chinese have always believed that “You yourself desire rank and standing; then help others to get rank and standing”. We care for the people of the world and strive for the greater good while pursuing our own development. China has benefited from the international community for its development, and it has never forgotten to provide it with more and better public goods in return.

We will build a high-quality Belt and Road together with our partners. The Belt and Road Initiative is based on the principles of extensive consultation, joint contribution and shared benefits, and is guided by the Silk Road spirit characterized by peace, cooperation, openness, inclusiveness, mutual learning and mutual benefit. With a focus on policy coordination, connectivity of infrastructure, unimpeded trade, financial integration and closer people-to-people ties, it has transformed from ideas into action, from vision into reality, from a conceptual initiative into a globally popular public product (see Box 10). In November 2016, the United Nations adopted a resolution welcoming economic cooperation initiatives such as the Belt and Road Initiative. In March 2017, the United Nations Security Council called on all countries in its resolution to promote the initiative and the building of a global community of shared future. The Belt and Road Initiative originated in China, but the opportunities and achievements belong to the whole world. According to a World Bank research report, the initiative will help 7.6 million people out of extreme poverty and 32 million out of moderate poverty. It will increase trade in participating countries by 2.8 to 9.7 percent, global trade by 1.7 to 6.2 percent and global income by 0.7 to 2.9 percent.¹⁹ The initiative is a veritable road to resource sharing, shared prosperity and common development.

¹⁹ World Bank, “Belt and Road Economics: Opportunities and Risks of Transport Corridors”, June 2019.

Box 10 Fruitful Results Have Been Achieved Since the Belt and Road Initiative Was Put Forward

The first is in policy coordination. Since the initiative was put forward, it has received positive responses from more than 160 countries, regions, and international organizations. By the end of August 2019, the Chinese government had signed 195 Belt and Road cooperation documents with 136 countries and 30 international organizations.

The second is in infrastructure connectivity. Great progress has been made in the construction of key interregional and intercontinental railway networks such as the China-Laos Railway, China-Thailand Railway, Hungary-Serbia Railway and Jakarta-Bandung High-Speed Railway. By the end of June 2019, a total of 16,760 China-Europe freight trains had carried almost 1.5 million TEUs of goods, reaching 16 countries and 53 cities abroad.

The third is in unimpeded trade. China has set up 18 pilot free trade zones. Since the First Belt and Road Forum for International Cooperation in 2017, China and other countries along the routes have signed more than 100 customs inspection and quarantine cooperation documents and established more than 40 customs inspection and quarantine cooperation mechanisms. From 2013 to 2018, the imports and exports of goods between China and other Belt and Road countries totaled nearly US\$6.5 trillion.

The fourth is in financial integration. The open, pluralistic and market-oriented investment and financing system has continuously improved. By the end of the first quarter of 2019, the People's Bank of China, the International Finance Corporation of the World Bank Group, the European Bank for Reconstruction and Development, and the African Development Bank had jointly financed nearly 200 projects covering more than 70 countries and regions. By the end of 2018, Chinese enterprises had invested more than US\$90 billion in Belt and Road countries, and the turnover of contracted projects had exceeded US\$400 billion.

The fifth is in closer people-to-people ties. As of July 2019, of the 136 countries that had signed Belt and Road Initiative cooperation documents with China, China had concluded mutual visa exemption agreements with 113 countries covering different types of passports, and visa facilitation agreements or arrangements with 25 countries. Since the Belt and Road Initiative was launched in 2013, China has concluded mutual visa exemption agreements with 71 participating countries and visa

facilitation agreements or arrangements with 11. Since the First Belt and Road Forum for International Cooperation, China has provided RMB2 billion in emergency food assistance to developing countries along the routes, and has launched 100 "happy home" projects, 100 poverty alleviation projects, and 100

healthcare and rehabilitation projects. In 2017, 38,700 people from countries along the routes studied in China on scholarships from the Chinese government. In 2018, China hosted 500 young scientists from other Belt and Road countries to conduct research exchanges.

China is building platforms for multilateral dialogue and cooperation. We firmly support multilateralism and advocate that international affairs should be discussed and handled by all countries. China has set up platforms for multilateral dialogue and cooperation in political, economic, security, cultural and other fields. To promote multilateral cooperation, we have established a number of global and regional multilateral platforms including:

- Belt and Road Forum for International Cooperation,
- China International Import Expo,
- Hongqiao International Economic Forum,
- Forum on China-Africa Cooperation,
- China-Arab States Cooperation Forum,
- China-CELAC Forum,
- Boao Forum for Asia,
- China-ASEAN Expo,
- China-Arab States Expo,
- China-Africa Economic and Trade Expo,
- Conference on Dialogue of Asian Civilizations, and
- World Internet Conference.

China has hosted the CICA Summit in Shanghai, APEC Leaders' Informal Meeting in Beijing, G20 Hangzhou Summit, BRICS Summit in Xiamen, and SCO Qingdao Summit, marking a series of pioneering, leading and institutional achievements. We have initiated the establishment of international financial cooperation institutions such as the Asian Infrastructure Investment Bank and the New Development Bank, making a growing contribution to the inclusive development of the world. The China-initiated SCO has played an important role in safeguarding regional and world peace and stability.

China actively participates in international and regional affairs. As a permanent member of the UN Security Council, China strives to contribute wisdom and strength to the settlement of major international and regional flashpoints. China has worked to promote the political settlement of the Korean Peninsula, Iran nuclear, Syria, and Afghanistan issues, and is committed to promoting dialogue and consultation and seeking solutions acceptable to all parties concerned. We have actively participated in

the climate governance process of the United Nations and other multilateral platforms, and firmly supported and promoted the implementation of the Paris Agreement. We have promoted and implemented the United Nations Global Counter-Terrorism Strategy and the Security Council counter-terrorism resolutions, and actively participated in international counter-terrorism actions. We have strengthened international exchanges and cooperation in energy, food and network security, and in the polar regions, outer space and the oceans.

China has actively provided aid to countries in need. As a developing country itself, China identifies with other developing countries in terms of the poverty and suffering they are experiencing and provides them with assistance within its capacity. China upholds the greater good and pursues shared interests, adheres to the principles of mutual respect, equality, keeping promises, mutual benefit, and offering the utmost assistance within its capacity. It provides financial, technical, personnel and intellectual assistance to developing countries without any political strings attached, so as to help recipient countries strengthen their capacity for independent development, and to make a greater contribution to promoting their economic and social development and people's wellbeing and achieving the United Nations 2030 Agenda for Sustainable Development.

4. China's development provides experience and reference for other developing countries

It is not easy for a country to find a development path suited to its own national conditions. In the recent past, many developing countries have worked hard in the hope of making themselves prosperous and strong, but few have really found the right path and achieved good development. Some countries blindly copied or were forced to adopt the Western model, but they did not achieve economic development or political stability. Instead they fell into social unrest, economic crisis, governance paralysis, and even endless civil war.

Over decades of arduous exploration, China has always taken its own road and formed its own development path. China's success has boosted the confidence of other developing countries in their ability to achieve prosperity, expanded their routes towards modernization, and provided experience and reference to countries that want to speed up their development and maintain their independence, enabling them to choose a path in line with their own national conditions.

Copying or imitating other countries offers no way forward. The greatest inspiration from China's development is: What kind of path a country takes should be based on the experience of other countries, but more importantly on its own reality, and should be decided by its own people in accordance with its own history, cultural traditions, and level of economic and social development. There is no such thing as

one single path or model that is universally applicable. Countries can learn from each other. But modernization is not equal to Westernization, and cannot be mechanically carried out or achieved through the same model. Whether the path of a country is the right one depends on whether this path can solve the historic and practical problems facing the country, whether it can improve people's wellbeing, and whether it can win the recognition and support of the people.

It is the right of every sovereign state to choose its own development path. No country can impose its own model on others, let alone forcibly subvert the governments and political systems of other countries. China respects the different paths chosen by other countries. It does not "import" foreign models, nor "export" the Chinese model, and will never require other countries to replicate its practices. By furthering its own experience, China will continue to explore the laws of modernization, governance and human society, strengthen exchanges with other countries in state governance, and share experience to jointly realize good governance.

5. China will never seek hegemony

It is true that in the past, countries that grew strong have sought hegemony, but this is not a historical law. The conclusion is bound to be absurd and distorted if one judges China against the experience of some Western powers and applies their logic to China. China's pursuit of peaceful development is not diplomatic rhetoric, or an act of expediency, or a strategic ambiguity. Rather, it showcases China's confidence in thought and readiness for practice, and represents China's unswerving strategic choice and solemn commitment. China will never pursue hegemony or expansion, nor will it seek to create spheres of influence, no matter how international situation changes, how China develops itself.

China takes the road of peaceful development, which comes from the profound heritage of Chinese civilization. Chinese civilization originated from inland and farming; it is a moderate and defensive civilization. With a history dating back more than 5,000 years, Chinese culture contains the cosmological view of the unity of man and nature, the international view of harmony between all countries, the social view of harmony in diversity, and the moral view of kindness and benevolence. Since ancient times, China has advocated that "the strong should not oppress the weak, and the rich should not abuse the poor", and "do not do to others what you do not want others to do to you", knowing that "a warlike state, however big it may be, will eventually perish". The Chinese nation does not have the gene to invade others and dominate the world. From the mid-19th century, China was abused by the Western powers and left with indelible memories of the suffering brought about by war and instability. It will never impose the suffering it has endured on other nations.

China's peaceful development comes from its understanding of the conditions for achieving development goals. Development is China's top priority. Over the past 70 years, China has benefited from a peaceful and stable external environment, and in the future it also needs such an external environment. The key to China's success lies in concentrating on running its own affairs well and realizing the mutual promotion of peace and development. Expansion and hegemony go against China's interests and the will of the people. It has always been China's unswerving national will to strive for a peaceful international environment favorable to its own development, and to better safeguard world peace and promote common development through its own.

China's peaceful development comes from a profound understanding of the general trend of world development. Today, countries are becoming a close-knit community of shared interests and future, and peace, development, cooperation, and mutual benefit are the trends of the times. Any country, big or small, strong or weak, can achieve sustainable development only if it participates in international cooperation on the basis of equality and mutual benefit. In contrast, pursuing hegemony and militarism will only consume national strength and lead to decline. In human history, the struggle for hegemony of the major powers has resulted in frequent wars, loss of life, setbacks for humanity, and even the retrogression of human civilization. The lessons have been painful and profound. Peace, development and stability, rather than war, poverty and chaos, are the true aspirations of the people of all countries. China's path of peaceful development is in line with the trend of history and the general trend of the world.

China has the right to development, and its people have the right to pursue a better life. As a country that suffered abuse and humiliation in the past, China aims to win dignity, security and a better life for its people through its own development. China naturally develops and becomes stronger, but does not want to threaten, challenge or replace any other country in the process, nor will it seek hegemony. China's future is in its own hands. It is the Chinese people who decide their own destiny. No one can deprive the Chinese people of their right to pursue a better life. No one can stop China from moving forward.

China is firmly committed to peaceful development and hopes that all countries in the world will do likewise. Only when countries take peaceful development paths can we develop and live peacefully together. China will never develop itself at the expense of others, nor will it give up its legitimate rights and interests. No foreign country should expect China to trade its core interests or to accept anything that is damaging to China's own sovereignty, security and development interests.

III. A Prosperous and Beautiful World Is the Common Aspiration of All Peoples

Peace and development remain the underlying themes of our times. However, the world is facing many new problems and challenges. Unilateralism, protectionism, hegemonism, and power politics are some of the major factors affecting world peace and stability. It is a common aspiration of the peoples of all countries to build an open, inclusive, clean, and beautiful world that enjoys lasting peace, universal security, and common prosperity, and where everyone lives in peace and plenty.

1. The world is undergoing the greatest changes in a century

Humanity has made remarkable progress over the past century despite many bloody wars and the Cold War. The 21st century has witnessed growing economic globalization and a rapidly changing international political and economic landscape. Deep-seated problems in global development have become increasingly prominent. The international structures of power have been moving towards balance. The international order and global governance system have experienced further changes. All this shows that the world is in an era of major development, transformation and adjustment, and is undergoing the greatest changes in a century.

Change brings opportunities. One of the most notable changes is that the rise of China and other emerging market and developing countries is fundamentally altering the international structures of power. International politics and the economic system have been dominated by Western powers since the First Industrial Revolution. In more recent decades, emerging market and developing countries have realized rapid growth by seizing the historic opportunities presented by economic globalization. According to the latest data released by the IMF, the share of emerging market and developing economies in global output, measured by purchasing power parity, first surpassed that of advanced economies in 2008, and rose to 59% in 2018 (see Figure 2).

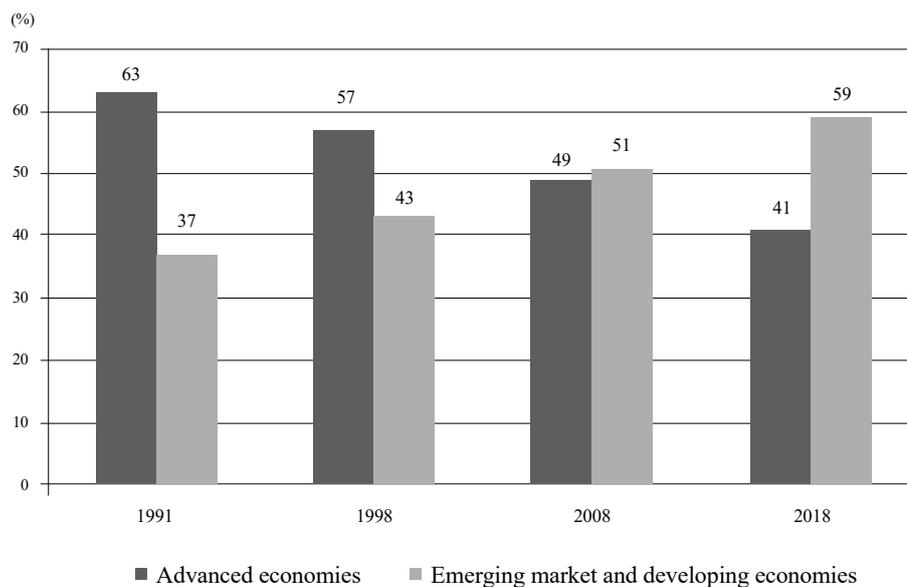


Figure 2 Percentage Share of Advanced Economies and Emerging Market and Developing Economies in the World Economy¹

The world is moving rapidly towards multipolarity, diverse modern development models, and collaboration in global governance. It is now impossible for one single country or bloc of countries to exercise dominance in world affairs. Stability, peace and development have become the common aspirations of the international community. Science and technology is a leading force driving major changes. Advances in the new technological revolution and industrial transformation, and the widespread use of new-generation information technology, have generated new tools, industries, and forms of business, moving our productivity to a higher level.

Change brings risks and challenges. The profoundly evolving international landscape involves complex and intertwined changes, and the interaction of old and new factors, forces, and problems. It also means greatly reshaping the relations between major countries, the international order, regional security, the trends of thought, and the global governance system. Factors of instability and uncertainty are increasing. Deficits in governance, trust, peace and development are growing. The world is facing the danger of a relapse into fragmentation and even confrontation.

²⁰ IMF, “World Economic Outlook”, April 2019.

The world economy is slowing down for lack of impetus, and the gap between the rich and poor is widening as a consequence of capital's excessive pursuit of profit. Trade protectionism is on the rise. Global public and private debt is rising steeply. Some emerging economies have encountered major financial turbulence. The world economy is facing mounting downward pressure (see Box 11).

Box 11 The Slowing World Economy Faces Major Risks

Global economic growth is sluggish. In April the IMF projected a decline in growth in 2019 for 70 percent of the global economy. In July the IMF forecast a growth of 3.2 percent for the global economy in 2019, 1.9 percent for advanced economies, and 4.1 percent for emerging market and developing economies. Growth in the United States is expected to be 2.6 percent in 2019, moderating to 1.9 percent in 2020. Growth in 2019 is projected at 1.3 percent for the euro area and 0.9 percent for Japan. Growth in the BRICS countries in 2019 is forecast at 6.2 percent for China, 7 percent for India, 1.2 percent for Russia, 0.8 percent for Brazil, and 0.7 for South Africa.¹

21

Growth in global trade and investment is lower than forecast. The WTO expects the volume of world merchandise trade to grow by merely 2.6 percent in 2019,¹ the lowest rate since the 2008 global financial crisis. Business confidence has weakened. Lower investment in emerging market and developing economies has hampered their efforts to catch up with the advanced economies.

Risks around debt are increasing. According to statistics from the Institute of International Finance (IIF), global debt in 2018 reached US\$243.2 trillion, 317 percent of global GDP. The slowdown in major economies has dimmed the demand for bulk commodities and debt vulnerabilities have increased sharply.²

2223

The world is facing grave and complex security challenges. As strategic competition becomes more acute, the regional security situation remains tense. Global and regional security faces the combined effect of traditional and nontraditional

²¹ IMF, "World Economic Outlook", July 2019.

²² WTO, "Trade Statistics and Outlook", April 2019.

²³ IIF, "Global Debt Monitor", April 2019.

threats, such as the proliferation of weapons of mass destruction, terrorism, cyberattacks, climate change, biohazards, organized crime, and major communicable diseases. The Cold War mentality of encirclement, constraint, confrontation and threat is resurfacing. Hegemonism and power politics are surging. The law of the jungle and zero-sum games have found new soil in which to breed. These challenges are grievously undermining the post-World War II international order. Some Western countries are facing serious difficulties in governance, populism is widespread, and attacks on globalization are intensifying. With a looming arms race, international arms control and disarmament have suffered setbacks. Damage to global strategic balance and stability and the escalation of some regional issues and conflicts have increased the chances of war. The breathtaking development of information technology and artificial intelligence creates ethical problems and poses visible threats to human lifestyles and even existence.

These profound changes have brought humanity to a crossroads. Hope and confidence are key to resolving difficulties and challenges. The global trend towards peace and development will remain unchanged despite growing uncertainties and instabilities. The global trend towards multipolarity will remain unchanged despite tremendous changes in the international landscape. The trend towards economic globalization will remain unchanged despite setbacks to free trade and multilateralism. Reform of the international system will not change its course despite the increasing intensity and complexity of the contest over the international order. Through making the best use of the historic opportunities presented by the transformation and working together to cope with crises and challenges, humanity can achieve further progress in the century to come.

2. Building a global community of shared future

What is happening to the world? What should humanity do? Confronted with unprecedented global change and governance and development challenges, humanity urgently needs to establish new approaches to development, build a fairer and more equitable international system and order, and open up brighter prospects for the future. China's proposal to build a global community of shared future aims to solve the practical issues facing the world today and realize the peaceful and sustainable development of humanity. The proposal pursues the goal of universal harmony and the principles of cooperation and mutual benefit, while opposing the law of the jungle, power politics and hegemonism. It looks beyond zero-sum games to the idea of blazing a new path of development based on win-win cooperation, joint contribution and shared benefits, offering a new option to the international community.

Building a global community of shared future is a well-rounded, systematic proposal. Politically, it advocates mutual respect and consultation on an equal footing,

opposes the Cold War mentality and power politics, and embraces a new approach to state-to-state relations, one that features dialogue rather than confrontation and seeks partnerships rather than alliances.

In terms of security, the proposal calls for settling disputes through dialogue and resolving differences through consultation, coordinating responses to traditional and nontraditional threats, and opposing terrorism in all its forms. In the economic sphere, the proposal calls for a spirit of partnership in liberalizing and facilitating trade and investment, and making economic globalization more open, inclusive, balanced and beneficial to all.

The proposal respects cultural diversity and approaches cross-cultural communication by replacing estrangement with exchange, clashes with mutual learning, and a sense of superiority with coexistence. The proposal emphasizes eco-friendliness, cooperation in tackling climate change, and the protection of our planet, the home for all humanity.

The idea of building a global community of shared future draws from the essence of traditional Chinese culture and the achievements of human society, and reflects the interdependence among all countries and the close interconnection of all humanity. The idea demonstrates the values shared by Chinese and other cultures and by all humanity, and the greatest common ground for building a better world. Building a community of shared future does not mean conformity to the same values by all countries or the implementation of unilateral proposals pushed by one country or a small minority of countries, nor does it mean the establishment of a single unitary actor around the globe, or the replacement of one system or culture by another. Rather, it calls for countries with different social systems, ideologies, histories, cultures, and levels of development to align their goals and interests, enjoy equal rights, and share all responsibilities in international activities for the progress of humanity as a whole.

The path to a global community of shared future is arduous and tortuous. However, it is the trend of history and the goal of human civilization to replace backwardness with progress, misfortune with happiness, and barbarity with civility. All countries should reach consensus that transcends ethnicity, beliefs, culture, and location, and work together to build a community of shared future and actualize the aspiration of all peoples for a better life.

3. Building a new model of international relations

Peace and cooperation benefit all while conflict and confrontation benefit none. Harmony among all countries brings universal peace while confrontation causes chaos. History shows that the pursuit of hegemony, alliance and confrontation and the abuse of power in international relations will induce chaos or even war.

In addition to development issues, the world is beset by serious crises of trust and threats to the international rules and order. Some long-standing international norms and ethics that have been widely recognized and observed are now abandoned and betrayed. Some international treaties and agreements with a bearing on global stability and wellbeing are ignored, torn up or damaged. In defiance of international truth certain countries overtly infringe the sovereignty and interfere in the domestic affairs of other countries, and abuse the small and weak.

Amid international volatility, all countries should observe the rules, enhance trust, and maintain order while building a new model of international relations. We should embrace a new approach to state-to-state relations, one that features dialogue rather than confrontation and seeks partnerships rather than alliances. Our global village should become a stage for common development rather than an arena for fights.

A new model of international relations should be built on the principles of mutual respect, equity and justice, and mutually beneficial cooperation. Mutual respect is based on equality among all countries, big or small, strong or weak, rich or poor. Each country should respect other countries' political systems, their right to choose their own development paths, and their interests and concerns. All should oppose power politics, hegemony, and interference in other countries' domestic affairs.

In upholding equity and justice, we need to discard extreme materialism and excessive competition, and ensure that countries with different reserves of resources and levels of development have equal right and equal access to opportunities so as to narrow the gap in development. State-to-state relations should uphold the greater good and pursue shared interests, with priority given to the former, properly balancing their national interests and their contribution to the international community.

Mutually beneficial cooperation pursues win-win results rather than the maximization of self-interest, and discards the outdated practice of "winner takes all". Countries should address the legitimate concerns of other countries while pursuing their own interests, promote common development with their own development, and respect the security of other countries while safeguarding their own security. We should turn pressure into impetus, crises into opportunities, and conflict into cooperation.

Major countries are an important force for safeguarding world peace and stability, and key actors in building a new model of international relations. Major countries should fulfill their responsibilities commensurate with their status. The international status of a country is measured by its openness of mind, breadth of vision, and sense of responsibility rather than its size, strength or power. Major countries should direct their primary efforts to the future of humanity and assume greater responsibilities for world peace and development, rather than wielding their power to seek hegemony in

international and regional affairs. The course of human history shows that for the strategies of major countries to be successful they must follow the trends of the times and win wide recognition from other countries and peoples.

Only through cooperation based on mutual respect and mutual benefit can major countries sustain human progress. Coordination and cooperation should be strengthened to build a stable and balanced framework of relations among major countries, which underpins world peace and stability. Major countries should respect each other's core interests and major concerns, build deeper mutual understanding, and settle differences and disputes through constructive communication and consultation.

Big countries should treat small ones as equals rather than acting as hegemons imposing their will on others. No country should create havoc by launching ill-considered and arbitrary wars or undermining the international rule of law. Disputes and problems should be settled through dialogue and consultation on an equal footing and with the maximum sincerity and patience.

4. Promoting a new model of economic globalization

Economic globalization is an irreversible consequence of global economic development. It conforms to the trend of the times towards development and cooperation. Economic globalization has greatly facilitated trade, investment, flows of people, and technological advances, and benefitted the peoples of all countries, making an important contribution to world economic development. However, it has also caused a number of problems and encountered some setbacks. The current model of economic globalization cannot reflect the voices or represent the interests of developing countries. The law of the jungle and zero-sum games featuring the practice of "winner-takes-all" have exacerbated the divide between the rich and poor, as evidenced by the widening gap between developed and developing countries, and the gap between the rich and poor within developed countries (see Box 12).

Box 12 Economic Globalization Is a Double-Edged Sword

Economic globalization has promoted world economic development. According to World Bank data, global GDP in current US dollars grew 25-fold from US\$2.96 trillion in 1970 to US\$74 trillion in 2015.¹ WTO statistics show that global trade grew over 50-fold from US\$300 billion in 1970 to US\$16 trillion in 2016.² According to UN statistics, the global population living in extreme poverty

dropped from 1.9 billion in 1990 to 836 million in 2015, surpassing the target of reducing extreme poverty rates by half under the UN Millennium Development Goals.¹

It should also be noted that the world is faced with a growing economic imbalance characterized by a widening gap between the North and South and between the rich and poor. Many developing countries are beset with poverty and consequential social problems such as hunger, disease and conflict. According to “Global Wealth Report 2016” from the Credit Suisse Research Institute (CSRI), the 3.5 billion adults at the bottom of the global wealth pyramid own a mere 2.4 percent of global wealth, less than US\$10,000 per capita.² An MGI 2016 report shows that about 70 percent of households in 25 advanced economies – the equivalent of more than 500 million people – experienced flat or falling incomes from 2005 to 2014.³ Globally, more than 700 million remain in extreme poverty, and the Gini coefficient has risen past the 0.6 threshold of very high income inequality to approximately 0.7.

Some countries have ascribed domestic governance problems to economic globalization or other countries, and resorted to unilateral, protectionist, and hegemonic actions. This approach has damaged the global value, supply and consumption chains, and caused turbulence and conflict in the current international trade order, driving the world economy towards the “recession trap”.

We should not be intimidated by the problems encountered by economic globalization. Withdrawing from international organizations and treaties, decoupling foreign trade relations, and building border walls lead us nowhere. Our problems can only be solved through a process of reform and self-improvement. All countries should join forces to draw lessons from history, strengthen coordination, enhance governance, and make economic globalization more open, inclusive, balanced and beneficial to all.

²⁴ The World Bank website: <https://www.worldbank.org>.

²⁵ The WTO website: <https://www.wto.org/index.htm>.

²⁶ UNCTAD, “Development and Globalization: Facts and Figures”, July 2016.

²⁷ CSRI, “Global Wealth Report 2016”, November 2016.

²⁸ MGI, “Poorer Than Their Parents? Flat or Falling Incomes in Advanced Economies”, July 2016.

A new model of economic globalization should be developed and shaped by all countries. It should make innovations and improvements based on those rules and institutions that have proven effective in practice, such as trade liberalization and multilateral trade. It should eliminate hegemonism, power politics, the law of the jungle, and zero-sum games, uphold the principles of extensive consultation, joint contribution and shared benefits, and realize democracy, equality, fairness and equity. It should help to build an open world economy, promote world peace and stability, and bring common development and prosperity.

The ongoing fourth technological revolution will have immeasurable impact on a new wave of economic globalization and on the development of human society, bringing unprecedented opportunities for development as well as serious challenges. All countries should join together and take prompt action in building a new framework for global governance with the vision of a global community of shared future. We need to establish relevant rules and standards that facilitate technological innovation and development while ensuring the bottom line of human security. We should accommodate the interests of all countries and in particular those of the developing countries. It is unfair to apply the standards and security rules of developed countries or individual countries to all the other countries. It is essential to respect the sovereignty of every country. No country should seek technological hegemony, interfere in the domestic affairs of other countries, or engage in, connive in, or shield technological activities that undermine other countries' security. Based on multilateralism, mutual respect and mutual trust, all countries should conduct extensive dialogue and cooperation, and build a system of technological rules and a framework for international cooperation that ensure peace, security, democracy, transparency, inclusiveness and benefits for all. It is necessary for all countries to uphold social equity and justice, place technological innovation under the rule of law and internationally recognized norms, and ensure that innovation is by the people, for the people, and consistent with human values.

5. Upholding the international system with the UN at its core

The international order underpinned by the purposes and principles of the UN Charter has accommodated the interests of the majority of countries and promoted world peace and development. Blatant violations of international law and the basic norms of international relations in pursuit of self-interest will plunge the world into a precarious situation characterized by chaos, confrontation and conflict. Hegemony will put justice in peril. The international community should work resolutely together to develop democratic international relations, safeguard the ethical and legal norms that are vital to human survival and development, and uphold international equity and justice.

The UN is at the core of the global governance system. The UN Charter is the fundamental cornerstone for maintaining stability of the international system and regulating relations among countries. The world is experiencing confrontation and injustice in many different forms, not because the purposes and principles of the UN Charter are outdated, but because they have not been effectively fulfilled. Upholding the authority and role of the UN is key to protecting the common interests of the international community and the legitimate interests of individual countries, and to shaping a bright future for humanity. Therefore, all countries should uphold the international system centered on the UN, international law and the basic norms of international relations underpinned by the purposes and principles of the UN Charter, and the central role of the UN in international affairs.

The multilateral trading system with the WTO at its core is the cornerstone of international trade. It has played a crucial role in promoting global trade, building an open world economy, and improving the wellbeing of the peoples of all countries. Unilateral and protectionist trade policies, which run counter to the laws of the market, international rules, and the basic principles of the WTO, will lead to shrinking global trade and may even trigger global economic crises. All countries should join together in support of multilateralism while firmly opposing unilateralism and protectionism. In building an open world economy, we should safeguard the WTO's core role and basic principles and the multilateral trading system characterized by free trade, openness and non-discrimination, and protect the legitimate rights and development space of developing member states.

The Paris Agreement on climate change, the Convention on Nuclear Safety, the Treaty on the Non-Proliferation of Nuclear Weapons, and other international treaties and agreements are based on the consensus of all parties and in accord with the interests of all countries. All signatories have the obligation to fulfill their commitments fully rather than selectively. Willful withdrawal from international organizations and treaties goes against the spirit of contract and international ethics. The rules should be observed in fairness and be mutually binding, and must not be compromised by “pragmatism” and double standards.

6. Promoting exchanges and mutual learning among civilizations

Civilization is an essential attribute of human society. Diversity is a primary characteristic of human civilization. Exchanges and mutual learning have been a basic driving force for progress in civilizations throughout the history of humanity for thousands of years. The world has become what it is today through communication and fusion among different civilizations. Further human development entails stronger exchanges and mutual learning among cultures and deeper mutual understanding among the peoples of different countries and closer people-to-people ties. Cultural

progress is just as important as economic and technological development in addressing the increasingly pressing challenges we face and in moving humanity towards a better future.

Human civilization should be open and inclusive, and based on equality and diversity. Civilization thrives in diversity. Every civilization represents the collective memory of a nation or a people. All civilizations in the world, including the Chinese civilization, are the fruit of human development. All civilizations are equal. No civilization is perfect on the planet. Nor is it devoid of merit. No single civilization can be judged superior to another. Human civilization is inclusive. As the fruit of human labor and wisdom, every culture deserves respect and is worth cherishing. Attempts to judge the superiority of one race or civilization to another, to transform or replace other civilizations, and to sow discord between civilizations, are absurd and disastrous. These attempts will only increase misunderstanding between civilizations and push the world towards fragmentation and confrontation.

Exchanges and mutual learning among civilizations should be strengthened. All countries should treat each other with respect and as equals. While discarding arrogance and prejudice, every country should enhance its awareness of the differences between its own civilization and other civilizations, increase dialogue between different cultures, and strive for harmonious coexistence. Every country should value its own civilization, appreciate that of others, and facilitate their development, and this will contribute to the flourishing of all civilizations. All civilizations should be open and inclusive, and promote common development by drawing from each other's strengths through exchanges and mutual learning. All civilizations should progress with the times and sustain their development through innovation.

IV. China Contributes to a Better World

China cannot develop in isolation from the rest of the world, nor can the world as a whole maintain peace, development, prosperity and stability without China. China will do well only when the world does well, and vice versa. China continues to place its own development in the coordinate system of human development, seeing that its future is closely connected with that of the rest of the world and the interests of the Chinese people are integrated with the common interests of the peoples of other countries. China is always a builder of world peace, a contributor to global development, and a guardian of global order, contributing Chinese wisdom and

strength to building a global community of shared future and developing a better world.

1. Promoting world peace and development through our own development

As the largest developing country in the world, we remain fully committed to following our own path and managing our own affairs well by pooling resources. This is how we can make our country more prosperous and our people happier, and infuse stability and certainty into the complex and volatile world. That in itself is our biggest contribution to world peace and development.

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China will continue to forge ahead on its socialist path. We have committed to a people-centered approach and given top priority to development. We have implemented the five-sphere integrated plan to advance economic, political, cultural, social and ecological development, and the four-pronged comprehensive strategy to complete a moderately prosperous society in all respects, further reform, advance the rule of law and strengthen Party discipline. We should strive to build China into a strong, modern socialist country and march towards national rejuvenation.

China places economic development at the center of its national rejuvenation, promotes high-quality development and pursues with firmness of purpose the new vision of innovative, coordinated, green, open and inclusive development. We will accelerate the modernization of our economy to better meet people's ever-growing needs for a better life. Comprehensive reform of the economic system will be furthered to make sure that the market plays a decisive role in resource allocation and the government performs its functions better. We will push forward supply-side structural reform to provide endogenous impetus for sound and sustained economic development. We will continue to implement the innovation-driven development strategy, grasp the development opportunities presented by digitalized, networked and intelligent development, increase protection of intellectual property rights, expand our capability and strength in innovation, and create new drivers of growth. China will advance science and technology to benefit more people, expand international cooperation to allow other countries to share its scientific and technological achievements, and bring more benefits to people across the world through technological innovation.

Seeking a better life for the Chinese people has always been the primary goal for China. We will intensify efforts to secure and improve standards of living, allowing all people to benefit more fairly and thoroughly from the fruits of reform and development. We will reinforce targeted poverty alleviation and elimination to ensure that extreme poverty is basically eliminated by the end of 2020, thus enabling the people to better enjoy the fruits of economic growth and making a new contribution to

global poverty reduction. China actively follows the UN 2030 Agenda for Sustainable Development, remains firm in its commitment to promoting green development, and speeds up the application of eco-friendly growth models and ways of life. It takes a leading role in international cooperation in response to climate change, advances green, low-carbon, circular and sustainable development all over the world, and endeavors to protect the common homeland of humanity.

The Chinese military is a resolute defender of world peace. In the new era, China continues to pursue a defense policy that is defensive in nature, and stays committed to building a strong military with Chinese features, and solid national defense and armed forces that are commensurate with China's international status and in compliance with national security and development interests. The Chinese army faithfully adheres to the concept of a global community of shared future, actively fulfills the international responsibilities of the armed forces of a major country, and comprehensively advances international military cooperation in the new era. Therefore, the Chinese military serves as a strategic safeguard for world peace and development, and contributes to building a better world of lasting peace and common security.

2. Pursuing mutually beneficial cooperation and common development

Only through mutually beneficial cooperation and common development can we make significant and sustainable achievements that are beneficial to all. Some countries are getting richer while others are becoming poorer, which makes it impossible to maintain lasting peace and prosperity around the world. Our Chinese people hope for a better life not only for ourselves, but also for the people of the rest of the world. China will strengthen mutually beneficial cooperation with other countries to promote exchanges and mutual learning, and narrow the development gap, embarking on a path leading to fair, open, comprehensive, innovative and shared progress.

Pursuing innovative development, interconnected growth and converging interests. China will seek to create new sources of economic growth and foster new drivers of growth through international exchanges and cooperation. We will further strengthen coordination on macro policies and connectivity in development plans with other countries to draw on each other's strengths, increase positive spillover effects, and reduce negative external impacts. We will advance opening up and cooperation in a more inclusive way, pursue both current and long-term interests, and give consideration to the interests of other countries while pursuing our own, making the cake bigger and sharing it fairly to ensure equity and justice. China will help rebalance the world economy and ensure that the gains made benefit more people. We welcome the people of other countries aboard the express train of China's development, and

endeavor to help more emerging market and developing economies better integrate into the global industrial, supply and value chains, thus sharing the benefits of economic globalization.

Promoting high-quality development along the Belt and Road. The Belt and Road Initiative is a platform for building a global community of shared future, acting as a “boat” and “bridge” to promote world peace and development. China will join forces with all parties concerned to follow the principles of extensive consultation, joint contribution and shared benefits, and uphold open and green development and clean government. We will pursue high standards, sustainability, and a better life for the people. In promoting high-quality development along the Belt and Road, we will jointly make this initiative an open, green, and innovative path to peace, prosperity and cultural exchanges. We aim to create opportunities for all countries and enable more people to enjoy a better life. The Belt and Road is an initiative for economic cooperation, not one for geopolitical or military alliance. It is an open and inclusive process that neither targets nor excludes any party. Rather than forming exclusionary blocks, it aims to help China and the rest of the world jointly seize opportunities and pursue common development. It is intended to avoid ideological demarcation, zero-sum games, or any of the “traps”. We welcome any country which is willing to participate.

Advancing global poverty reduction. Eliminating poverty remains the biggest challenge facing the world today. To realize the UN goal of ending extreme poverty by 2030, it is critical for all countries to make concerted efforts. China advocates that developed countries increase assistance to developing countries and the latter enhance endogenous impetus for development, so as to accelerate the process of global poverty reduction. We actively implement the UN 2030 Agenda for Sustainable Development, enhance international cooperation in poverty reduction, support the UN and the World Bank in continuing their important role in global poverty reduction, and promote a mutually beneficial model of international exchanges and cooperation in poverty reduction. China concerns itself with the problems of poverty-stricken countries and wants to help those people living in hunger and poverty. It strives to help developing countries – especially the least developed – to improve their capacity for self-development by providing foreign aid and debt relief and increasing imports and investment. We will continue to contribute wisdom and strength to global issues including poverty alleviation and reduction, disease prevention and control, and refugee relief, letting the sunlight of common development dispel the shadow of poverty and backwardness and illuminate a future of shared prosperity.

3. Upholding and advancing economic globalization

China is an active participant in and a firm supporter of economic globalization. We are ready to join the international community in taking proactive measures and strengthening guidance to make the process of economic globalization more dynamic, more inclusive and more sustainable. China will follow a more proactive opening-up strategy, work to create a more comprehensive, diverse and deeper opening-up structure, achieve mutually beneficial progress in a broader way, and uphold and promote economic globalization through concrete actions.

Opposing unilateralism and protectionism. China is fully committed to a multilateral trading system with the WTO at its core. It is keen to extend cooperation with other countries on the basis of equality and mutual respect, and to jointly maintain the stability and development of the global economy and trade. China advocates compliance with the WTO rules to address issues in international trade through dialogue and consultation based on mutual respect, equality, mutual benefit, cooperation and good faith. Threats of a trade war and continuous tariff hikes will never help to resolve economic and trade issues. China is a mature economy with a complete industrial system and industrial chain, vast markets, and vibrant momentum for development. We can never be defeated or weakened by a trade war. China is confident of meeting challenges head on, turning risks into opportunities, and opening new chapters.

Opening wider to the outside world. Opening up has been key to China's economic growth over the past years. In the same vein, further growth in the future can only be achieved with greater openness. We have launched and will continue to implement a host of major opening-up measures, giving equal emphasis to "bringing in" and "going global", and making new ground in opening China further through links running eastward and westward, across land and over sea. With lower overall tariffs, a shorter negative list, easier market access, more transparent market rules, and a more attractive business environment, China will build an open economy of higher quality, bringing more opportunities for growth, transformation and innovation to the world. We welcome more foreign friends to study, work and travel in China. China will devote more energy to "going global", encourage more Chinese enterprises and institutions to invest and develop outside China, strengthen economic and cultural exchanges and cooperation, and build new platforms for mutually beneficial cooperation. China will continue to ensure the success of the Belt and Road Forum for International Cooperation, and make every effort to develop a world-class China International Import Expo, fostering new demand and drivers for its opening up and global economic growth.

Moving faster to promote regional economic integration. China will speed up the implementation of its free trade zone strategy, and build a high-standard network of

free trade zones that focuses on neighboring countries and regions, radiates out through the Belt and Road, and opens to the world. We will continue to help secure agreement on the Regional Comprehensive Economic Partnership, and speed up negotiations on the China-Japan-ROK Free Trade Agreement and the China-EU investment treaty. China will work on the Free Trade Area of the Asia-Pacific and an East Asia economic community, support the development of the African Continental Free Trade Area, advance regional economic integration, and promote liberalization and facilitation of trade and investment, reinforcing the momentum for economic globalization.

Continuing internationalization of the Renminbi. The internationalization of the Renminbi has broadened monetary settlement options for global trade and promoted diversity in the international monetary system. It aims to supplement and improve rather than change the current system. It is a market-driven process based on the principle of respecting market demand and serving the real economy. While advancing the market-based reform of the Renminbi exchange rate and the opening of domestic capital and financial accounts in a prudent and orderly way, China will continue the internationalization of the Renminbi, raise financial standards, and further internationalize its financial sector, thus enhancing converging interests with other countries and contributing to international financial stability.

4. Developing global partnerships

China gives priority to expanding partnerships. Those who cherish the same ideals and follow the same path can be partners, and so can those who seek common ground while reserving differences. China will carry forward this spirit, remain committed to a new approach to state-to-state relations, one that features dialogue rather than confrontation, and seeks partnerships rather than alliances. We will work to build a framework for major-country relations featuring overall stability and balanced development, establish deeper relations with our neighbors, and strengthen solidarity and cooperation with other developing countries. Guided by the principle of upholding the greater good and pursuing shared interests, China will expand the convergence of interests with other countries, add more value to partnerships, and enlarge its circle of friends worldwide.

The China-US relationship is one of the most important bilateral relationships in the world. China is the world's largest developing country and the United States is the largest developed country. Cooperation is the only correct choice for the two countries, and a mutually beneficial relationship is the only path to a better future. The US should treat our bilateral relations from a broad and rational perspective. China has no intention of challenging the United States, nor of replacing the US; the US is unable to force China's hand, and even less likely to halt China's development. The US cannot

maintain its strength by attempting to contain and suppress other countries, or by transferring its own domestic stresses outward. The US should abandon the Cold War mentality, and develop a proper understanding of itself, China, and the world. It should adapt to the development and prosperity of other countries, and live in harmony with the rest of the world, which is the principle major countries should always follow. The Thucydides trap is not an unbreakable law. However, any serious strategic miscalculation between major countries risks turning conflict and confrontation into a self-fulfilling prophecy. For the wellbeing of the two nations and the rest of the world, China is ready to work with the US to shoulder their shared responsibilities as major countries, expand cooperation on the basis of mutual benefit, manage differences based on mutual respect, and jointly advance China-US relations focusing on coordination, cooperation and stability.

China and Russia have walked hand in hand through the past seven decades, each as the other's largest neighbor. They have withstood the test of changes in the world and set a good example in fostering a new model of international relations. Our comprehensive strategic partnership of coordination is mature, stable and solid, enjoying the highest level of mutual trust and coordination and the highest strategic value. The upgrade of the China-Russia relationship to a comprehensive strategic partnership of coordination for a new era marks a brighter future for our bilateral relations. China has always prioritized its relations with Russia in its diplomatic agenda. China will work with Russia to build a deeper friendship between our two countries, support each other on issues concerning our core interests, closely coordinate with each other on major issues of mutual concern, enhance the connectivity of our development strategies, and push our bilateral relations to greater heights, wider fields and deeper levels. Our relationship will serve as both a ballast and a propeller in a complex and volatile international situation. A close partnership between China and Russia contributes to world peace, security and stability.

Europe is an important pillar in the world today, and also a comprehensive strategic partner to China. We endeavor to promote a partnership for peace, growth, reform and civilization, connecting our strengths, markets and civilizations, and increasing the global influence of the China-EU comprehensive strategic partnership. China will continue to support European integration, and a more important role in international affairs for a more united and stronger EU. The two sides will extend cooperation, make joint efforts to uphold multilateralism, and promote stability throughout the world.

China sees its neighboring countries as the foundation of its development and prosperity. It gives top priority to neighborhood diplomacy in foreign relations, and takes promoting regional peace, stability and development as its bounden duty. In

accordance with the policy of forging friendships and partnerships with our neighbors based on the principles of amity, sincerity, mutual benefit and inclusiveness, we will continue to increase mutual trust and assistance, promote connectivity, further mutually beneficial cooperation, and ensure peace and tranquility, so that our development will bring even greater gains to our neighbors and gather strength for turning China and its neighbors into a community of shared future. China will continue to lead regional cooperation and safeguard regional peace and development.

China and other developing countries share the same aspiration for peace and development. Guided by the principle of upholding the greater good and pursuing shared interests, China strengthens solidarity and cooperation with other developing countries in a spirit of sincerity, affinity, and good faith. We will contribute to a closer community of shared future between China and Africa, further a comprehensive cooperative partnership between China and Latin American countries characterized by equality, mutual benefit and common development, reinforce a future-oriented strategic partnership of comprehensive cooperation and common development between China and the Arab states, and foster new drivers for South-South cooperation, helping the peoples of all developing countries achieve a better life.

5. Supporting multilateralism and upholding international equity and justice

Equity and justice are the eternal goals of human society and the ultimate purpose of building a global community of shared future. In today's world, equity and justice remain distant dreams. The future of the world should be decided by the peoples of all countries and international affairs should be managed by all countries through consultation. China will remain committed to multilateralism, uphold international equity and justice, and work with other countries to promote democracy, the rule of law and a proper balance in international relations.

Supporting multilateralism is the common aspiration of the international community. In today's world, all countries have converging interests and share weal and woe, making the global trend towards multipolarity and democratic international relations irresistible. Gone are the days when the strong had the final say. As a founding member of the UN, a permanent member of the UN Security Council, and the largest developing country, China will continue to uphold the international system with the UN at its core and the international order underpinned by the purposes and principles of the UN Charter, and join forces with other countries in supporting multilateralism and opposing unilateralism. China advocates that whenever differences and disputes crop up between countries they should turn to consultation through multilateral frameworks or platforms, seek common ground while reserving differences, increase common interests while dissolving differences, and by doing so, broaden consensus and promote the peaceful settlement of differences and disputes.

We oppose the calculated threat or use of force. China will remain committed to the multilateral trading system with the WTO at its core, and oppose unilateral conduct such as erecting walls between nations, undermining others, or withdrawing into isolation. We give active support to the WHO, WIPO, the International Telecommunication Union (ITU), and the International Labor Organization (ILO) in playing a better role in global governance.

Upholding equity and justice is China's basic principle in dealing with international issues. We respect the right of the peoples of all countries to choose their own development paths and social systems, respect the sovereignty and territorial integrity of all countries, and oppose interference in others' domestic affairs. China will never impose its will on other countries, nor will it allow others to impose theirs on the Chinese people. We will never interfere in the domestic affairs of others, nor will we allow any country or force to interfere in ours. China stands for the equality of all countries, big or small, strong or weak, rich or poor, and opposes the law of the jungle that leaves the weak at the mercy of the strong. We resolutely reject hegemonic thinking and power politics, and strive to increase the representation and voice of developing countries in international affairs. China will undertake more international responsibilities, work with other countries to safeguard human conscience and international truth, and uphold equity and justice in regional and international affairs. We will continue to advocate and implement our principles concerning major international and regional issues:

- No country should interfere in other countries' internal affairs or impose its will on others;

- Countries concerned should act in an impartial and objective manner and refrain from seeking selfish interests;

- Political solutions, not the use of force, should be sought in addressing differences and disputes.

China believes that a fair judgment should be made on each issue on its own merits. We will promote peace talks, maintain stability, prevent disorder, exhibit no partiality, seek no selfish gains, and play a constructive role in ensuring regional and international peace and tranquility.

6. Taking a lead in reforming and developing the global governance system

It is the common aspiration of countries around the world to make global governance fairer and more equitable, and fulfill the principles of extensive consultation, joint contribution and shared benefits. As a major and responsible country, China will continue to enjoy its rights in balance with fulfilling its obligations, taking account of both its requirements of the world and the international community's expectations for China. We will take an active part in reforming and

developing the global governance system. As a participant in, builder of, and contributor to that system, China hopes to help the system move with the times through innovation and improvement, rather than reinvent the wheel.

This is a common cause of all countries and regions, so we must pursue the transformation of the global governance system by following the principles of extensive consultation, joint contribution and shared benefits. We must endeavor to turn sound proposals into consensus and concerted actions. What kind of international order and governance system best suits the world, and best suits the peoples of all countries? China advocates that it should be decided by all countries through consultation, and not by a single country or a small minority of countries. We will play an active role, strengthen coordination with all parties concerned, and promote peace, development, equity, justice, democracy, freedom and other common human values, making the global governance system better reflect changes to the international architecture and the will of the international community in a more balanced way.

China gives active support to reforming the UN, helping it better meet the new requirements of global governance in its underlying guidelines, organization and operations, better fulfill the responsibilities prescribed in the UN Charter, and better play an expanding role in safeguarding world peace and promoting common development. We support necessary reform of the WTO on the basis of equity and justice. China advocates that reform of the WTO should safeguard its core values and basic principles, especially the interests and policy space of developing countries. The WTO should promote trade liberalization and facilitation to make global trade more regulated, accessible and open, improve settlement mechanisms for trade disputes, and play a bigger role in developing an open and inclusive world economy. China will work with the international community to address global issues including climate change, terrorism, cyber security, energy security and severe natural disasters, and jointly protect our home planet.

China makes active efforts to advance the quota and governance reform of the IMF and the World Bank, better reflecting changes to the international architecture. We will promote the role of the G20 as the premier forum for international economic cooperation, and help it transform from a crisis-management body to a long-term and effective governance mechanism, making a bigger contribution to world economic growth and global economic governance. In leading and promoting an open world economy, China will push for new breakthroughs in the Asia-Pacific Economic Cooperation (APEC), and ensure that more people embrace the spirit of an Asia-Pacific family and the idea of a community of shared future. We will ensure

sustained and steady progress of the BRICS cooperation mechanism, so that it can play a greater role among international platforms.

We will actively promote innovative ideas in global governance, sum up the successful practice and experience of national governance, and explore values in our cultural tradition that remain relevant today as positive guides for good relations, trying to contribute Chinese wisdom, solutions and strength to global governance.

Conclusion

Looking back at the successes of the past seven decades, we Chinese people are proud of all our achievements. But we will not fall into complacency or stagnation. In this new era, China will not waver in its commitment to forging ahead on the path of socialism with Chinese characteristics, pursuing mutual learning and mutually beneficial cooperation, and working together with the rest of the world. In the future, China will embrace the world in a more open and inclusive manner, engage in more interactions with other countries, and bring more progress and prosperity to itself and the rest of the world.

In today's world we face an array of opportunities and hopes, of variables and challenges. The future of all countries has never been more closely connected. We each have a high stake in the future of all others. As long as we maintain the same goals and unite as one to share opportunities and meet challenges, we can build a global community of shared future and create a better and brighter world for all.