

The Wide Road of International Cooperation

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On behalf of China, I would like to offer my congratulations on the successful opening of the meeting and to welcome friends of various countries, who have come from far away.

The world economy at present is experiencing a far-reaching transformation. With the continuation of economic globalization and regionalization, regional cooperation is becoming the trend of development. While economic globalization brings challenges and opportunities as well, it is very necessary for Northeast Asia to continue to develop and deepen economic cooperation within the region, so as to promote mutual development. Economic globalization is an inevitable process of development in today's world, and it offers both advantages and disadvantages. Regional cooperation is beneficial because of complementarities based on different advantages and for efficient allocation of resources. Moreover, it provides more opportunities for increased trade and investment among the countries and enhances their overall competitive capabilities, thereby lessening the disadvantages and risks of economic globalization and regionalization. Shared coexistence and prosperity through regional economic cooperation will also promote peace and development in the region.

There are various forms of regional cooperation, including intergovernmental institutions such as APEC, the East Asian alliance, and the meeting of the leaders of China, Japan, and South Korea, known as ASEAN+3. These are important, but at the same time forums organized by nongovernmental organizations are necessary. Various organizations sponsored by governments and nongovernmental organizations for regional and subregional cooperation are mutually beneficial to regional and global development.

During the past ten years, with the support of friends from various countries, a productive mechanism has taken shape in the Northeast Asia Economic Forum, which offers a very important opportunity for exchanges between economic and academic institutions, including the business community in the Northeast Asian countries. The Forum has certainly played an important role in furthering regional cooperation.

Northeast Asia has maintained a relatively high rate of economic growth during the past decade and has made remarkable progress in industrialization, modernization, and standards of living. Currently, the Northeast Asian region accounts for one-seventh of the world's economy. After the financial crisis in 1997, this region recovered gradually, and now it is still one of the regions that

are experiencing the most rapid growth, with potential for further development. Countries in this region have relatively good economic foundations and hence great potential for future growth. In terms of both quantity and quality, human resources in the region are complementary and can ensure sustained and creative development through regional economic cooperation. I am confident that we can achieve an economic boom in this region.

During the past two decades of reform and development, China has experienced a great transformation and significant improvements in its overall national capabilities, social productivity, and standards of living. But China is still facing many difficulties and challenges in its further development. The per-capita GNP is relatively low when compared with the world average, and the economic structure is still undergoing strategic adjustment.

The fourth session of the Ninth National People's Congress, which was held in March 2001, approved the program for China's Tenth Five-Year Plan. The program sets the following major targets for economic and social development during the next five years:

- Relatively rapid development of the national economy will be maintained; significant progress will be made in the strategic adjustment of the economic structure; the quality and efficiency of economic growth will be enhanced; and a solid foundation will be laid for GDP growth, so that GDP in 2010 will be double that of 2000.
- State-owned enterprises will make significant progress in establishing a modern enterprise system; a relatively sound social security system will be developed; the market system will be further improved; the economy will be opened further; and international cooperation will be strengthened.
- Channels for employment will be broadened; the incomes of both urban and rural people will be increased; better material and cultural life will be provided; and more importance will be placed on the ecological balance and environmental protection.
- Further progress is expected in technology and education; the general level of education will be raised; human and moral values will be significantly promoted; and democracy and the legal system will be reinforced.

In order to achieve these goals, the Tenth Five-Year plan indicates that we have to be unswerving in our efforts to open the economy further during the next five years. Through multidimensional, multilevel, and broad opening of the economy, we will be able to promote foreign trade actively and to make efficient use of foreign capital, which can be a source of strength for further economic and social development.

As we all know, during 2001 China experienced the last phase of negotiations for entry into the World Trade Organization (WTO). China's entry into the WTO will be beneficial in many respects and will push China's opening into a new stage, which will have three characteristics: First, a shift will occur from being open only in limited sectors to being open overall. This includes a shift from traditional commercial trade to services. Sectors such as finance, insurance, telecommunications, tourism, and education will gradually be opened to foreign capital. Second, there will be a shift from opening in the form of pilot tests, as a matter of policy, to a foreseeable opening up under the law. Third, there will be a shift from self-initiated opening to a system of opening between China and other members of the WTO to achieve equal and free multilateral trade.

We believe the transformation after China's entry into the WTO will promote trade, investment, and economic and technological cooperation between China and other countries in Northeast Asia. We are willing to use this opportunity to continue coordination and cooperation with countries in Northeast Asia on important issues such as finance, trade, and infrastructure. As we promote cooperation in traditional fields, we will give full play to respective advantages, to enforce exchanges and cooperation in technology, education, investment, and high-tech industries, and push Northeast Asian economic cooperation to a new stage.

At the beginning of this new century, it is also notable that countries in Northeast Asia have put forward their own development strategies, with great enthusiasm for regional cooperation, and thus actual cooperation is under way. We therefore believe that Northeast Asian regional economic cooperation has wide prospects. Because of the unique nature, history, and realities in this region, it is inevitable that our model of cooperation will be very different from the regional economic integration based on the experience of the European Economic Community, which was established with the precondition of equality. Our cooperation will be a complicated and gradual process. Economic cooperation can range from trade to production and technology, from bilateral to multilateral arrangements that gradually create more mutual benefits and establish mechanisms for regionwide economic cooperation throughout Northeast Asia.

The participation of the countries concerned and the promotion of regionwide economic cooperation will be the cornerstones for regional cooperation in Northeast Asia. But the real break-through will be the agreements by two or more countries on specific areas of cooperation. Local governments will play an important role in this cooperation for several reasons. First, the local economies are always active once the local economy has achieved a certain rate of growth and has reached a certain level of development, and they have a strong

will to participate in international economic cooperation. Second, local governments are more active than the central government in carrying out international exchanges and cooperation. Third, countries in Northeast Asia are undergoing reforms in their economic systems, and central governments are giving local governments more authority to develop international economic cooperation by delegating authority as well as benefits. As the local governments become less and less dependent on the central governments, they can carry out international economic exchanges and cooperation independently. Therefore, we support the efforts of local governments to develop economic and technological cooperation actively with neighboring countries.

Looking back into the past, the first meeting of the Northeast Asia Economic Forum was held in Changchun ten years ago, when there were a lot of uncertainties in many areas. During the past ten years, the Forum has offered numerous important opportunities for us to carry out research and cooperative projects. Today, on a sunny spring day, we gather together to hold the Tenth Forum and to discuss issues of cooperation and development that face the region in the new century. Thus far, we have accomplished a great deal in terms of awareness of the importance of regional cooperation.

Looking forward into the future, I believe that great achievements will occur through the efforts of many people. The road to international cooperation within Northeast Asia is wide and offers great prospects.