

GLOBAL VIEWS

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Province still the pioneer

Guangdong remains in the vanguard of reform and opening-up as the nation pursues innovation-driven, sustainable, high-quality development

On the occasion of the 40th anniversary of China's reform and opening-up, President Xi Jinping visited Guangdong province in October 2018 reaffirming that China will carry on with its reform and open still wider to the world.

His visit was in itself very significant.

Over the past 40 years, Guangdong has stood at the forefront of the country's reform and opening-up. It has grown from an agricultural province to an economic powerhouse of China, boasting top technological innovation indicators and accounting for one-fourth of the country's foreign trade.

President Xi's visit speaks volumes as it signals the country's determination to establish the province as the vanguard for innovation-driven, sustainable and high-quality development while further advancing reform and opening-up.

Throughout the course of reform and opening-up, the goal has been to seize different opportunities amid the changing domestic and international situations.

Now, despite the undercurrent of anti-globalization and protectionism, the world is experiencing a third round of economic globalization. China's reform and opening-up is being carried out as part of this wave of economic globalization in effect, rather than separate from it.

The past 40 years of economic globalization have brought development and problems alike. But the

problems do not mean that the globalization is at an end. On the contrary, it means we have come to a turning point in the course of development. We should see it as a new starting point for China to advance with a new vision, as demonstrated by the Belt and Road Initiative.

The Belt and Road Initiative aims to connect the East and the West, by linking the world through land and sea routes for more convenient cooperation that brings mutual benefit to China and all the participating countries.

As the largest coastal area in South China, Guangdong has the

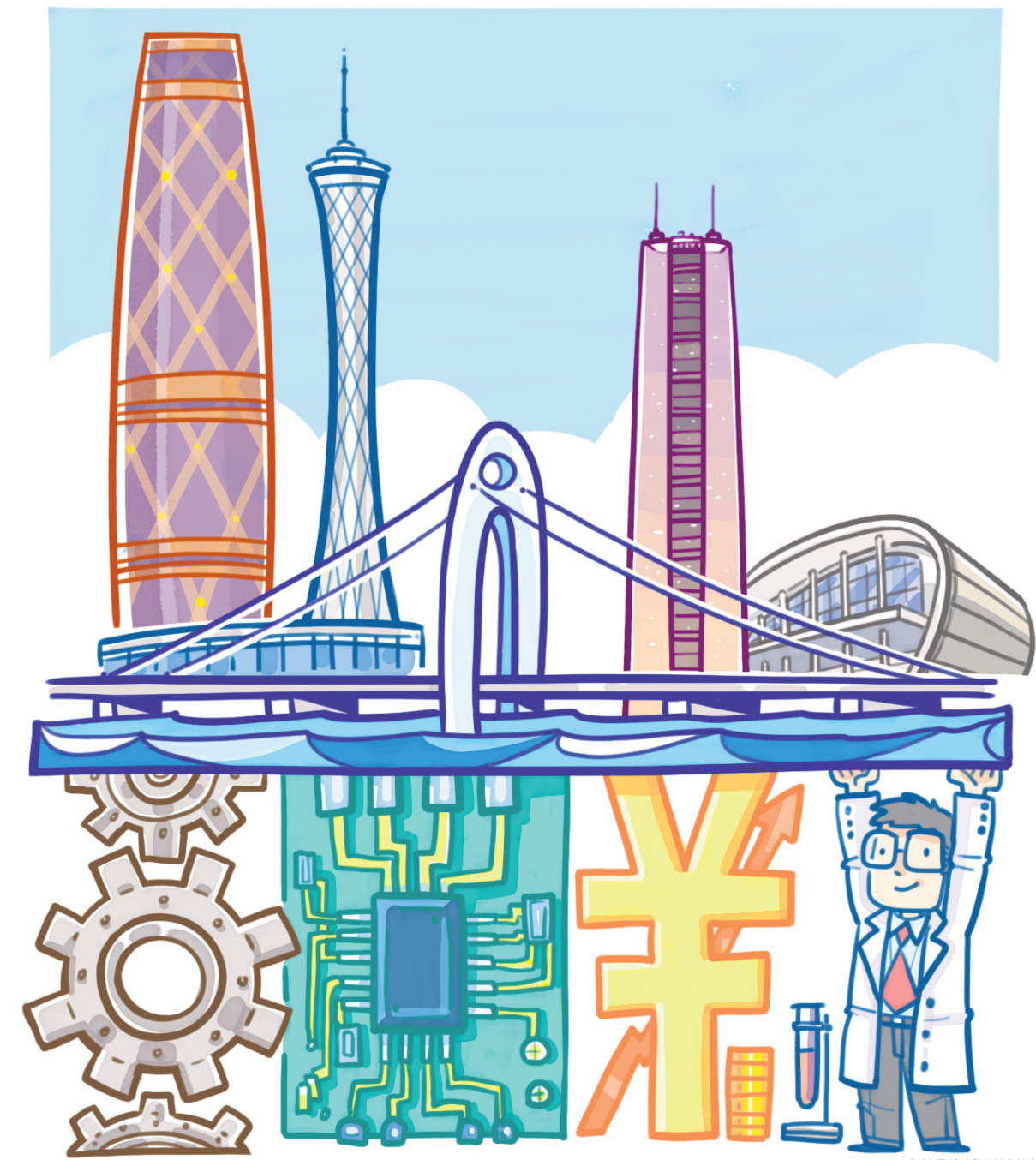
As the largest coastal area in South China, Guangdong has the biggest opportunities thanks to the accelerated development of the Guangdong-Hong Kong-Macao Great Bay Area.

biggest opportunities thanks to the accelerated development of the Guangdong-Hong Kong-Macao Great Bay Area. And it will certainly seize these opportunities.

Besides, the large number of Cantonese who have settled overseas will also help in this process. This is yet another advantage for Guangdong, as it will have better understanding and communication between peoples in the course of globalization.

Among Guangdong's major tasks now, the first is to promote the construction of the Greater Bay Area, with the Pearl River Delta as the core. To this end, we should accelerate innovation, with advanced manufacturing as the mainstay, and couple it with a modern industrial system with high-end human resources and finances.

This is the direction that has been identified for Guangdong in



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the new era, a direction that will make the province a pioneering and efficient demonstration zone for the nation's high-quality development. In this regard, Guangdong has already established a better foundation than other provinces in terms of its high productivity, mature market mechanism and innovation ability.

However, we should be clear about where Guangdong's weakness lies. It still depends on others for key technologies. With this bottleneck, the potential of innovation can hardly be unleashed.

The province also needs to create a more stable, fair, transparent and predictable business environment, in which all business activities are conducted in accordance with the

law, embodying ethics and discipline.

And, at the same time, more importance should be attached to the unbalanced development of urban and rural areas, especially between the western and northern areas. The development of the vast countryside in the north, though the most difficult, is where the greatest potential lies.

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Belt and Road makes good progress in Arab world

The Belt and Road Initiative has been widely supported and welcomed by the Arab countries. At the eighth Ministerial Meeting of China-Arab States Cooperation Forum held in Beijing July 2018, China and Arab countries signed three important documents including the Beijing Declaration, the Action Plan for 2018-2020 and the Declaration of Action on China-Arab States Belt and Road Cooperation.

Earlier, China signed a nonbinding memorandum of understanding on the Belt and Road Initiative with nine Arab countries — Saudi Arabia, the Republic of the Sudan, Iraq, Oman, Qatar, Kuwait, Lebanon, Egypt and Morocco. At the same time, cooperation documents on energy with five Arab countries including the United Arab Emirates, Algeria, Saudi Arabia, Sudan and Egypt were signed as well.

Further, seven Arab countries — the United Arab Emirates, Saudi Arabia, Jordan, Oman, Qatar, Kuwait and Egypt — have become founding members of the Asian Infrastructure Investment Bank. The Arab countries actively participated in the first Belt and Road Forum for International Cooperation in Beijing in May 2017.

Through continuous efforts, both China and Arab countries have made significant progress in cooperation within the framework of the Belt and Road Initiative.

In the progress of key infrastructure projects, for example, China has collaborated with Algeria in the construction of the Algerian central port, with Egypt on the "10th of

Ramadan" railway and main power grid transmission line, an Egyptian glass fiber production line and the Egyptian small satellite assembly test center.

Besides, achievements have been made in areas such as the Abu Dhabi port in the United Arab Emirates, the expansion of the friendship port in Mauritania, and the Mohammed VI Bridge, China Reinforce Energy Cooperation in Morocco, the Road stadium in Qatar, the oil shale power station in Jordan, a power station project in Oman and the upper Atbara water conservancy project in Sudan.

Financially, China has allocated \$15 billion of special loans (loans for special purposes) to support industrialization in the Middle East, which consists mostly of Arab countries, and \$10 billion in concessional loans (loans on favorable terms). China has also set up renminbi clearing centers in Qatar and the United Arab Emirates, and a joint investment fund totaling \$20 billion with the two countries as well.

With the efforts from both China and the Arab countries, the cooperation between them has made remarkable progress, for instance, the Sino-Egyptian Suez Economic and Trade Cooperation Zone, the Sino-Arab Industrial Park in Oman, the Industrial Agglomeration Zone in Saudi Arabia, and the United Arab Emirates Capacity Cooperation Demonstration Park in

Through continuous efforts, both sides have made significant progress under the framework of the initiative



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China have been continuously promoted.

China and Arab countries have also focused on strengthening dialogue and consultation, and wedding the Belt and Road Initiative in line with the development strategies and policies of the Arab countries based on their own situations.

China and Arab countries strongly benefit from each other in economic and trade exchanges.

Specifically, in recent years, the business environment of Arab countries has improved, and the governments have made great efforts to attract Chinese investors.

Thus the Belt and Road cooperation between China and Arab countries is building a road of peace, prosperity, and opening-up for both China and the Arab world, which helps expand cooperation and serves the common interests of both sides. Arab countries are supportive of the rules of multilateral trading under the framework of the World Trade Organization to achieve the goal of realizing the sustainable development of all nations.

However, there are still some issues in China-Arab economic and trade cooperation such as the unstable multinational political situation, economic policy, government efficiency as well as the legal and compliance rules in Middle East, which reduces the confidence of Chinese investors. Also, prominent financial risks make financing difficult. All

these instabilities hinder the progress and development of Chinese-funded enterprises in Arab countries.

In this situation, the Chinese business community should strengthen cooperation with the Arab commercial sector to standardize and give guidance to business activities under the framework of the Belt and Road Initiative.

Chinese investors should promote dialogue with Arab countries on the basis of the existing industrial and commercial cooperation mechanism, with a focus on the security, taxation and employment restrictions for Chinese companies. Chinese companies should strengthen investigation and analysis of the market environment, and the political, legal, cultural and religious situation in Arab countries to improve the risk evaluation and risk control.

To sum up, China and Arab countries should push forward the Belt and Road Initiative on the basis of their own situation and characteristics. And all sides must adhere to an inclusive approach toward cooperation and promote openness to achieve mutual benefits.

The author is director of the International and Regional Studies Institute, dean of Middle East Studies School, director of the Arab Studies Center, Beijing Language and Cultural University. The author contributed this article to China Watch, a think tank powered by China Daily. The views do not necessarily reflect those of China Daily.