

China and Globalization

Huiyao Wang
Lu Miao

Editors

China and the World in a Changing Context

Perspectives from Ambassadors to China

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China and Globalization

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Preface

We are entering a new post-pandemic era in international affairs, one that will be marked by increased uncertainty and challenges that can be only be overcome together—such as climate change, inclusive global economic recovery, and the continued threat of global epidemics.

In our globalized world of transnational supply chains, dense people-to-people linkages, and shared threats, the roles that ambassadors and embassies play has become more important than ever because countries are so deeply connected and interdependent. These diplomatic envoys serve as pivotal contact points between nations across a wide range of fields, from economics and culture to health and the environment. They forge invaluable channels for states to learn more about each other, to listen and be heard, to expand cooperation and manage differences, and to develop joint solutions to our common problems. More importantly, ambassadors also bring a human touch to the realm of government-to-government relations, using their diplomatic skills, personal networks, and knowledge of local culture and peoples to grease the wheels of international diplomacy and forge lasting friendships between nations.

As such, ambassadors are bridges and bellwethers for globalization. The special group of ambassadors in this book—all based in Beijing—are at the forefront of what for many countries is one of their most important bilateral relationships, as well one of the most striking and consequential aspects of global affairs in the twenty-first century: the rise of China on the world stage.

As China plays an increasing role in the global economy and global governance, its relations with other countries have become a subject of growing interest—and at times contention. Plugged into the politics of their home capitals, but also tasked with keeping a finger on the pulse of China and the world at large, ambassadors have a unique perspective on some of the major issues of our times, such as COVID-19, trends in the global economy, ongoing shifts in geopolitics, and the opportunities and challenges facing global governance. Their insights are useful not only for policy-makers, but also for academics, entrepreneurs, students, and anyone trying to make sense of our rapidly changing world.

Since it was founded, the Center for China and Globalization (CCG) has recognized the unique role and expertise of ambassadors and worked hard to establish and forge close relations with ambassadors from both developing and industrialized countries from every corner of the globe. This includes regular engagement with foreign embassies in Beijing by hosting visits to the CCG offices in Beijing and accepting invitations to participate in external meetings for face-to-face discussions on topics including trade and economic relations, geopolitics, and global governance. Some foreign diplomats have also worked with CCG to pass on their views and suggestions to China's central government.

In addition to these ongoing ad hoc meetings, CCG also hosts special events that bring Beijing-based ambassadors together and has created platforms at its flagship forums to facilitate dialogue and bridge gaps between China and the rest of the world. The Ambassadors' Roundtable is a regular and eagerly anticipated part of the CCG's annual China and Globalization Forum. At the Fifth China and Globalization Forum in 2019, we hosted a candid discussion featuring ambassadors from a dozen countries on a range of topics from geopolitics and multilateralism to the Belt and Road Initiative and regional trade integration. At the Sixth China and Globalization Forum in November 2020, CCG hosted another roundtable featuring 12 ambassadors at a crucial moment in international affairs, amidst the ongoing global crisis caused by COVID-19 and shortly following the US presidential election. Participants discussed trends in multilateral cooperation, climate change, and how to reform multilateral institutions such as the WTO and G20. Soon after this event, CCG held an Ambassadors' Roundtable on "China and the World in the Period of China's 14th Five-Year Plan," at which diplomats from 60 countries discussed new opportunities for international cooperation under the 14th Five-Year Plan. The following year, at the Seventh China and Globalization Forum, the Ambassadors' Roundtable focused on the theme of "Global Trade and Mobility in Post-Pandemic Times," discussing how different countries can work together to support the cross-border movement of people, goods and capital amidst the ongoing challenges of the COVID-19 pandemic.

Since launching these roundtables, we have found the perspectives that official envoys share to be both invaluable and illuminating—not only in conveying the views and experiences of their own country, but also for their insights into global affairs and China's development. For some time, we have wanted to share these perspectives with a wider audience to contribute in some small way to opening up the conversation on China, globalization, and other pressing topics of the times. It is in this spirit that CCG has compiled this volume of original works by ambassadors to China from a wide range of countries, hoping to provide balanced and diverse perspectives on the world today.

The book is divided into three parts. The first part, *Mutually Beneficial Relations*, features essays by ambassadors from Africa, the Americas, Asia, and Europe on the bilateral relations between their respective countries and China, emphasizing how cooperation has brought mutual benefits in a variety of fields and sectors.

The first article is by Ambassador José Luis Bernal from Mexico, and highlights the importance of dialogue and people-to-people relationships in the process of developing a strategic partnership between China and Mexico. The second article

by Ambassador Archil Kalandia from Georgia echoes this, covering high-level dialogues between the leaders of China and his own country, which has become an important participant in the Belt and Road Initiative.

The third article in the first part is by Ambassador Akram Zeynalli of Azerbaijan, one of China's key Central Asian neighbors, and discusses the role of the bilateral relationship in efforts to overcome the pandemic. The next piece by Ambassador Teshome Toga Chanaka of Ethiopia describes how equality, mutual trust, respect, and shared interests between Ethiopia and China have formed the foundation of their mutually beneficial relationship.

Following this is an essay by Ambassador Rafael Dezcallar de Mazarredo, which focuses on trade relations between China and Spain as a catalyst for deeper, more beneficial cooperation. The unique relationship between China and Africa, especially in the field of poverty alleviation, is the main focus of the next article by Ambassador Rahamtalla M. Osman Elnor, representative of the African Union. Staying with Africa, the next article, by Ambassador Sarah Serem, discusses how Kenya's 60-year relationship with China has been reinvigorated through the Belt and Road Initiative. The final article of this part is by Ambassador Ann Derwin of the Republic of Ireland and highlights cooperation in trade, R&D, and green finance as China's industrial sectors mature and expand.

The second part, *Facing Global Challenges Together*, looks at the importance of international cooperation to address the most pressing issues of our age such as the COVID-19 pandemic, global economic recovery, and climate change.

The opening article of this part is by Ambassador Alenka Suhadolnik of Slovenia and focuses on the theme our "Blue Marble"—that iconic image of the earth as viewed from space, which serves as a powerful symbol of the common interests and shared fate of all of humanity. Continuing the theme of environmental issues, the next article by Ambassador Wim Geerts of the Netherlands, describes the green partnership his home country has forged with China.

Education is a theme that underpins all of our shared challenges and is the subject of an article by Ambassador Jarno Syrjälä of Finland, describing how China and Finland have been working together to innovate approaches to learning. The following article by Ambassador Luis Diego Monsalve of Colombia discusses trade between his country and China in the context of global economic challenges during COVID-19.

The next article in the second part is by Ambassador Ahcène Boukhelfa of Algeria. It discusses his country's fight against poverty and how China has supported these efforts. Ambassador Clare Fearnley of New Zealand writes about how trade between China and her country has accelerated economic recovery in the wake of COVID-19. Next is Ambassador Hideo Tarumi of Japan on Japan's role in the post-pandemic era and its economic relations with China. The final article of second part is by Ambassador José Augusto Duarte of Portugal, and focuses on the challenges of diplomacy amidst a changing international order and the need for dialogue to forge common values.

The third part, *Creating a Common Future*, features essays by seven ambassadors from very different corners of the globe, looking ahead to how international cooperation in fields such as infrastructure, technology, supply chains, and global governance can bring us closer together and forge a world that is more stable, prosperous, and resilient.

The first article in this part is by Ambassador Mohamed Elbadri of Egypt, which links the ancient cultures of China and Egypt with their joint role in building a common vision of the future. Ambassador Mbelwa Kairuki of Tanzania discusses the role of cooperation between his own country and China in forging a shared common future, in particular through the Belt and Road Initiative.

Moving on, the next article by Ambassador Carlos Miguel Pereira Hernández of Cuba recalls the common revolutionary history of China and Cuba and the partnerships of the two countries in biotech, service industries, and environmental cooperation. Ambassador Djauhari Oratmangun of Indonesia also highlights early cooperation with China, going back to the maritime Silk Road and early visits by the Ming Dynasty admiral Zheng He.

Continuing the theme of a common future, Ambassador Wojciech Zajączkowski of Poland emphasizes how all countries are interdependent in our modern world, stressing that the world needs China, but that China also needs the world. Ambassador Arthayudh Srisamoot of Thailand writes of the need to create a bigger “pie” to ensure shared prosperity. The final article in this volume is by Ambassador Paulo Estivallet de Mesquita of Brazil, who argues that China is a part of almost everything in today’s world, which means that it must embrace the rights and responsibilities that come with its new stature to ensure that multilateralism and shared prosperity moving forward.

We are exceptionally grateful to all of the ambassadors that have contributed to this volume and all of those that have participated in our events over the years. Without their inspiration, insights, and generosity, this publication would have never been possible.

The ambassadors that have shared their views in this book have dedicated their careers to promoting international dialogue and cooperation, a mission which the Center for China and Globalization also holds dear to its heart. We firmly believe that candid, open discussion is the key to building mutual trust and resolving many, if not all, of the issues that we currently face today. We look forward to deeper cooperation with Beijing’s diplomatic community in this endeavor.

Taken together, we hope the articles in this volume will offer readers a rich spectrum of perspectives and provoke further thought and conversation on these important topics. In the meantime, we will continue our efforts to facilitate discussion between ambassadors, policymakers, academics, entrepreneurs, and people from all walks of life—as well as encourage the next generation of young global citizens, bridge builders, and budding diplomats from around the world to join the conversation so

they can better understand “China and the world in a changing context” and work together for a brighter future.

Beijing, China
January 2022

Huiyao Wang, Ph.D.
Lu Miao, Ph.D.

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As co-editors, we have accumulated many debts in the creation of this book. The greatest debt we owe is to the ambassadors, who in the course of their duties have found the time to contribute original and insightful works to this volume. We would also like to recognize the continuous support the ambassadorial community has given CCG over the years.

We now also wish to express our sincere gratitude to our commissioning editors at Springer Nature Group and their team, particularly Yingying Zhang and Yan Li. We applaud their vision to publish a work that brings together so many perspectives from such a wide variety of countries. Multilateralism is the future and the insights provided by the contributing ambassadors in this book represents the diversity of an increasingly multilateral world order.

When we started this project, we were overwhelmed by the support of the ambassadors and the special emphasis they placed on these works. Our professional team within the CCG Publishing Centre worked with each author to ensure each work was both relevant and timely for today's world. The final outcome of their work is a source of pride for us, and we would like to express our warmest thanks and appreciation to Yueyuan Ren, Joshua Dominick, Zhi Dong, Yunfeng Bai, Yanjie Li, and Beijie Tang.

Despite CCG's long-standing relationship with the ambassadorial community in Beijing, this is our first attempt at compiling a list of works by ambassadors to China and we hope to produce additional volumes in the future. Lastly, we would like to thank our readers for their continued support and encouragement. Your continued readership gives us the confidence and drive to continue to produce innovative and insightful publications like this one.

Huiyao Wang, Ph.D.
Lu Miao, Ph.D.

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Mutually Beneficial Relations

Mexico and China Continuously Renovate Their Comprehensive Strategic Partnership for Mutual Benefit



José Luis Bernal

Since mid-2013, Mexico and China have been promoting a Comprehensive Strategic Partnership, giving special attention to political dialog, continuously expanding economic, social, and cooperation relations, fostering commonalities on global governance, and constantly improving the multiple agreements and institutions that give support to this bilateral relationship.

There are several factors that make this an important strategic relationship for Mexico. For several years, China has been one of Mexico's main trading partners, being the second largest source of imports and the third largest destination of Mexican exports. China is an increasingly important country of origin of direct investments into Mexico and is a growing source of technologies, finance, and tourism. On the other hand, Mexico is also deemed important by China, as it ranks second in importance among its relations in Latin America and the Caribbean region, while the Mexican economy is among the top eight most relevant markets for Chinese exports.

The sustained increase in exchanges has been due to the evolution of Mexico's economy, societal changes, and foreign policy definitions in our recent history, as well China's economic and social transformation of the last four decades. For us in Mexico, there is no doubt about the increasing relevance of China in the world, as it has become the second world power and the largest economy in terms of purchasing parity. It is also the economy with the highest participation in international trade, leading in several cutting-edge sectors of the Fourth Industrial Revolution.

All these aspects are the basis for the priority that, in the daily exercise of Mexico's foreign policy, we give to the evolution of China and to the numerous chapters of our bilateral relationship, a partnership that we hope will grow even stronger in the years to come.

J. L. Bernal (✉)

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1 The Construction of the Mexico-China Comprehensive Strategic Partnership

The foundations for the current level of cooperation and understanding between Mexico and the People's Republic of China were built almost half a century ago, with the establishment of diplomatic relations in 1972. These foundations have grown and strengthened in line with the development of both countries and in accordance to their respective participation in the global scene.

1.1 *The Importance of Political Dialog*

Throughout this journey, high-level political dialog has been the relationship's main engine and is the trigger for specific actions in all sectors. Since the beginning of this century, Mexico and China have pursued a constant political dialog at the highest levels, which has its most important expression in the frequent contacts between the leaders of the two nations and reciprocal ministerial visits, the works of the Permanent Binational Commission and its various working groups, the meetings of the respective mechanisms for political dialog, strategic dialog, and bilateral consultations on multilateral matters, as well as a set of three high-level groups in charge, respectively, of economic and trade relations, investment, and cooperation among business leaders, as the most representative of a long list of bilateral ties.

Over the last three years, President Andrés Manuel López Obrador has continually reaffirmed the importance Mexico assigns to China, ever since he was elected in 2018. This determination has been confirmed in several visits to China by the Mexican ministers of foreign affairs, economy, agriculture, and tourism; by the adoption of new agreements and by the recent meetings of the various consultative mechanisms. A very important step in this direction was the meeting held in Beijing by our two foreign ministers in July 2019, when Mexico's Secretary of Foreign Affairs Marcelo Ebrard and Councilor of State and Foreign Minister Wang Yi agreed on a roadmap to keep deepening and strengthening our bilateral relationship.

In 2020, despite the many disruptions caused by the COVID-19 pandemic, this relationship showed its resilience once again, as direct contacts did not decrease, but actually increased. In fact, since the end of 2019, we can attest for the following meetings and agreements: the 4th Meeting of the Mexico–China Parliamentary Forum in Beijing at the end of 2019; numerous Mexican companies and government officials were in attendance at the Second China International Import Exhibition in Shanghai in November 2019, where the high-level business group held its seventh meeting. New agreements to allow for trade on agricultural products also came into force, such as those for bananas and sorghum. In 2020, even in the middle of the pandemic, numerous events took place, including the 17th Mexico–China Political Consultation Meeting, the Third Consultation on Multilateral Issues, the Eighth High-level Working Group Meeting on Economic Matters (GAN), with sessions of

all its subgroups and the signing of new agreements to boost bilateral trade. At the end of the year, again, the presence of Mexico in the Third CIIE proved beneficial for both exporters and importers.

Since the beginning of the pandemic, new, and improved collaboration has been confirmed at the highest level, thanks to direct communication between Presidents Andrés Manuel López Obrador and Xi Jinping and to the constant dialog between our respective foreign ministers. These contacts have been essential to address the urgency of social needs derived from the pandemic, particularly the purchasing, from China, of essential medical supplies to care for COVID-19 patients in Mexico, and the repatriation of Mexicans who had no commercial flight options to return to our country. The Shanghai-Mexico City *green channel* was essential for the transport of Chinese medical equipment and personal protection equipment as well as mechanical ventilators to Mexico. Also, donations by central and local governments in China, as well as Chinese companies, to the health service providers and Mexican entities, have been highly appreciated and are of great use for the protection of people in my country. Virtual exchanges of experiences between health authorities have also been essential to share the best Chinese practices to contain COVID-19.

Another important result of this collaboration is the joint work carried out by authorities and laboratories of the two countries to develop a vaccine against the coronavirus. Phase III clinical trials in Mexico of Chinese formulas have allowed Mexico to be one of the pioneer countries in applying two Chinese-made vaccines and planning for the introduction of a third one.

Undoubtedly, these milestones pave the way for a stronger and deeper cooperation in the post-pandemic recovery period.

2 Economic Relations

The Comprehensive Strategic Partnership has given a great boost to bilateral trade, reciprocal investments, tourism, and technological and scientific cooperation.

2.1 Trade

According to Mexican statistics, total trade between Mexico and China was over USD 95 billion in 2019, confirming the growing trend in recent years. In 2020, the global depression resulting from the COVID-19 pandemic presaged a substantial drop in exchanges; fortunately, this did not happen. On the contrary, preliminary figures indicate that total bilateral trade exceeded USD 80 billion in 2020, with a slight increase in Mexican exports to China, which are expected to keep expanding as a result of the improving competitive conditions of the Mexican economy.

Indeed, Mexico keeps enhancing its role in international trade and investment, as demonstrated by the recent improvement of its most relevant agreements for

economic cooperation, as the new Trade Agreement between Mexico, the United States, and Canada (USMCA), the updated Global Agreement between Mexico and the European Union, participation in the Comprehensive and Progressive Treaty of Trans-Pacific Partnership (CPTPP), a recently adopted Mexico-United Kingdom Trade Continuity Agreement (after Brexit), and the deepening of the integration process in the framework of the Latin American Pacific Alliance. All these agreements make Mexico a very attractive place for investments, with legal certainty, extensive logistical advantages, and the possibility of accessing various markets through a reliable and constantly modernizing institutional structure.

Furthermore, the new economic model of “dual circulation” in the Chinese economy will bring an added impetus to these trends, as consumption and imports will continue to expand, with expected benefits in the fresh and processed food sector, as well as in the strengthening of existing value chains in the automotive, electronic, chemical, household appliances, construction materials, and metal processing sectors, among others.

2.2 Chinese Investment in Mexico

New investments play a vital role in widening these links between our two economies as they have a remarkable effect on local development, job promotion, growth of SMEs, access to new sources of technology, the formation of human resources, the fostering of new strategic alliances, and the diversification of markets and capital.

China ranks third among Asia-Pacific countries investing in Mexico and is among the top ten worldwide. The accumulative Chinese investment in Mexico amounts to about USD 1.5 billion. Between 2013 and 2017, it grew 315.5%, with four out of ten investment proposals in industrial parks coming from Chinese companies. Nowadays, there are more than two thousand companies with Chinese participation that have been established in Mexico. Chinese investment is mainly concentrated in the extractive industries, trade, manufacturing industry, construction, and commercial and financial services, with many of the big Chinese companies playing a substantive role in Mexico’s development. Standing out among them are Huawei, Didi, ZTE, Hisense, Alibaba, Lenovo, Minth, Golden Dragon Copper, Foton, SINOPEC, China National Off shore Oil Corporation (CNOOC), Jinko Solar, Envision, JAC, and BIAC. In addition, other Chinese companies are present in different infrastructure projects in Mexico.

2.3 Mexican Investment in China

For its part, Mexican investment in China totals over USD 200 million, with a significant presence by Bimbo, Gruma, Grupo Kuo (industrial chemicals), ALFA through Nemak and Softek. Other companies work through associations or distribution and marketing operations such as: Interceramic (floors and tiles), Tamsa (steel

pipes), La Costeña, Grupo Villacero (steel), Metalsa (auto parts), Latin Asia (food), Worcester (valves), Seminis (vegetable seeds), Xignux (cables and transformers), IDEAL (analysis of infrastructure projects), and Femsa Cerveza (beer).

2.4 Working Toward Renewed Promotional Strategies

With these links in mind, promotional activities carried out by the Mexican government go hand in hand with actions of all the economy's actors, under a strategic and long-range approach, which recently led to the reconfiguration of global promotion tasks within the Ministry of Foreign Relations, working in tandem with the Ministry of the Economy and other sectoral entities, as well as with the various business associations involved in our bilateral partnership. Essential to the purpose of promoting our reciprocal economic relations is the continued participation of Mexican companies in the major promotional events that take place in China every year, such as the CIIE, Shanghai and Canton fairs, the Annual Conference of Agricultural Wholesale Markets in China and other regional and specialized events, which are among the most important. Equally crucial are the various inter-regional meetings, such as the China-Latin America and Caribbean Business Summit, the respective APEC business forums, and at joint promotional events organized by the countries of the Pacific Alliance, among other high-impact events.

3 People-to-People Exchanges are at the Core of Our Partnership

Alongside the importance given to our economic relations, we strive to promote more social contacts through tourism, educational and cultural exchanges, cooperation for development, and by exchanging experiences of our respective national public policies.

In this sense, the intense cultural agenda of Mexico in China has allowed for a greater rapprochement and a deeper understanding between Mexico and China. Mexico participates annually in practically all Chinese art and culture festivals in all disciplines, including literature, plastic arts, music, cinematography, music and performing arts, and, of course, the promotion of Mexican cuisine. With this, we work to spread a good image of our country in the great Chinese territory, and we promote tourism and the creative and cultural industries of Mexico.

The teaching of Mandarin Chinese and Spanish is another way of bringing our peoples closer together. Currently, more than 55,000 people study the Spanish language in China, while in Mexico, thousands of Mexican students take advantage of courses at five Confucius Institutes for language learning and courses on Chinese culture.

Academic exchanges are promoted through different universities in the two countries, which maintain close ties thanks to institutional mechanisms such as the Bilateral Program of Scholarships of Excellence Mexico–China and the Special Programs of the Government of Mexico for Foreigners. The liaison offices of Mexican universities in China such as Mexico’s National University (UNAM), Tec de Monterrey and Universidad Veracruzana, as well as the joint research programs and the permanent tasks of various study centers on Mexico in the main Chinese universities, also have seen growing importance.

According to the National Association of Universities and Institutions of Higher Education (ANUIES), in recent years, China was the tenth most preferred destination for Mexican students going abroad for academic exchanges and the sixth largest country of origin for international students in Mexico. To maintain this level of exchange, the presidents of the main universities in Mexico and China carry out a permanent dialog through the Forum of Rectors of Mexico–China, whose third session was held in Mexico City in October 2019. The next meeting is planned to be hosted online sometime during autumn 2021.

3.1 Tourism

Before the restrictions on international travel put in place during the COVID-19 pandemic, tourism between Mexico and China reflected a growing interest of both our people in better understanding each other’s cultures and visiting flagship destinations. By the end of 2019, eleven weekly flights connected Mexico and China directly, which, together with numerous additional connections through North America and Europe, led to a sustained growth in tourism. In 2019, nearly 200,000 Chinese tourists arrived in Mexico, which also has ambitious goals aimed at expanding the number of Chinese visitors in the coming years. For this purpose, Mexico’s Ministry of Tourism has devised a new, comprehensive promotion strategy in China, involving all relevant actors in the sector (airlines, local and national governments, and the hospitality sector), which we are ready to relaunch once regular contacts are resumed in the new post-COVID-19 reality.

3.2 Dialog in Multilateral Forums

In the multilateral sphere, Mexico and China promote discussions on global governance in different forums of the United Nations System, the G-20, the Asia–Pacific Economic Cooperation Forum (APEC), the China–CELAC Dialog, the Forum of Latin America–East Asia Cooperation (FEALAC), and other consultative and coordination bodies. We have an agenda of shared interests on relevant issues such as poverty reduction, the promotion of a multilateral trading system with clear rules,

the fight against climate change, and the search for innovative cooperation formulas to promote sustainable and inclusive growth.

In 2020, the support of the Chinese government for Mexico's resolution 74/274 at the United Nations, through which the international community pledged to guarantee equitable access to medicines, vaccines, and medical equipment to combat the COVID-19 pandemic, stands out. Both governments have also endorsed this wish through their respective participation in the COVAX Initiative.

Mexico's election to a non-permanent seat on the UN Security Council during the 2021–2022 biennium will bring both countries even closer in defending multilateralism. These actions and the recent reactivation of the Bilateral Consultations on Multilateral Issues allow us to look forward to encouraging scenarios of enhanced cooperation in this area.

3.3 Collaboration in Regional Forums

Traditionally, China and the much of Latin America and the Caribbean region have developed a rather fruitful dialog through the Ministerial Forum provided by the Conference of Latin American and Caribbean States (CELAC). In the last year, actions in this regard have been boosted by two relevant factors. On the one hand, the pandemic triggered multiple new contacts and cooperative efforts in the fight against this global threat; on the other, Mexico holding the Pro Tempore Presidency in CELAC has allowed for the inter-regional projection of the excellent relations Mexico has on both sides of the Pacific basin.

Working under the China-CELAC umbrella, important ministerial encounters have taken place in the last few months, like the Second Forum on Science, Technology, and Innovation; the China-CELAC Cooperation Forum on Digital Technology to Combat COVID-19; and the Second Forum China-CELAC on Agriculture, plus other specialized virtual meetings on the exchange of experiences in dealing with the pandemic.

The recently agreed extension of Mexico's PPT at the head of CELAC for 2021 will allow consolidation of the role of an effective bridge that the Mexican government has played between China and Latin America, as it is called to organize the third ministerial meeting of the China-CELAC Forum in this period.

In addition, plans to celebrate the Fourteenth CHINA-LAC Business Summit in Chongqing during the summer of 2021 continue, provided that health conditions allow for it.

4 Emergent Priorities in Bilateral Relations

The unprecedented circumstances generated by the health emergency caused by COVID-19 have led to a focus in two sectors that will become more important going

forward: One is cooperation in science and technology, and the other relates to the exchange of experiences on public policy.

The extraordinary measures implemented by China in the face of an unprecedented situation have shown undeniable results in different sectors from which other countries can, without a doubt, derive good public policy practices. Among them, the following deserve special attention: health and sanitary measures for pandemic control, social protection policies, actions for economic recovery, technological research and development, and new formulas for international cooperation. The monitoring of these policies is important for Mexico, due to their impact on the global economy and the opportunities for economic cooperation they could generate. Together, we may also add momentum to the reconsideration of rules of global governance, especially in sectors related to human development as expressed in the 2030 Agenda and in the common actions aimed to tackle climate change, which is among the most pressing tasks.

5 Getting Ready to Celebrate 50 Years of Diplomatic Relations

On February 14, 2022, Mexico and China celebrated 50 years of uninterrupted diplomatic relations with a very dynamic, evolving, ever-changing bilateral agenda that ripples in multiple sectors of both countries. These have been 50 years of mutual understanding, learning, and collaboration, and we are certain that the bonds we have developed so far will allow us to further deepen ties in the future, to fully achieve the great potential of collaboration offered by our two great civilizations.

Given the radical change in circumstances the world is going through, the moment is right for a collective rethinking of the future. We, China and Mexico, can do that based on the solid foundations of the relationship we have built together over the last five decades. From the Mexican side, we will persevere in boosting the Mexico–China Comprehensive Strategic Partnership by acting in six interrelated areas:

- working hard to restore exchanges at least to levels similar to those prevailing in the years previous to the pandemic, stressing cooperation on health matters in the short term;
- consolidating the progress already achieved, especially in political dialog and the institutional framework of the relationship;
- deepening cooperation in areas with the greatest potential for expansion, such as trade, investment, technology, tourism, cultural exchange, education, and cooperation for development;
- incorporating new sectors, new agreements, and new participants into this strategic partnership;
- promoting greater communication on global and regional issues;
- exploring new scenarios for the future, in the light of changing national and international circumstances.

All of this will lead us to envision a collaboration that is broader and more long term. The roadmap has been drawn up, and we are ready to remain resolute in continuing down that path.



H.E. Mr. José Luis Bernal is the ambassador of the United Mexican States to the People's Republic of China. He has been the ambassador to China since April 2017. Previously, he was ambassador of Mexico to South Korea, Mongolia, and the DPRK, the Czech Republic, Switzerland, and Liechtenstein, Consul General in Los Angeles, and Deputy Representative to the OECD. He also served at the Mexican Embassy in Washington, D.C. (1985–1993). In Mexico's Ministry of Foreign Affairs, Mr. Bernal has occupied several positions in the areas of International Economic Relations, Multilateral Affairs, and HR Administration. Born in Mexicali in 1956, José Luis Bernal holds a B.A. in International Relations SCL from the National University of Mexico and a M.A. in Economics from CIDE/Mexico.

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Bilateral Relations Between Georgia and China



Archil Kalandia

Georgia and China, countries with ancient civilizations, rich histories and unique cultures, have developed wide ranging, mutually beneficial and forward-oriented relations since the establishment of diplomatic relations in 1992.

From the outset, I would like to underscore that bilateral relations are developing dynamically. China and Georgia are two nations linked by multiple historical, cultural and social ties. Through this experience, we have been able to develop a mutual respect and admiration.

At the political level, the Governments of Georgia and the People's Republic of China put every effort in deepening bilateral partnership that is well demonstrated in intensification of high-level contacts and reciprocal visits that positively influence the rising trend of B2B and people-to-people cooperation and translate into various joint projects that benefit the peoples of our states.

1 Political Contacts and High-level Visits

Despite the distance and relative disparity in size and population, Georgia and China have managed to establish sound cooperation in international affairs and enjoy exemplary relations, based on respect and equality. It is of high importance for Georgia that China, a member of the United Nations Security Council and an important actor in the Global affairs, unequivocally upholds the basic principles of International Law and the UN Charter and strongly supports the sovereignty and territorial integrity of Georgia. For its part, Georgia fully supports and goes in line with the One-China policy.

As mentioned above, high-level visits have been frequent. A Chinese delegation led by Mr. Zhang Gaoli, Vice Premier of the State Council of the People's Republic

A. Kalandia (✉)
Embassy of Georgia to the People's Republic of China, Beijing, China

of China, paid an official visit to Georgia in May 2016. Within the framework of the visit, the delegations of the two countries signed the Agreement on Economic and Technical Cooperation between the two Governments and a Memorandum of Understanding on Cooperation between the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Commerce of China. This was the first official high-level visit of China delegation to Georgia in recent years.

In September 2015, Georgian Prime Minister Mr. Irakli Garibashvili led a delegation to China. During the visit, the Prime Minister conducted several high-level bilateral meetings, including a meeting with the President of the Asian Infrastructure Investment Bank (AIIB) and participated in the World Economic Forum in Dalian, where he delivered a speech on the “Modern Silk Road”.

In November 2017, Mr. Qian Keming, Vice Minister of Commerce of the People’s Republic of China, attended the “Tbilisi Belt and Road Forum (Silk Road Forum)” and held a bilateral meeting with Mr. Dimitry Kumsishvili, First Vice Prime Minister and Minister of Economy and Sustainable Development of Georgia. The fact that the Forum was held in Georgia underlines the importance of Georgia within the “Belt and Road” Initiative. Prime Minister of Georgia Giorgi Kvirikashvili hosted the participants of Tbilisi Silk Road Forum at the official reception ceremony.

In August 2018, a Georgian delegation led by the Vice Prime Minister of Georgia and Minister of Regional Development and Infrastructure, Ms. Maya Tskitishvili, held a working visit in the city of Ürümqi of the People’s Republic of China. During the visit, the Vice Prime Minister of Georgia conducted bilateral meetings with Mr. Hu Chunhua, Vice Premier of the State Council of the People’s Republic of China, and Mr. Shohrat Zakir, the Chairman of the Xinjiang Uygur Autonomous Region. One of the main subjects of meetings was the potential to use railways as well as other traffic networks in order to ensure transportation of Chinese cargo to Europe passing through Georgia and the more active use of the Trans-Caspian International Transport Route (so-called Middle Corridor). The parties have planned special emphasis on current as well as scheduled large-scale infrastructural projects to be implemented in Georgia.

In November 2018, more than 50 Georgian companies were showcased at the China International Import Expo (CIIE) in Shanghai. The Georgian Prime Minister Mr. Mamuka Bakhataze attended the opening ceremony, hosted by the Chinese President Mr. Xi Jinping. The Georgian Prime Minister, together with the President of the People’s Republic of China and the heads of delegations from the exposition’s participating countries, visited the exhibition space. It was an excellent opportunity to showcase the export potential of Georgia, as well as explore new avenues of cooperation and develop mutual benefit and win-win economic and trade partnership with countries participating in the “Belt and Road” Initiative.

In April 2019, the Georgian Vice Premier, Minister of Infrastructure and Regional Development, Ms. Maya Tskitishvili, visited China and attended the second Belt and Road Forum for International Cooperation held on April 25–27 in Beijing. During her speech, she said that the “Belt and Road” Initiative is important for Georgia and the country is actively involved in its development. She noted that Georgia was among the first countries who signed the memorandum for developing the

“One Belt, One Road” Initiative in March 2015. Tskitishvili talked about Georgia’s strategic importance in the region, about its developed transport and customs infrastructure, business-friendly politics and strong external trade relations, as well as the country’s free industrial zones. Vice Premier Ms. Maia Tskitishvili and the Minister of Transport of the People’s Republic of China, Mr. Li Xiaopeng, in Beijing signed an intergovernmental agreement on cooperation on international land transportation of passengers and cargo. The agreement was a huge step forward in the two countries’ relations that has boosted competitiveness of prices and provided additional benefits for transportation.

On July 1, 2019, H.E. Mr. Mamuka Bakhtadze, Prime Minister of Georgia, visited the city of Dalian in China and held a meeting with H.E. Mr. Li Keqiang, Premier of the State Council of the People’s Republic of China. Mr. Li stated that China–Georgia relations have enjoyed sound and steady development on the basis of mutual respect and equal treatment. Noting that Georgia was the first Eurasian country to sign a free trade agreement with China, Li Keqiang said that the Chinese side stands ready to better align the two countries’ development strategies, give full play to Georgia’s geographical advantages and carry out cooperation under the framework of the Belt and Road Initiative in the principles of extensive consultation, joint contribution and shared benefits. He also mentioned that China is willing to expand two-way investment on the basis of equality and mutual benefit, facilitate interconnectivity and infrastructure construction in line with the principles of openness, transparency, fair competition, as well as to deepen people-to-people and cultural exchanges and mutual learning to continue to promote mutual understanding and friendship between the two peoples. Mr. Mamuka Bakhtadze noted that Georgia and China enjoy close high-level exchanges and solid political mutual trust, and the Georgian side actively supports the joint construction of the Belt and Road Initiative. Chinese enterprises are welcome to expand investment in Georgia. Georgia stands ready, together with the Chinese side, to expand bilateral trade and intensify cooperation in fields such as people-to-people and cultural engagement, so as to realize mutual benefit and win–win results.

In November 2019, the Georgian Minister of Economy and Sustainable Development Ms. Natia Turnava visited Shanghai and attended the China International Import Expo (CIIE). She addressed a forum on international trade and logistics on the sidelines of the CIIE, which was held in Shanghai November 5–10. During her visit to China, Minister Turnava spoke of deepening trade and economic ties between the two countries with the Governor of Gansu Province Tang Renjian. Speaking of Georgia’s investment potential, Turnava said the country is willing to enhance separate ties with Chinese provinces as well.

Cooperation between the Parliament of Georgia and the National People’s Congress of China is also deepening. Intensive interaction between political figures creates the environment of deeper mutual understanding. In both legislative bodies, parliamentary friendship groups are created that broaden the scope of relations between the countries.

On June 2015, Mr. Chen Changzhi, Vice-Chairman of the Standing Committee of the National People’s Congress of China, visited Georgia. He held a meeting with Mr. David Usupashvili, Speaker of the Georgian Parliament. The parties spoke

about inter-parliamentary cooperation and future perspectives and made the joint statement. This was an important event for the Parliament of Georgia and clear evidence of highest perspectives of enhancement of bilateral ties.

Deriving from above mentioned, the Parliamentary Delegation of Georgia, led by Mr. David Usupashvili, Speaker of the Parliament, paid a reciprocal visit to China in October 2015. He participated in the Silk Road conference of the Political Parties of Asia and had the meetings with the President of China, with the Speaker of the Chinese Parliament and other officials.

Ministries of Foreign Affairs of Georgia and the People's Republic of China cooperate closely. The format of the annual bilateral political consultations is an important framework to explore new opportunities, coordinate and learn about each other's perspectives on bilateral and global issues.

In December 2018, the Assistant Foreign Minister of China, Mr. Zhang Hanhui, and Deputy Foreign Minister of Georgia, Mr. Alexander Khvtisiashvili, held a seventh round of political consultation between the two Foreign Ministries in Beijing. Both sides exchanged in-depth views on bilateral relations, cooperation in the joint undertaking of the "Belt and Road" Initiative as well as international and regional issues of common concern. The two sides expressed that they will make joint efforts to promote forward-looking development of friendly cooperative relations, in a bid to bring more benefits to the peoples of Georgia and China.

On May 24, 2019, H.E. Mr. Wang Yi, State Councilor and Minister of Foreign Affairs of the People's Republic of China, paid an official visit to Georgia. He held a meeting with Georgian Foreign Minister, H.E. Mr. David Zalkaliani. Prior to the meeting, the two ministers made statements noting with satisfaction that relations between Georgia and China both in bilateral and multilateral formats were on a dynamic course of development. David Zalkaliani described Wang Yi's visit as historic as it was the first official visit by a Chinese Foreign Minister to Georgia in over 23 years. For his part, the Chinese Foreign Minister congratulated the Georgian people on their Independence Day and reaffirmed China's strong support for Georgia's sovereignty and territorial integrity. Discussing a broad spectrum of issues of mutual interest, the sides identified trade, investment and transport as areas of key priority. Conversations also included cooperation within the framework of international organizations. Special attention was paid to the importance of the Belt and Road Initiative and the greater level of Georgia's involvement in it. Wang Yi highlighted that he fully shares Georgia's aspiration to become a transport-transit and logistical link between Europe and Asia. Discussions focused on the challenges facing Georgia in terms of the occupation of its territories. David Zalkaliani described as valuable China's support for Georgia's sovereignty and territorial integrity, reaffirming that, for its part, Georgia remains loyal to the One-China Principle. The sides noted with satisfaction that China is an important investor, through the participation of which an increasing number of projects, including infrastructure projects, have been carried out in Georgia. The Ministers expressed the hope that China-Georgia cooperation will further deepen and will move to a higher level. The Chinese Foreign Minister also held meetings with the President of Georgia, Ms. Salome Zourabichvili, and Prime Minister Mr. Mamuka Bakhtadze.

In October 2019, Mr. Li Hui, Special Representative of the Government of the People's Republic of China on Eurasia, paid a visit to Georgia and participated in the Third Silk Road Forum in Tbilisi. Meetings were held with Vice Prime Minister, Minister of Regional Development and Infrastructure Ms. Maya Tskitishvili and Minister of Foreign Affairs Mr. David Zalkaliani.

2 Economic Cooperation, Free Trade Agreements, and the Belt and Road Initiative

In recent years, it has become clear that China sees Georgia's potential. Driven by Georgia's privileged access to the European Union, investment-friendly tax policy and strategic location on the Black Sea, Chinese investment interests in Georgia now run the gamut and look set to expand.

China is among Georgia's top five trading partners (third largest). Entry into force of the **Free Trade Agreement (FTA)** between Georgia and the People's Republic of China from January 2018, which covers almost 95% of Georgian export products, has fostered greater trade turnover, which exceeded USD 1 billion in 2018, 2019 and 2020. Particularly, in 2019, the trade turnover with China reached USD 1.086 billion and recorded over 5% growth compared to the period of 2018.

Despite the pandemic, in 2020, the trade volume between Georgia and China reached USD 1.2 billion and recorded over 10% growth compared to the period of 2019 (value of exports reached USD 476.27 million, while the value of imports reached USD 708.75 million).

Since the FTA was signed, bilateral relations between China and Georgia have reached a new level and become a good example of mutually beneficial cooperation. Based on this agreement, the following products from Georgia enjoy duty-free accesses on the Chinese market: wine, mineral waters, non-alcoholic beverages, tea, fruits, vegetables, nuts, etc. Georgia considers China an important partner and intends to become a good base for Chinese companies to develop their businesses and even expand to European markets, as Georgia is the only country in the region that has signed a free trade agreement (FTA) with the European Union, Turkey and China.

In addition, the free trade agreement (FTA) between Georgia and the Hong Kong Special Administrative Region of China, became effective in February 2019. The purpose of the agreement is to determine the terms of the free movement of the goods between Georgia and Hong Kong, as well as to promote trade of services. The new generation agreement between the parties also covers such topics as promotion of customs and trade, intellectual property rights, technical barriers to trade, sanitary and phyto-sanitary measures.

In recent years, Georgian wine has gained popularity in the Chinese market. In different regions of China, Georgian wine houses, salons, restaurants and shops offer various types of Georgian wine to Chinese consumers. Wine exports in 2018 amounted to 7 million bottles (USD 20 million), and China was the third largest (in

value) wine export destination for Georgia (with 10% share in total wine exports) after Russia and Ukraine. Wine exports in 2019 amounted to 7.09 million bottles (USD 18.86 million), and China remained the third largest (in value) wine export destination for Georgia after Russia and Ukraine (with an 8.5% share in total wine exports).

Before COVID-19, tourism was one of the most dynamically developing sectors of the Georgian economy, which created jobs and generated surplus income, all fueled by consistent growth in tourist numbers. For example, in 2010, Georgia received only 2 million international visitors, while in 2019, this number reached more than 9 million visitors and tourists. As for Chinese tourists, more than 48,000 Chinese nationals visited Georgia in 2019. I strongly believe that cooperation in the tourist sector has a huge potential. According to the Georgian National Tourism Strategy, the number of international visitors will reach 11 million by 2025. In order to attract more tourists from both Asian and European countries to Georgia, the Government has presented a ten-year plan and undertaken key measures, including the development of tourism infrastructure, facilitation of international travel, improvement of services, implementation of marketing activities on domestic and international markets.

Back in 2013 when Chinese President Xi Jinping announced his ambitious Silk Road Economic Belt and Maritime Silk Road projects (also called One Belt, One Road), Georgia was not even mentioned. That was not surprising; Georgia was not a part of the main route on the ancient Silk Road, so neither was it included in the new route. But, things have changed rapidly. The Belt and Road Initiative, proposed by the President of China Mr. Xi Jinping, has become a highlight of China–Georgia ties. Georgia has a key geographic location as it is on the junction of Europe and Asia through the Trans-Caspian International Transport Route (“Middle Corridor”), connecting China to Europe, enabling cargo to travel from China to the EU in 12–14 days. The revival of the ancient “Silk Road” provides Georgia with an excellent opportunity to utilize its transport and transit potential and actively engage in international trade. Georgia had been actively working to develop the Trans-Caspian International Transport Route together with other partner countries. The Trans-Caspian International Transport Route starts in Southeast Asia and China and runs through Kazakhstan, the Caspian sea, Azerbaijan, Georgia and further to EU countries.

The “Belt and Road” project has already become an important program that brings together policymakers and executives, international institutions and representatives of business sectors, as well as scholars and public opinion makers from all over the globe to engage in discussion of new ideas and existing challenges. The Chinese initiative to revive the ancient Silk Road has already been dubbed the project of the century. Through this initiative, Europe and Asia are joined in global trade and share commitments to economic development as the key to Eurasian stability. Many features of this ambitious venture intersect in Georgia, which has long been the crossroads of civilizations and culture connecting east to west and north to south. Georgia’s unprecedented network of free trade agreements stretching from the EU to China position the country as an essential “component of the Belt and Road global initiative. Georgia’s favorable investment climate, business friendliness, low tax regimes and institutional integrity, all among the most favorable in the world, enhance Georgia’s

appeal to foreign direct investment (FDI). Georgia continues to invest heavily in modern infrastructure, including highways, railways, sea ports and ICT networks. Georgia is a natural logistics hub for those looking to the east from Europe and for those in Europe cultivating Asian markets. Georgia is excited to take on the responsibility of being the backbone of the “Middle Corridor” and offering a crucial link along the reimagined Silk Road route.

The BRI not only promotes connectivity between different countries, it also provides new opportunities for economic development of various countries and international cooperation. The BRI has strengthened Georgia’s unique geographical position as a transportation hub in the region and brought extra investments, industrial development and job opportunities to the country. Infrastructure and logistics are priority areas for the future cooperation between China and Georgia. Georgia welcomes more Chinese engineering enterprises to enter the country. More and more Georgian enterprises will also enter the Chinese market due to China’s further opening up.

3 Education and Culture

Both countries have paid special attention to the development of cultural and humanitarian ties. Artistic groups organise exchange visits on a regular basis. Two Confucius Institutes at Tbilisi Free University (TFU) and Tbilisi Open University (TOU) were established, while Chinese language courses are offered in several universities and secondary schools in Georgia. Annually, dozens of Georgian students continue their studies at Chinese universities under the Chinese Government Scholarship scheme. Every year, more and more Chinese language teachers and volunteers come to Georgia to assist teaching Chinese language and culture. I am pleased to underscore that there are more than 2,000 local Chinese-speaking students in Georgia.

In February 2019, Mikheil Batiashvili, Minister of Education, Science, Culture and Sport of Georgia, and Mr. Ji Yanchi, Ambassador of the People’s Republic of China, signed a Memorandum of Understanding aimed at promoting the Chinese language in Georgia.

On July 24, 2019, with the active involvement and support of the Embassy, the Ira Kokhreidze Inclusive Theater troupe participated in the Beijing Youth Theater Festival from July 12 to July 24, where they performed a play of the same name based on the play Contact. “Contact” is a deeply psychological play and focuses on the mission and importance of being born as a human being. The main cast of the Ira Kokhreidze Inclusive Theater consists of persons with special needs (with disabilities including Down Syndrome, Autism Spectrum Disorder, Visual Impairments, Thalassaemia, etc.). Their ages range from 14 to 30 years. In addition, actors and artists of typical development are members of the troupe. The special composition of the troupe made these tours very important for their social integration and professional experience. During their visit to Beijing, the troupe members also had the opportunity to see the sights of the city.

On August 28, 2019, an initiative by the Embassy of Georgia to the People's Republic of China, with support of the Ministry of Education, Science, Culture and Sports of Georgia, brought the Georgian State Academic Ensemble of Song and Dance "Erisioni" to China. On August 30, in Guangzhou, the ensemble took part in the opening concert of the 12th International Youth Art Festival organized by the Ministry of Culture and Tourism of China, where the famous Georgian pianist Giorgi Mikadze also performed a solo number. On September 6, a solo concert of "Erisioni" was held in Beijing as part of "Georgian Culture Days" organized by the Embassy. On September 13, at the invitation of China Central Television (CCTV), the ensemble took part in one of the most popular TV gala concerts "Autumn Holiday". The performance was broadcast live and was watched by 600 million viewers in China and abroad. Before the presentation, Ambassador Archil Kalandia addressed the audience, emphasizing the need to hold similar events in China to raise awareness of Georgia and the importance of intensifying bilateral cooperation in the field of culture. Representatives of various Chinese government agencies, diplomatic corps, local media and the Georgian diaspora attended the performance.

4 Why Georgia is the Best Choice to Invest?

4.1 One of the Lowest in Operational Costs

Being a business-friendly country is also reflected in low operational costs. Today, the country offers some of the lowest utility costs in Europe, competitive salaries and some of the lowest taxes, which make Georgia one of the most cost-effective locations in Europe and the wider region. Over 75% of our electricity is generated from hydro and wind, making electricity not only cheap, but also green. Since 2017, corporate profit tax on reinvested profit is 0% and social security contributions are only 2%. Georgia's stripped-down and streamlined tax scheme has produced the third lowest overall tax rates in the world according to World Bank Group. Paying taxes is simple and transparent. Companies pay taxes online through commercial banks, minimizing procedures and bureaucracy. Furthermore, the country has four free industrial zones, offering additional tax incentives (Table 1).

Taxation is just one of many examples of the ease of doing business. In fact, one of the first things that you notice while getting started in Georgia is how simple and transparent everything is. Georgia was ranked seventh in the Ease of Doing Business Index by World Bank 2020. This is not just a ranking, but rather something you can feel. For example, starting a business or registering a property takes only hours and can be done by visiting a single location. The same ease and simplicity can be experienced while dealing with any government organization. Getting permits or licenses or dealing with customs, everything is transparent, fair and, most importantly, does not take much time (Tables 2 and 3).

Table 1 Taxation System

Tax categories	Tax rate
Tax on retained profit	0%
Corporate profit tax	15%
Value-added tax	18%
Excise tax	Select items
Personal income tax	20%
Property tax	< 1%
Import tax (depending on goods imported)	0%, 5%, or 12%

Table 2 Average Monthly Salary of Skilled Production Operative (including social security)

Unit: USD	
Country	Salary
Egypt	409
Georgia	435
Turkey	539
Serbia	609
Morocco	878
Romania	934
Hungary	981

Source fDi Benchmark from the Financial Times Ltd 2020

Table 3 Electricity (per kWh)

Unit: EUR	
Country	Electricity per kWh (cents)
Georgia	6.6
Turkey	8.9
Romania	9.2
Egypt	9.7
Serbia	10.7
Morocco	12.4
Hungary	18

The fact that Georgia ranks first in terms of the lowest need to interact with government while doing business according to Trace International Matrix 2020 is one more proof point of the low bureaucracy and pro-business environment that Georgia has created.

4.2 Skilled Workforce

Georgia has historically been an educational center of the region. A good testament to this being the fact that today, the country has more than 60 institutions of higher education and 65 vocational education centers that produce fresh sets of professionals, with over 150,000 students graduating over the last five years. Although impressive in comparison to the small size of the country, Georgia is set to strengthen its position even further with the new Kutaisi International University, which, at full capacity, will host 60,000 students. KIU's operational model was developed in partnership with Technical University of Munich and will offer vocational, undergraduate, graduate and post-graduate degree programs, as well as research opportunities in science and technology. KIU will join other high-profile universities of regional importance, such as Tbilisi State University, Tbilisi Technical University and Tbilisi Iliia University, which are in collaboration with San Diego State University. Coupled with multi-lingual capabilities, well reflected in a booming international business services sector, Georgia is ready to offer investors skilled workforce and highly motivated talent pool that are ready to help companies reach their goals and achieve success.

4.3 Additional Financial Incentives

Companies operating in the following sectors: manufacturing of electrical and electronic products; manufacturing of aircraft parts and components, aircraft repair and maintenance (MRO); the manufacture of auto parts and components; export of business services/business process outsourcing (BPO); development of warehouses and logistic centers can apply for a special FDI grant program from "Invest in Georgia". The program is designed to reimburse part of the costs incurred for employee training and infrastructure upgrades. Together with the FDI grant, manufacturing projects can acquire state-owned property (land or buildings) free of charge. IT and marine companies looking to service clients from Georgia can enjoy corporate profit and personal tax as low as 5%. Additionally, for manufacturing or hospitality projects, subsidies for loan interest payment or loan collateral are also available.

4.4 International Rankings

- Georgia's favorable investment climate is demonstrated in international institution ratings, such as **World Bank's "Doing Business 2020"**, which ranked Georgia **seventh** in "EASE OF DOING BUSINESS" (out of 190 countries).
- **Moody's Investors Service** affirmed Georgia's Ba2 rating and maintained the stable outlook.

- The **Heritage Foundation** placed Georgia **twelfth** in its “Index of Economic Freedom 2020” (out of 180 countries, **sixth** in Europe).
- **Forbes** placed Georgia **44th** in its 2019 “Best Countries for Business” out of 161 countries.

4.5 Welcoming People, a Unique Culture and Amazing Nature

Georgia is a country of scenic contrasts, diverse climates, rich natural resources and a wide variety of cultural, historic and artistic offerings. The country has something for everyone—mountains, the sea, ancient cities, protected areas—more than 500 varieties of unique wines and one of the best cuisines in the world. Anyone, either with family or on their own can find their ideal activity, be it hiking, skiing, sun bathing on the beach or raving until early morning, Georgia will leave you wanting more, and fortunately, you can find that more in Georgia again.

For companies looking to find a place with great access to global markets, talented people, cost competitiveness, ease of doing business or maybe all of the above, Georgia is the right place.

The message to investors is quite simple and straightforward—Georgia is a great destination for companies from all around the world, whether it is to enter the regional market itself, the European market or the broader Asian markets; it has an open door policy to help foreign and local companies grow in and with Georgia.

5 Combating COVID-19

China has adopted innovative measures to tackle the virus and made enormous efforts to protect its people. Its effort is remarkable and a very good example for many countries all around the world.

In March 2020, the Sichuan Provincial Government provided 1,008 free rapid tests for coronavirus, as well as other respiratory viruses, to Georgia at a cost of approximately USD 420,000. On March 14, this humanitarian cargo was sent to Georgia and with the support and active involvement of the Embassy of Georgia, the Georgian side negotiated with eight different manufacturers of medical products in China, and as a result, approximately 52 tons of cargo was purchased. In addition to the procurement, the Chinese government allocated an additional number of COVID-19 detection tests to Georgia in form of humanitarian cargo.

On April 29, with the support and involvement of the Embassy, several dozen tons of medical products purchased by the Georgian side for the Georgian health care system, including 40,000 PCR tests, as well as additional rapid tests, were sent to Georgia. In particular, through the efforts of the Embassy, a total of 55 tons of medical products was sent from Beijing to Tbilisi on a special charter flight, including 60,000 tests for COVID-19.

In these difficult times, the support of the Government of China is greatly appreciated by the people and Government of Georgia. From the earliest stages of the pandemic, Georgian and Chinese epidemiologists actively cooperated and exchanged important information, which allowed us to be properly prepared to fight the spread of the COVID-19. Donations of different medical supplies, equipment, materials, as well as PCR test played an instrumental role in our fight against this deadly virus. We are continuing intensive cooperation with our Chinese colleagues even now concerning the development of vaccines. Through joint efforts and cooperation, it is possible to fight an invisible enemy that has had such a devastating impact across the world.

Despite the concrete achievements, there is huge potential for further cooperation between Georgia and China. The Embassy of Georgia to China will use all its efforts to strengthen and deepen our bilateral friendship and partnership in the post-pandemic period.



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Long-standing Friendship, Dedicated Political Dialogue and Mutually Beneficial Cooperation as a Key for Thriving Economic Partnership Between Azerbaijan and China



Akram Zeynalli

The long-established and rich history of relations between the Azerbaijani and Chinese people dates back to the Ancient Silk Road. Our people maintained trade and cultural ties through the Ancient Silk Road as early as 2,500 years ago. A description of a beautiful Chinese lady in the poem called “The Seven Beauties” written by the greatest Azerbaijani poet Nizami Ganjavi in the twelfth century is also an evidence of the long-standing cultural ties between our peoples.

Diplomatic relations between Azerbaijan and China were established in 1992, and the official visit of H.E. Mr. Heydar Aliyev, the national leader and late President of the Republic of Azerbaijan, to China in 1994 laid a strong foundation for bilateral relations between our countries. Since then, Azerbaijan and China have been developing bilateral relations in the spirit of friendship, cooperation, mutual trust and respect and have strongly supported each other on the issues related to the vital interests and major concerns.

President Ilham Aliyev’s official visit in 2005 and state visit in 2015 to China once again proved the mutual will of both heads of state to further develop and deepen bilateral relations. During those visits, many documents were signed, among which “Joint Declaration between the Republic of Azerbaijan and People’s Republic of China” and “Memorandum of Understanding on Joint Encouragement of the Establishment of Silk Way Economic Belt between the Government of the Republic of Azerbaijan and the Government of the People’s Republic of China” are of paramount significance with regard to steadily and rapidly expanding mutual cooperation between our countries and nations.

Our mutual political trust that has always strengthened and multifaceted cooperation has continuously deepened. In this regard, it is worth emphasizing the significance of recent high-level reciprocal visits as an indicator of prospering bilateral ties

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and intensifying political and economic dialogs between Azerbaijan and China. The invitation to President Aliyev by President Xi to participate in the Second Belt and Road Forum for International Cooperation in April of 2019, as well as a very productive bilateral meeting held between the two heads of state during the Forum, can be considered as an accurate indicator of high-level political will and commitment to the expansion of ties between our countries. Moreover, it has to be emphasized that the Chairman of the Standing Committee of the National People's Congress of the PRC Li Zhanshu, the State Councilor and Minister of Foreign Affairs of the PRC Wang Yi and the Head of the International Relations Department of the Central Committee of the CPC Song Tao made official visits to Azerbaijan in 2019, which also contributed to further consolidation of political trust between our countries.

At the same time, in 2019, successful organization of the seventh meeting of Azerbaijan—China Intergovernmental Commission on Trade and Economic Cooperation in Beijing, as well as participation of the delegation from Azerbaijan, headed by the Deputy Prime Minister Shahin Mustafayev, in the second China International Import Expo in Shanghai, the official visit of the former Deputy Prime Minister Hajibala Abutalubov to attend the Closing Ceremony of International Horticultural Exhibition in Beijing, participation of the Minister of Defense of Azerbaijan Zakir Hasanov in the work of the ninth Beijing Xiangshan Forum and official visit of the Vice-President of the Heydar Aliyev Foundation of Azerbaijan Leyla Aliyeva to participate in the Conference on Dialog of Asian Civilizations, all gave an impetus to raise AzerbaijanChina cooperation to a qualitatively new level and brought about rapidly growing dynamics in bilateral relations.

As we all know, the COVID-19 pandemic created numerous challenges for the whole world, including Azerbaijan and China, starting from early 2020. Both countries took very important, strict and timely measures to curb the spread of the virus, to strengthen communication and coordination and to support international cooperation in prevention and control measures. Azerbaijan and China displayed exemplary work by cooperating during the hard times, joining hands to fight against the pandemic and helping each other and other countries in need to triumph over the virus.

As President Aliyev stated, “Azerbaijan has been and continues to be an active supporter of broad international cooperation in the fight against the pandemic”, and with respect to that, Azerbaijan has provided financial and humanitarian assistance to more than 30 countries. Similarly, Azerbaijan has always been by China's side to support its fight against COVID-19 and applauded the preventive measures taken by the Chinese government. The Azerbaijani government and people regularly expressed their solidarity with Chinese people during the tough moments of the battle against the virus in China. President Ilham Aliyev, as well as many other high-ranking officials from Azerbaijan, sent letters of sympathy and solidarity to their Chinese counterparts and expressed readiness to provide any assistance if needed. The city of Sumgait in Azerbaijan sent 20 tons of humanitarian assistance to its sister cities—Mianyang and Xi'an—in China, and a lot of Azerbaijani people joined to the virtual support campaign “*Wuhan Jiayou, Zhongguo Jiayou*”.¹ The Azerbaijani

cargo airline “Silk Way Airlines” was among the few foreign companies which continued its operations in China during the peak of the infection, and afterwards played an important role in transportation of medical supplies and equipment.

When the whole world faced the same situation and the virus started to spread globally, we witnessed the same approach of support and cooperation from Chinese side toward other countries, including Azerbaijan. The Chinese government has shown a special attitude to Azerbaijan during the purchase of various protective equipment, devices and medicines from China and has provided the highest level of support in all matters. The Ministry of Foreign Affairs and National Health Commission of the People’s Republic of China co-organized an online conference for experts from Azerbaijan and China to share Chinese experience in infection prevention and treatment of the COVID-19 patients. In this way, our government and experts were ready to face the pandemic and took all necessary measures in time to ensure the safety of the Azerbaijani people. In addition, a medical team comprised of ten specialists with experience in fighting against COVID-19 in Wuhan, which was considered the epicenter of the epidemic in China, was sent to Azerbaijan for 14 days by the Chinese government. In the next stage, the Chinese side provided a high level of support to Azerbaijan in purchasing the vaccines produced in China and in delivering them to our country, organizing the shipment of 150,000 doses of vaccines to Azerbaijan as a humanitarian aid.

As a result of the travel restrictions and other measures imposed by both governments to combat the pandemic, high-level reciprocal visits between Azerbaijan and China have not taken place since the start of the pandemic. However, our countries continued cooperation through other means, and despite the fact that the bilateral trade naturally went down in 2020 as an obvious impact of the pandemic, there have been numerous opportunities for us to explore and collaborate on in order to achieve the utilization of the full potential to enhance our economic partnership.

It has to be noted that the mutual trust, dedicated political dialog and friendship between President Ilham Aliyev and President Xi Jinping play an important role also in developing bilateral economic ties and trade. Currently, more than 180 Chinese companies are registered in Azerbaijan, and as of today, China has invested about more than USD 820 million in the economy of Azerbaijan. Azerbaijan, in turn, has invested more than USD 1.7 billion in the Chinese economy. Big Chinese ICT companies such as Huawei and ZTE are operating successfully in Azerbaijan, and it is worth noting that the regional office of Huawei is located in Azerbaijan. It is also very important to mention the role of Azerbaijan in the China Intergovernmental Commission on Trade and Economic Cooperation in establishing close contacts between the businesses from both sides and solving the problems faced by companies in each country. The seventh meeting of the Commission was held in February 2019 in Beijing, where tangible results were achieved and concrete goals were determined for the future cooperation.

Azerbaijan has rich oil and gas reserves, which helped our economy to expand rapidly in the 1990s, and investments made in Azerbaijan’s energy sector brought about diverse dividends and opportunities to develop other sectors. One of the priorities before the government of Azerbaijan now is to diversify the economy by

¹ “Go Wuhan, Go China”.

improving different sectors and reducing dependence on hydrocarbon resources. Taking into account the fact that the government is vigorously trying to improve the non-oil sector in the country, Azerbaijan now focuses more on foreign trade and investments in other fields. In this regard, our productive, multidimensional and results-oriented cooperation with China also contributes to the Azerbaijani government's strategy to diversify national economy by boosting trade and investment.

Azerbaijan is China's main trading partner in the South Caucasus and we are committed to improve our trade relations further. In this respect, it is worth mentioning that Azerbaijan has always been represented in the China International Import Expo with a large pavilion, a substantial number of companies and a large delegation comprised of high-level government officials since the first Expo was held. Even during the last Expo in November of 2020, we set up a significantly large pavilion and showcased food and agricultural products of Azerbaijan, despite the fact that many other countries failed to participate due to the pandemic. We opened Azerbaijan Trade Houses in Qingdao, Luzhou and Lianyungang, as well as Azerbaijan Wine Houses in Shanghai and Urumqi. Currently, negotiations on opening new trade and wine houses in other regions of China are being held with relevant authorities, so that we can have further access to more Chinese customers soon. Undoubtedly, Azerbaijan is keen on improving its trade relations with China, and we strongly believe that we will be able to achieve more positive results in terms of trade between our countries in the near future.

Azerbaijan was one of the very first supporters of the Belt and Road Initiative, and as a testimony to our aspirations to jointly implement this Initiative, Azerbaijan has invested a great deal in infrastructure projects both in the country and in the region in order to become a regional transit and logistics hub located at the crossroads of Asia and Europe. Developing into a very crucial country along the Belt and Road, Azerbaijan now offers better options for the efficient and economically viable transportation of goods from China to Europe and vice versa. In this sense, Azerbaijan has initiated Trans-Caspian International Transport Route and carried out several important infrastructure projects such as the Baku-Tbilisi-Kars Railway, Baku International Sea Trade Port and Alyat Free Trade Zone. It should be mentioned that several block trains from Xi'an have already passed through Azerbaijan on their way to Europe, and this route is becoming more and more active as our economic cooperation deepens. Furthermore, there are now direct passenger flights between Baku and the Chinese cities of Beijing and Urumqi, as well as direct cargo flights between Baku and Shanghai, Hong Kong, Tianjin and Zhengzhou, which make Azerbaijan an even more attractive place for Chinese companies to do business.

It is crucial to note that the first ever cargo train left from the China-SCO Demonstration Zone in Qingdao on January 31, 2021, in the direction of Baku, Azerbaijan. It is a well-known fact that China initiated many special economic zones, which create vast opportunities for businesses to benefit, and the China-SCO Demonstration Zone in Qingdao is definitely one of the most promising projects in that respect. It will not only enhance cooperation among SCO countries, but will also significantly contribute to the development of the BRI. Azerbaijan is also a very active member of the "SCO Family" and successfully cooperates with all member states including

China. The construction of the China-SCO Demonstration Zone started in 2018 at the initiative of President Xi Jinping to bring SCO countries closer and to further encourage cooperation among them. As we marked the sending of the first cargo train from Qingdao to Azerbaijan in January of this year and as we witness rapid improvements going on in terms of the Zone development, we can confidently affirm that this initiative is already yielding positive results.

It is important to mention that this train traveled through the Trans-Caspian International Transport Route and eventually reached the Baku International Sea Trade Port, which is the biggest port on the Caspian Sea. Compared to traditional maritime shipping, it took about a third of the time for this train to arrive its final destination. Transportation time is significantly reduced when the goods are carried through the Trans-Caspian International Transport Route, and this certainly brings about further benefits for businesses. Today, it is gratifying to see that the Trans-Caspian International Transport Route, also known as the Middle Corridor, is becoming a more and more active part of the BRI day by day.

Azerbaijan also invested in another international transportation project—the north–south transportation corridor—and the countries situated on the east–west and north–south transportation corridors use the territory of Azerbaijan in order to transport their goods. Therefore, our investments in modern transportation infrastructure help not only to increase our economic potential and to provide services for our friends, partners and neighbors, but also create a unique opportunity for trade, tourism, transportation, and it unites people and countries; the countries become interdependent, and this serves the goal of peace and stability. Today, Azerbaijan provides transit opportunities for a growing number of countries. By creating modern transportation and logistics infrastructure, we not only transform our country into an important transportation hub, but also contribute to cooperation with the countries involved in the east–west and north–south corridors.

There is no doubt that the Belt and Road Initiative will bring about vast opportunities and dividends for participating countries in terms of infrastructure and transportation. However, it is worth noting that the initiative does not only create opportunities in transportation but also enhances trade, tourism, people-to-people contacts, which contributes to the cause of stability, security and peace in the world. The BRI follows China's traditional preference for mutual benefit, common interests and cooperation for common development. Despite the volatility of the global situation, it advocates a vision of respecting others' interests while pursuing one's own and advances the common interests of all. In this regard, the Azerbaijani side stands ready to work with China to use the BRI as an opportunity to align the development plans of the two sides, deepen cooperation in infrastructure construction and other extensive areas, expand cultural, educational and local exchanges and enhance mutual understanding and friendship. We believe that by connecting peoples, countries and economies, this global initiative creates favorable conditions for win–win cooperation and ensures peace and prosperity in the whole world.

Azerbaijan is keen to cooperate with other countries to attract more investment to its open and transparent market where entrance requirements are quite easy and the

business climate is being continuously improved through a diverse set of reforms and policies. Chinese investment is no exception in this regard, and deepening cooperation, especially during the recent period, is a clear indicator for Azerbaijan's willingness to have more Chinese companies operating in Azerbaijan. During the last bilateral meeting held between President Ilham Aliyev and President Xi Jinping in April of 2019, President Aliyev mentioned that we would like to see more Chinese companies and investors doing business in Azerbaijan and also participating in different projects as contractors. Therefore, we welcome more Chinese investors to our country, and we are more than confident that the investment environment in Azerbaijan is convenient and competent for them to run their businesses.

Taking into consideration the fact that stability is critical for achieving continuous economic development, it is worth mentioning that Azerbaijan is a politically and economically stable country where the well-being of the people improves day by day. The economy of Azerbaijan thrives at increasing rate, and the government's committed economic policy ensures the country's sustainable development.

In November of 2020, the conflict in the South Caucasus came to an end and Azerbaijan liberated its territories, which had been under occupation of Armenia for almost 30 years. Unfortunately, almost all of these cities and districts were completely destroyed, and their infrastructure demolished during the occupation. Thankfully, under the direct control and effective supervision of President Ilham Aliyev, the Azerbaijani government is preparing plans and working on projects to restore all liberated territories and return life to normal there. In this sense, Azerbaijan will also invite foreign countries and companies to participate in restoration process and invest in liberated lands. Accordingly, we will actively cooperate with Chinese friends and businesses, which are interested in getting involved in the revival process of our newly liberated territories.

The peace settlement achieved in November of last year will allow for the construction of a new corridor linking the mainland of Azerbaijan to its landlocked exclave—the Nakhchivan Autonomous Republic. Transiting directly across the Caucasus, this new corridor will significantly cut road transportation time from east to west and vice versa, and will complement the Baku-Tbilisi-Kars Railway and facilitate trade and business. This cross-country route will pass from the port of Baku on the coast of the Caspian Sea, then through newly liberated territories and—crucially—through a soon-to-be opened transport corridor to arrive at Nakhchivan. The line then continues directly into and through Turkey and onto the Mediterranean Sea and Europe. Clearly, this new corridor will play an important role in terms of connectivity along the Belt and Road route and bring about further opportunities for Azerbaijan and China to expand cooperation in transportation and logistics.

Azerbaijan never considered the BRI as an initiative targeting only transportation and infrastructure development, but also as a mechanism or a platform for bringing nations closer and improving people-to-people contacts. In this sense, Azerbaijan pays great attention to the development of tourism industry too, and with respect to that, we have introduced a simplified visa regime for Chinese tourists. It is worth mentioning that the number of Chinese tourists visiting Azerbaijan had been steadily

increasing before travel restrictions were imposed due to the COVID-19 pandemic. There is no doubt that the “Memorandum of Understanding on Simplifying Group Visits of Chinese Tourists to Azerbaijan between the State Tourism Agency of the Republic of Azerbaijan and the Ministry of Culture and Tourism of the People’s Republic of China” signed in March of 2019 will positively contribute to the number of Chinese tourists traveling to Azerbaijan during the post-pandemic period.

It should be emphasized that the provinces and cities of China are developing rapidly, and their sustainable, solid and robust economic growth creates vast opportunities for other countries to actively cooperate with them and reap the benefits of successful partnership. The local governments of cities and districts of Azerbaijan also work closely with the local governments of regions and provinces of China to enhance economic cooperation and reach win–win results. In view of this, we have established friendly and mutually advantageous relations between several cities of Azerbaijan and China, signed documents on sister-city relationships and will continue to make an every effort to further initiate and promote such good practices. In general, China’s economy is developing rapidly, and several well-known financial organizations and research centers have already forecasted that China will have the largest economy in the world very soon. In this respect, all countries are willing to work with China to profit from mutually beneficial cooperation, and Azerbaijan is not an exception. We are always ready to work together with our Chinese friends to consistently improve our bilateral economic ties, to achieve rapidly increasing trade turnover and, consequently, to take our comprehensively developing relations to a higher level.



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China–Africa Cooperation: A Model for South–South Cooperation



Teshome Toga Chanaka

1 China–Africa Cooperation: Context, Evolution and Future Direction

Africa has forged cooperation and partnerships with major regions and economies like the EU, the USA, China, Japan, France, Germany, Russia, the Arab League, India, Turkey, South America and Korea, among others. Yet, no other partnership has attracted as much attention or as much scrutiny as the China–Africa partnership. The reasons for this attention vary. It is, however, not the intention here to delve into those now.

Partnership and cooperation are undertaken on the basis of a political will—from both sides—to promote their interests through each other, and benefits can occur through the synergy this creates. This article explores China–Africa cooperation over the last two decades through this prism, accounting too for the current challenges posed by the COVID-19 pandemic and well beyond.

1.1 The Evolution of China–Africa Cooperation

China–Africa cooperation is an intergovernmental process, and as such, it is assumed that both sides must aim at articulating not only the purpose and objectives of cooperation but also define the goals as to what they both desire to achieve from the cooperation.

The opinions expressed in this essay are the author's and do not necessarily represent those of the institution he represents.

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Cooperation is effective and sustainable when there is strong political commitment and both sides share benefits fairly. In some cases (though not all), this may also mean sharing benefits equally. In all cases, an organizational framework and well-defined areas of cooperation further enable both sides to make optimal use of their cooperation.

China and Africa enjoy long-standing and historical relations which were elevated to a Comprehensive Strategic Cooperative Partnership in 2018 during the Beijing FOCAC Summit. The formation of Forum on China–Africa Cooperation (FOCAC) two decades ago took the existing relations between Africa and China to a new height. The institutionalization of the cooperation framed not only areas of cooperation, but it also made it predictable and measurable.

For instance, the 2018 FOCAC Summit agreed on eight major initiatives.¹ For China, the initiatives fit in with China’s Belt and Road objectives and the domestic strategy at the time known as “Made in China 2025”, while for Africa, the key priority was to fit the initiatives with Agenda 2063 of the African Union (AU).² For both sides, the UN Sustainable Development Goals, agreed to in 2015, were also relevant.

1.2 *The Narratives*

Many analysts, policy- and decision-makers, and international media have been preoccupied in narrating their perceptions and views on this particular partnership. Some tend to sound ideologically driven, while others fall short on evidence. Some even gravitate to speculation. As a result, many lack balance, objectivity and suffer from some elements of prejudice in all directions. To the astonishment of many, the most dominant narratives about China and Africa tend not to be set by those who own the partnership, but by outsiders. This does not in any way imply that others cannot hold views or share their opinions on the matter, as all of us are entitled to air out our notions and we should respect diversity of opinion. It is simply to point out gaps, especially in amplifying African perspectives.

Some two decades ago, *The Economist Magazine* came out with a headline, “Africa—a hopeless continent”, precisely when the FOCAC came into existence. The time is very interesting to note. The same magazine ten years later featured a new headline, “Africa rising”. That is how narratives are set about Africa. Africa is a huge and diverse continent, yet hasty and sweeping generalizations are often made.

The recent narrative that China is “colonizing Africa” economically is strongly refuted by African leaders and not corroborated by evidence. To talk about neocolonialism in the twenty-first century, in whatever form or shape, is simply mind boggling. First, it diminishes the true horrors that were suffered by Africans and

¹ MFA, PRC (2018) industrial promotion infrastructure connectivity trade facilitation, green development actions, capacity building activities, health care, people to people exchange and peace and security.

² AU (2013) Agenda 2063: The Africa We Want.

Black people across the world due to slavery, colonialism and apartheid—memories of which are still very vivid in many African minds. Second, Africans are mature enough not to allow neocolonialism by China or any other power for that matter. It is also a puzzling paradox for many observers that those who criticize Africa for its engagement with China and those who gratify such a prejudice against the partnership do far more businesses with China than Africa. Furthermore, while natural resources do dominate Africa’s exports to China, narratives that China is in Africa simply for natural resource extraction do not reveal the whole picture of the partnership as there is cooperation in several other sectors. For instance, Ethiopia and China have one of the strongest partnerships in FDI, trade, technology transfers, human resources development and infrastructure development and economic cooperation; not based on natural resources. Even in the case of importing natural resources, China’s participation is carried out with the permission of partnering African countries, and indeed, many other countries have the same trade practices with African nations. Finally, many try to narrow down China–Africa cooperation merely to an economic level, but Yun (2018) indicated the diversity of the cooperation—including political, peace and security, and building social and cultural ties.

2 The Essence of the China–Africa Partnership

“If you want to go fast, go alone and if you want to go far, go together,” is the African wisdom of expressing the need for unity and solidarity. I believe that China–Africa cooperation has, at its crux, made a choice to go together and to go far.

Many global geopolitical observers tend to agree that the current global situation is volatile, complex and uncertain. No country, big nor small, developed or developing, south or north, east or west, can handle the enormous challenges facing human kind on its own. Hence, to navigate through uncertain and fast changing global situations, the need for partnership and strong multilateralism cannot be over-emphasized. This is not to say that existing partnerships or multilateralism are perfect—but they are the basis for moving forward. Therefore, the China–Africa partnership should also be seen in this context, as a leveled platform of purpose and of action to forge a concerted intercontinental approach for mutually beneficial partnership and responses. And judging from the complimentary nature of multifaceted areas of interaction and the convergence of interests, partnership between China and Africa is not only important, but it is absolutely necessary.

Let me elaborate. Africa is a continent of 55 countries, with a voting block of 28% at the United Nations (UN) and a population of 1.3 billion, of which the majority are young and productive, and with a land area of 30.37 million sq km and is endowed with considerable natural resources. To partner with China, a country of 1.4 billion people, with a land area of 9.6 million sq km², the world’s second largest economy, the largest manufacturer and exporter and second largest importer, inter alia, is unmistakably unavoidable.

3 Principles Governing Africa–China Cooperation

The partnership between Africa and China is and must continue to be based on core principles of equality, mutual trust, respect and interest. The principle of non-interference in the internal affairs of other countries remains a particular foundation for the political trust between the two sides. Both sides uphold the rights of sovereign nations to choose their economic development and governance models and policies. Unlike the liberal world order that prescribed one set of economic development and governance models for all countries or “one-size-fits-all”, without taking into account the socioeconomic, political, cultural and historical contexts of each country, the China–Africa partnership respects policy independence for each partnering country to make its own policy choices as it finds a fit for its own situation. An Ethiopian saying to this effect goes like this: “Only witch craft knows one better than oneself”. It is also democratic to respect the rights of nations to make their own choices, chart their courses forward and determine their own destinations. In other words, no one knows better what is good or bad better than oneself. This, however, should not be interpreted as a disregard for coming together to tackle common challenges and concerns. It rather emphasizes the importance of defining parameters, standards and goals within which partners engage together to achieve a mutually beneficial and satisfactory results. It also refutes the temptation to impose models from outside that do not respect the choices and conditions of partnership.

Such guiding principles are solid foundations for a cordial friendship and political trust that have created ample economic, social and political benefits for the peoples of China and Africa. Let me hasten to stress here that only mutually beneficial partnerships can be sustainable, and conversely, an asymmetrical, skewed partnership stands little chance of survival and is destined to yield unsatisfactory results. It must also be noted that as much as Africa needs China, China also needs Africa. Therefore, there is convergence of interests for the two sides to cooperate, collaborate and partner on issues of common interest and concern, whether at the bilateral, regional or multilateral level.

The interests from both sides have been clear for more than 40 years.

4 Going Global: Chinese Reform and Opening up

China has achieved what can only be described as a phenomenally fast social and economic transformation over the past 40 years that is marked by a successful path of reform and opening up. During this period, China lifted over half a billion of its citizens out of absolute poverty, something unparalleled in the recent history of development. The government declared it would make rural poverty the thing of the past in 2020, which has now been realized. This was also achieved under the unusual circumstances of COVID-19 and is certainly worth celebrating. The achievement in

social and economic transformation has inspired many in Africa to learn and borrow best practices from China.

Inspired by the profound social and economic success of China, other emerging economies and developing countries, including Ethiopia, have been attracted by China’s economic progress and made efforts to adapt some of its best practices to their own settings. This is a very sensible and rational decision as China stands out as a lodestar for impressive structural transformation to many countries in the world.

The long-standing relations between China and Africa created a fertile ground for the “Going Global” Chinese policy that encouraged Chinese enterprises to engage in outbound investment. Africa was considered as one of the new frontiers for Chinese investment. While there is much more to come, Chinese enterprises “went out” and found market and investment opportunities in Africa, while Africans also began to benefit from Chinese investment in manufacturing and infrastructure development, trade, tourism, technology transfer and human resource development, making engagement win–win for both sides. These initial capital inflows to Africa have placed China firmly at the wheel of the discourse of development in numerous countries in Africa. That said, Africa gets about 5% of outbound Chinese investment, and the trade between the two makes about 4% of China’s trade volume. The potential of this partnership is thus yet to be fully realized.

How can this be realized? Institutional mechanisms can help, in particular FOCAC.

5 Institutionalizing the China–Africa Partnership

To guide and shape the ever-growing interactions between China and Africa, the Forum on China–Africa Cooperation (FOCAC) was instituted, and has been the main platform for China–Africa partnership since the year 2000. FOCAC is not a mere concept that defines one country as the only actor or organizer-in-chief in the process. In fact, it clearly implies a common journey of both African countries and China, which takes domestic and international resolving and channeling them toward a shared destiny with an incremental course of synergetic cooperation.

Under FOCAC, African countries have the potential to access China’s accumulated industrial, technological and production capacity and financial resources. China can play a pivotal role in enhancing connectivity, infrastructure development and industrialization in Africa. Chinese investments are already creating employment opportunities and contributing to Africa’s economic growth and also transfer knowledge, skill and technology. A 2019 ODI study, for instance, found that Chinese factories that have opened in Ethiopia use local people for 90% of all jobs (and 100% for low-skilled jobs). But more importantly, it offers an opportunity for African countries to strategize together to ensure that the relationship delivers even more benefits to Africa.

Since its inception, FOCAC has proved to be an effective cooperation mechanism between Africa and China. The Sixth FOCAC Summit held in South Africa in

December 2015 clearly underlined the importance of FOCAC in pursuing the socio-economic and political interests of both Africa and China. The Johannesburg Action Plan for the period 2016–2018 was given impetus by a pledge of USD 60 billion by President Xi Jinping at the summit, as well as several outcomes—demanded by African leaders—focusing on increasing and diversifying exports from Africa to China. This could be taken as concrete demonstration of strong commitment and partnership between the two parties.

In September 2018, at the FOCAC Summit in Beijing, another USD 60 billion was earmarked for eight areas of cooperation: industrial promotion, infrastructure connectivity, trade facilitation, green development, capacity building, health, people-to-people exchanges and peace and security. This political commitment of the Chinese leadership to the mutually beneficial and strategic partnership with Africa for common growth and prosperity has created a rare historic opportunity in pursuing a win–win and sustainable partnership.

The goals set forth in various declarations are priorities for Africa and hence reflect mutual interest. Full implementation of the pledges made at the summit is of course still in progress. To that effect, action plans were worked out at the coordinators meeting in June 2018 and after the summit were followed up with further coordination meetings, with a view to the next summit later this year.

FOCAC serves as a platform for dialog, consultation and cooperation between China and African countries, and it has become a model of south–south cooperation. Over the course of nearly two decades, China has become Africa's biggest economic partner in trade, investment, infrastructure development, financing and development assistance. China also takes an active interest in peace and security programs and missions in Africa, working together to realize a peaceful, prosperous and integrated Africa, which are the key pillars of the 2063 African Agenda.

Currently, there are no other countries with such a depth and breadth of engagement in Africa as China, as illustrated by recent studies. The concrete results of cooperation on the ground in Africa speak volumes for themselves.

Another milestone in the China–Africa partnership that complements FOCAC is China's Belt and Road Initiative (BRI), first announced in 2013. Given that the Belt and Road Initiative has its own vision and action plan, dedicated political arena, financial institutions and resources, it will not simply count as proof of FOCAC's achievements, but should reinforce and expand the scope and depth of cooperation. Currently, 46 of the 53 countries with diplomatic relations with China are participating in the Belt and Road Initiative, which means that resources in addition to those under FOCAC may well become available under the BRI. But perhaps more importantly, it also means that cooperation areas that are being promoted under the initiative and FOCAC, such as industrialization and infrastructure can receive even stronger political support from China, which may help fast track the implementation of projects in those areas.

As the BRI is not limited to bilateral relations between China and African countries, but aims to connect Asia, Europe and Africa, and African Belt and Road

Initiative countries can benefit from new connections and expand cooperation with countries along the Maritime Silk Road in South Asia and Southeast Asia.

Let me be very clear here. Like any partnership, the China–Africa partnership has never been spared from criticism, misperception and often times suffers from gross generalizations that lack an evidence-based approach. One should always bear in mind that when talking about the success or failure of such a partnership, both context and micro-level analyses are important. Africa’s partnerships with other countries must be equally examined with respect to their benefits, while different African countries themselves have widely varying trade and finance relationships with China (and other partners), depending on their development situations. Africa, however, continues to suffer from being treated as a single entity, and generalization of this diverse and huge continent is bound to be misleading.

Let me also add that there is no country or region or continent that can afford to avoid China or Africa. But, it is how countries or regions see Africa and China that matters—as equal entities, entities to be trusted or entities to be instructed. It is clear that the first attitude is the right attitude. As indicated above, it is obvious that Africa also has partnership with multiple countries and unions. And from my experience, the Africa–China relationship is based on equality. But, why is there so much noise surrounding China–Africa relations? Are we running the risk of politicizing it or are we lacking impartiality and objectivity?

I believe Africans are equal partners, who can differentiate what is good and what is bad for ourselves. The patronizing attitude by some who set patchy narratives about the partnership does not seem to be in good faith.

Do not get me wrong, I am not saying that this is a perfect partnership. No!! No partnership is perfect. The China–Africa partnership is not perfect. There are challenges related to capacity to implement projects, lack of technological capability, issues related to good governance, trade imbalances, value addition, terms of loans and so on. But, I am in the position to know first-hand that these are challenges that are being addressed progressively and in particular through the framework of FOCAC. Indeed, the solution to imperfections is more cooperation—not less.

So, what, if anything, has changed in the Africa–China relationship due to COVID-19 and what does this mean for the future?

6 COVID-19 and China–Africa Cooperation

When the COVID-19 outbreak in Wuhan was made public, the African Union Commission (AUC), and many African leaders, and African Ambassadors directly expressed their strong solidarity and support to the people and government of China. Within China, the large numbers of African students in China, including those from Ethiopia, despite the uncertain times, was highly compliant and patient as China began its efforts to defeat COVID-19. While there were some initial racist incidents where larger Black communities living in China, these were denounced by African leaders and addressed with vigor by Chinese officials. African Ambassadors were

thus able to verify and have confidence in the measures put in place by the Government of China to protect against and control of the virus to the benefit of all people, including African citizens in China. Those African nations that had the means—such as South Africa and Equatorial Guinea also sent emergency medical equipment as a sign of friendship and solidarity, and some governments organized support for citizens to return to their African homes in an orderly and safe manner.

Because of the stringent measures put in place, the elaborate and consistent execution of containment policies and strategies and most importantly the unity of purpose displayed by the Chinese people, African and other migrants in China, China contained the virus in a shorter time than many expected. The effectiveness of the measures also yielded very positive results and mitigated any long-term negative social or economic impacts on Chinese society. Now, China is steadily returning to normalcy and reopening the economy in an orderly fashion, while simultaneously working to vaccinate the population as required.

As the spread of COVID-19 steadily declined in China and as began to be confirmed in Africa, the Chinese government, and other stakeholders like the Alibaba Foundation led by Jack Ma, extended their support and solidarity to African countries. For instance, several batches of badly needed medical supplies, such as diagnostic kits and PPE, were donated to all African countries. Medical teams flew to several African countries, including those to support Chinese citizens living those countries, and literally hundreds of online webinars were arranged, including those with the UN, to share experiences and expertise in diagnosis, testing and treating COVID-19. In addition, in terms of procurement, China ramped up production so as to remain open to exports of medical equipment, while many other countries suspended exports and directed them to internal use. Many private and public sector enterprises which have investment and trade links with African countries carried out their corporate social responsibility in a very commendable way, and they continue to do so.

Overall, I can confidently say that no other country has provided as much direct health support as China has done to Africa in these trying times. And, direct support continues, with recent announcements of vaccine donations to several African countries, albeit in initially small quantities. In contrast, though understandably, many others simply looked inside and grappled with their own situations and continue to do so.

The impact of COVID-19, however, goes far beyond health challenges. Its effect on social and economic sectors, unless contained effectively and shortly, has had and will continue to pose social unrest, instability and insecurity challenges. Therefore, China–Africa cooperation should not only focus on short-term solutions and in addressing the immediate health concerns due to the pandemic. With such a strong scope for increased mutual economic cooperation, as I have set out earlier, joint efforts in accelerating this to provide remedies and post-COVID-19 economic recovery need to be made urgently. The issue of debt relief and suspension within the agreed framework of the G20 appears to be well under consideration. China has been a leading advocate within the G20 for this joint framework. However, as Ethiopian Prime Minister Abiy Ahmed (PhD) said in a recent piece he contributed to *The New York*

Times, this is by no means sufficient to save fragile African economies from collapse. Indeed, debt relief or aid is only one tool out of a box full of possible strategic, sustainable remedies. In other words, the need for post-COVID-19 recovery and reconstruction plan is evidently clear. I also believe that it is time to adjust and prioritize some of the ongoing FOCAC programs in consideration of the new situation dictated by the pandemic.

China already has investments in Africa, but the need to recover from the impact of COVID-19 calls for more investment and economic and trade cooperation. This can provide more jobs and more opportunities for African countries to raise revenue to deal with any future health costs, debt repayments as well as economic support measures to citizens. If not, chances are that the investments made by China so far will be negatively impacted and both sides will incur losses. A recent ODI report suggests that three African projects with Chinese involvement have already been halted or delayed due to COVID-19. Further delays or cancelations are not in the interest of both sides. That is why there is a need for more cooperation and engagement.

7 Conclusion

In conclusion, the China–Africa partnership is a mutually beneficiary endeavor. It is a work in progress. And with strong commitment and determination, I have no doubt that it will be a model of success for south–south cooperation. It is not a slogan, nor is it empty talk as some allege, but a concrete project delivering results and changing the living conditions of Africans. But, it can do more. In order to overcome the challenges, more cooperation, and not less, is the solution.



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Perspectives on Spain–China Relations



Rafael Dezcallar de Mazarredo

1 Introduction

The establishment of diplomatic relations between Spain and China in 1973 laid the foundations for the creation of a bilateral commercial framework that has contributed significantly to the extraordinary economic transformation of both Spain and China since the late 1970s.

The Government of Spain has repeatedly shown its determination to maintain strong trade relations with China over the course of the past decades. The participation of the Spanish President of the government in the first OBOR Forum in May 2017; the participation of the Minister of Foreign Affairs, European Union and Cooperation in the second OBOR Forum in April 2019; the confirmation of Spain as a founding member of the Asian Infrastructure Investment Bank (AIIB) in 2015; the official visit of the Minister of Industry, Commerce and Tourism to China in 2018; and the presence of Spain in the three latest *China International Import Expos* (CIIE) are all representative examples of this determination.

China is a priority trade partner in Spain's strategy to attain a greater level of market diversification and internationalization. In fact, Spain has already set out a strategic industry-specific action plan that matches local companies with suitable opportunities in China's emerging industries.

China is currently Spain's leading trading partner in Asia; however, the full potential of bilateral trade and investment flows is yet to be realized. After the COVID-19 outbreak, the external sector has become a key driving force for the recovery of the global economy, just as it had previously during the 2008 global financial crisis. The continued deepening of economic cooperation, based on the principles of reciprocity and non-discrimination, is, therefore, fundamental to stimulating economic growth.

This article introduces the main characteristics of Spain–China trade relations, focusing on strategic sectors and the economic impact of COVID-19, and sets

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out a series of practical measures to overcome challenges and exploit the existing opportunities amid the global economic slowdown.

2 Spain–China Trade Relations Before the COVID-19 Outbreak

Spain strengthened trade relations with China with a relative delay compared to its neighboring countries, and this delay has hampered its overall positioning within the Chinese market. In 2019, Spain’s foreign trade coverage ratio with China was 27.4%; this ratio was considerably higher in Germany, France and Italy, reaching 125.1%, 65.3% and 41%, respectively.

Multiple factors have contributed to this delay. Among them, Spain has considerable number of small-sized and tech-oriented companies, while limited international experience and preference for geographically and culturally closer markets in many Spanish companies and their lack of familiarity with the Chinese market.

The establishment of diplomatic relations between Spain and China in 1973 did not lead to the immediate creation of a bilateral commercial framework. It was not until 1979 when Spain’s first Economic and Commercial Office in Beijing was opened and trade and investment flows between Spain and China remained sluggish during the 1980s.

However, Spain–China trade relations have experienced a dramatic boost in recent decades as a consequence of the rapid adaptation of Spanish companies to China’s evolving needs. Spanish exports to China have been on the rise for the last 20 years (Fig. 1), and the number of Spanish exporting companies has increased from 1656 in 2000 to 14,059 in 2019. During the 2015–2019 period, Spanish exports to China grew by 55.1%, which can partially be attributed to Spain’s highly competitive industrial goods and premium agri-food goods.

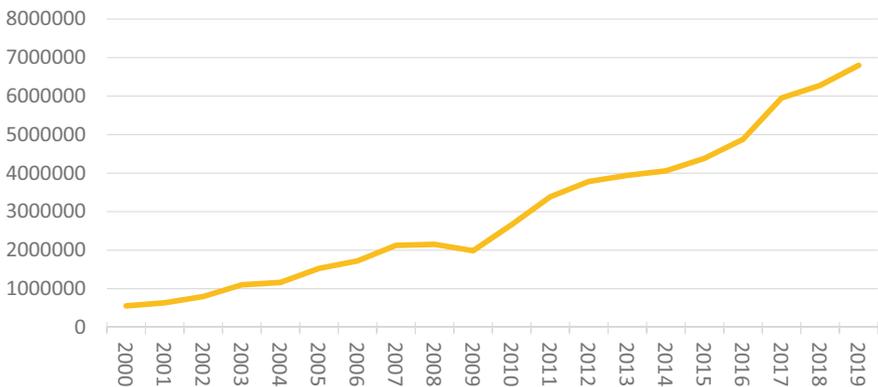


Fig. 1 Spanish Exports to China. Source Data Comex

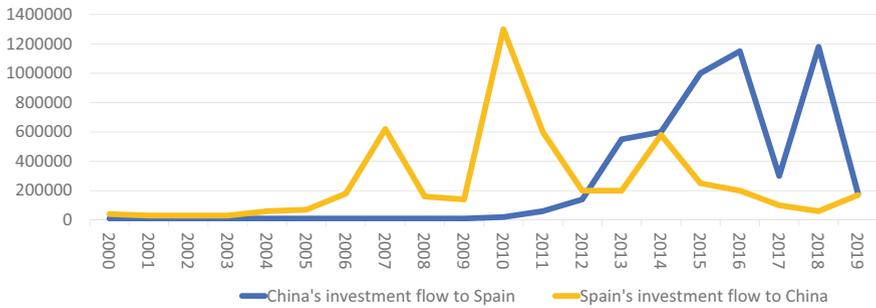


Fig. 2 Bilateral Investment Flows. *Source* Data InVex

Spain’s outward investment to China has also matched the pace of China’s opening-up, its technological needs and its growing demands in the service sector. Investment flows from China to Spain, on the other hand, are strictly guided by Chinese government policies and growth objectives, having mainly targeted high added-value sectors in recent years. Most of the leading Chinese multinational enterprises, such as ICBC, COSCO, Xiaomi, Lenovo, Air China, AVIC, Haier, BYD, Mindray, Huawei and Aliexpress, have established operations in Spain, creating job opportunities for local citizens.

However, data shows that there is room for further development in bilateral investment flows (Fig. 2). China is the 20th largest destination of Spanish investment outflows, with a total investment stock of EUR 3.169 billion that accounts for 0.7% of Spain’s total outward stock. China is the tenth largest investor in Spain, with a total investment stock of EUR 11.434 billion, which accounts for 2.5% of Spain’s total inward investment stock.

2.1 Opportunity Sectors for Spanish Companies

A detailed analysis by sector allows us to identify trade opportunities for Spanish companies in the Chinese market, following China’s new growth model based on sustainability and innovation, which marks a qualitative leap in the remarkable transformation of the Chinese economy during the last four decades.

2.1.1 Agri-food Sector and Consumer Goods

The rise of a well-informed and cosmopolitan urban middle class, with a purchasing power on par with that of the EU, has resulted in a high demand for Spain’s medium- and high-quality consumer goods, especially food products.

Pork is an essential ingredient in the Chinese diet. The recent African swine flu outbreak had a profound impact on China's large pig herd and domestic supply, leading to an increase in the demand for pork imports. In 2019, Spain became the leading exporter of pork meat products to China, ahead of Germany, Brazil and the United States, totalling EUR 811 million, a 149% year-on-year increase. The entry into force of a new pork protocol has helped the promotion of gourmet products, such as ham with bone, and encouraged the opening of a larger number of authorized exporting companies.

Spain is China's main supplier of olive oil. Its total export value amounted to EUR 109 million in 2019, a 7.2% year-on-year increase. Spanish olive oil has gained in popularity as a healthy product on consumer tables in China.

The EU-China Agreement on Cooperation and Protection of Geographical Indications includes eight geographical indications of Spanish wines, which will enhance their brand positioning in the premium wine segment. In terms of value, Spain was China's fifth largest wine exporter in 2019, only after Australia, France, Chile and Italy.

The signing of citrus, stone fruit and table grape protocols has brought new opportunities for Spanish companies within the fruit and vegetable sector. In 2019, Spain's export sales to China amounted to EUR 46 million, a year-on-year increase of 56%.

Within the consumer goods sector, China's cosmetics industry has experienced dramatic growth since 2015, due to the rise of e-commerce as a sale and distribution channel. Brands such as ISDIN, MARTIDERM, and NATURA BISSÉ enjoy enormous popularity across China, having even developed products catering to local consumers.

Spain's fashion industry products are seen as high quality and innovative by Chinese consumers. INDITEX is among the most successful Spanish companies in China within the fashion industry. Other Spanish companies have also entered China's luxury goods market through e-commerce platforms and WeChat cross-border stores.

2.1.2 Technology and Industrial Goods

The "Made in China 2025" plan, launched six years ago by the Chinese government to upgrade the country's production model through innovation policies, should ease the entry of Spanish products and companies into those industries where domestic companies are not able to provide high-value-added products.

China is the world's largest vehicle market. Spain's automotive parts and components manufacturers, such as GRUPO ANTOLÍN, GESTAMP and GRUPO MONDRAGÓN, have established operations in China, setting up factories, subsidiaries and research and development centers across the country. In 2019, the total value of exports in the automotive parts and components sector reached EUR 373 million, a considerable increase compared to EUR 265 million in 2015.

The aerospace sector is also expected to expand, as inter-urban traffic increases following the creation of new cities in an attempt to reduce traffic congestion in large

metropolitan areas. Spanish companies such as INDRA have a strong presence in the air traffic and civil simulation sectors, providing radio navigation systems, automatic landing systems and automation systems for air traffic control.

As the Chinese government pushes forward policies on environmental protection and sustainability, Spanish companies will continue playing a major role in fast-growing sectors, such as renewable energies, especially wind power, and nuclear energy, through collaboration agreements with large Chinese nuclear companies. Spanish companies such as GAMESA, TECNATOM and ENUSA have a strong presence in these sectors.

Chinese authorities are also seeking to create smart cities in an attempt to respond to the challenges posed by rapid urban development, providing a higher quality of services as urbanization rates reach 60%. As a consequence, there are numerous market opportunities within the construction, transportation and logistics sectors. The Spanish company INDRA has worked in this field in the past, providing traffic control, rail access control and security systems.

2.1.3 Service Sector

Chinese authorities are gradually opening the tertiary sector to foreign capital in order to boost competitiveness.

In education, China is the world's largest source of international students and features a wide network of educational and research centers.

The growing presence of the Spanish language in China's education system and closer relations between Spanish and Chinese cities have prompted the signing of numerous agreements on collaboration in educational projects and the exchange of international students and lecturers. The China–Spain Network of Researchers (RICE) stands out among the existing initiatives in this field, as it aims to promote the work of China-based Spanish researchers and foster academic exchange, providing information and support to researchers and institutions that wish to work in China.

China is also the world's leading source of tourists. Tourist flows between Spain and China still remain low despite the signing of the Authorized Destination Agreement in February 2004. Around 700,000 Chinese tourists visited Spain in 2019, a year-on-year increase of 8.2%. In order to boost tourism, Spanish and Chinese companies have created new air connections through codeshare agreements, such as the agreements signed between IBERIA, Spring Airlines and Hainan Airlines. We also have streamlined visa processes, integrated tourist packages into Chinese platforms such as WeChat Go, and updated the skills of hotel staff in Spain. An example of the fruitful collaboration between Spanish and Chinese companies is the recent opening of joint-venture hotels managed by the Spanish firm MELIÁ and its local partners.

In the health industry, China is focused on upgrading its infrastructure and developing medical technology in order to respond to public health challenges. Increasing obesity levels, smoking related illnesses, an ageing population and air

pollution-related diseases pose major challenges. The Spanish multinational GENOMICA, whose main business line consists of the development of human papillomavirus diagnostic kits, and the Spanish laboratory GRIFOLS, focused on the production and commercialization of plasma products, have a solid presence in the Chinese health industry.

2.2 COVID-19’s Impact on Bilateral Trade and Investment

China was the first country in the world to be affected by COVID-19, and it was also the first to kick-start its economic recovery. The foreign trade sector has notably contributed to stabilizing Chinese GDP growth.

Spanish exports to China were not affected in 2020. Quite the opposite: They experienced strong year-on-year growth, characterized by a significant change in the nature of exported goods.

China is the world’s eighth largest destination market for Spanish exports. In 2020, Spanish exports to China grew by 20.1%, reaching EUR 8.169 billion, 3.1% of all Spanish exports.

Frozen pork meat accounts for 31% of the total exports to China; copper and copper alloys account for 6.2%; edible offal of bovine animals accounts for 5.9%; automotive equipment, components and accessories account for 4.2%; and medicaments account for 3.2%.

Traditionally, highly competitive technology and industrial products have made up the bulk of Spanish exports to China. However, the pandemic has modified this pattern, and agri-food goods became the most exported item in 2020 (Fig. 3). This change in trends can be partially attributed to Spain’s commitment to supply basic commodities to Chinese citizens over the course of the COVID-19 pandemic.

As for bilateral investments, major investment operations continued in 2020 as a consequence of China’s rapid economic recovery and the approval of economic relief measures in Spain. The acquisition of ALDEASA by China Railways Construction is a good example of this.

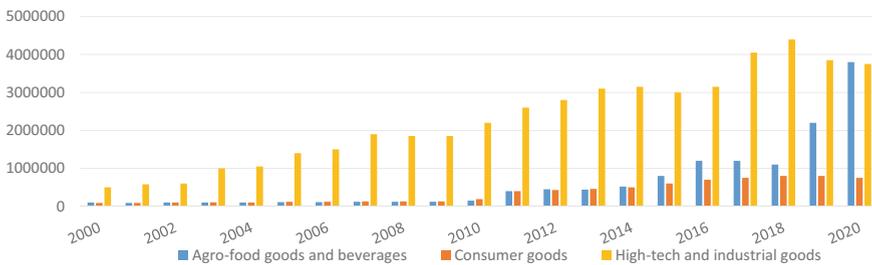


Fig. 3 Spain’s Exports to China by Goods. Source Data Comex

Figures confirm that the pandemic has not held back investment projects, reflecting the existing climate of trust among Spanish and Chinese companies. In the third quarter of 2020, investment outflows from China to Spain reached EUR 439.4 million, compared to EUR 49.5 million in the third quarter of 2019. Spanish investment outflows to China reached EUR 1.811 billion in the third quarter of 2020, EUR 1.773 billion of which were in the pharmaceutical sector. This is a considerable increase compared to EUR 50.8 million in the same period of the previous year. At the end of March 2020, GRIFOLS acquired a 26% stake of Shanghai RAAS's social capital, allowing the acquired company to become the exclusive distributor of GRIFOLS plasma and transfusion diagnosis products in China.

3 Challenges and Opportunities in Bilateral Relations

Although Spain–China trade flows have increased significantly in recent years, data proves that fully balanced trade relations have not been realized and trade benefits have not been fully maximized.

Spain and China must commit to holding constructive dialogs on the establishment of a new post-COVID-19 multilateral framework in order to explore new cooperation tools and set forth ambitious mechanisms to deal with future challenges.

Spain has set out a series of actions to work on with Chinese authorities so as to realize synergies and reinforce commercial ties.

3.1 Cooperation in Third Markets

In 2018, the Ministry of Commerce of China and the Ministry of Industry, Commerce and Tourism of Spain signed a MoU on Cooperation in Third Markets under the framework of the One Belt One Road Initiative. This was an important effort to promote further collaboration between Spanish and Chinese companies. Both the Chinese President and the Spanish President were present during the signing ceremony.

This MoU sets out the creation of a Director General-level Working Group as a means to promote information exchange, realize synergies and boost collaboration in markets such as Central Asia and the Middle East.

Currently, both parties are working closely to hold the first Working Group on Cooperation in Third Markets through the “Spain–China Business Advisory Council”, a high-level platform that brings together large Spanish and Chinese enterprises with shared common interests.

Spain is also a founding member of the Asian Infrastructure Investment Bank (AIIB). The AIIB is a multilateral development financial institution that aims to improve infrastructure and connectivity networks between Asia and the rest of the world. In mid-2021, Spain will be taking over the Euro chair of the Board of Directors,

which will offer more opportunities to promote cooperation with Spanish companies and mobilize financing.

3.2 Opening Up to Foreign Capital Inflows

Chinese authorities have reviewed their negative list system in recent years, both the negative lists for foreign investment, including Free Trade Zones, and the negative list for market access. This marks a significant step toward the opening up of the Chinese economy and the liberalization of China's financial market.

The health crisis caused by COVID-19 has revealed the needs of certain segments in the Chinese economy and the vulnerability of China's global supply chain in the energy, technology and food industries.

In order to minimize risks that may dampen recovery, Spanish companies can play an active role in the development of the following industries:

- *Renewable and nuclear energy.* In addition to ensuring the diversification of its sources of energy, China needs to fulfill its commitment to develop a green economy that supports the sustainability of its growth model.
- *Agricultural technology.* The deployment of new technologies is fundamental to foster agricultural productivity amid staggering rates of rural-to-urban migration.
- *Cold chain.* Chinese consumers are increasingly aware of the importance of hygiene and food safety; comprehensive improvements in the supply chain process are expected to take place.
- *E-commerce.* COVID-19 has accelerated the change in purchasing habits, reinforcing the role of e-commerce platforms as a sales channel and potential gateway of small Spanish brands to the Chinese market.
- *Wellness food market.* The detection of animal-transmitted diseases in recent years has prompted the commercialization of plant-based meat and wellness food, such as dietary supplements, by producers and retail food distributors.
- *E-health.* China needs foreign know-how and supplies to modernize infrastructures, digitalize health services, acquire medical equipment and upgrade staff's training in new technologies.

3.3 EU-China Comprehensive Agreement on Investment

In December 2020, negotiations on the Comprehensive Agreement on Investment (CAI) between the EU and China were finally concluded after seven years. This ambitious agreement aims to establish a level playing field between European and Chinese firms and to boost investment flows.

The CAI achieved significant progress in key areas, including market access, equality in investors' rights and the promotion of sustainable development. An institutional framework has also been established for dispute resolution and monitoring.

Spanish and Chinese companies must operate within the CAI legal framework to foster their competitiveness and growth in the global market, without compromising the security of sensitive industry sectors. It is important that this agreement will be fully implemented.

3.4 Modernization of Trade Channels

Spain must adopt a sectoral approach and take innovative measures to benefit from China’s leadership in digital technology and platforms, such as Baidu, Alibaba and Tencent. Additional human and material resources, along with further collaboration with Chambers of Commerce and the private sector, will be needed to implement these measures.

The signing of an MoU in 2019 to facilitate the entry of Spanish companies to China through online channels between the Spanish Institute for Foreign Trade (ICEX) and Alibaba is a good example of the measures that have been taken.

In the past, Spain launched initiatives such as “FashTech”, which was organized by ICEX in 2018 to promote the understanding of new retail platforms’ trade potential among 30 Spanish fashion and cosmetics brands.

3.5 New Phytosanitary Protocols

The establishment of new phytosanitary protocols could help Spanish companies play a major role in the development of China’s incipient agri-food industry.

Exchanging information on existing bilateral protocols and setting out joint action plans are some of the measures that could be taken in order to further negotiations on agri-food products with China (Table 1).

Table 1 Agreements on Agri-food Products between Spain and China

Date of signature	Agri-food product
2007/2018	Pork
2005	Citrus
2011/2017	Equine
2014	Dehydrated alfalfa
2016	Stone fruit (peaches and plums)
2016	Breeding poultry and hatching eggs
2018	Table grape
2019	Pet food
2019	Olive pulp

Source Spanish Economic and Commercial Office in China

4 Conclusions

Amid current global economic uncertainties, Spain and China must continue to work on forging a strong alliance and a cooperation framework to enhance economic development, growth stability and social welfare.

Expanding Spain's world-leading agri-food and technology export base in China, through the establishment of new protocols and cooperation on new platforms, would prove beneficial both for Spain and China, as a wider variety of premium goods would be made available to Chinese consumers.

Achieving a real level playing field in bilateral investment flows, particularly in projects in emerging industries that boost quality job creation, could have a profound impact on Spain–China trade relations. The EU-China Comprehensive Agreement on Investment is a mutually beneficial agreement, and therefore, it is in China's own interest to implement the CAI in a transparent and efficient way to ensure the enforcement of a consistent and coherent legal framework for both Spanish and Chinese companies.

After the approval of China's 14th Five-year Plan in March 2021, we hope that China will maintain its commitment to multilateralism and more open economic policies. This commitment would reflect the spirit of the strategy of "Reform and Openness", which has brought about China's unprecedented historical economic growth over the past few decades.



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Prospects for China–Africa Cooperation



Rahamtalla M. Osman Elnor

The relationship between China and Africa has grown exponentially in the last two decades thanks to the launching in 2000 of the Forum on China–Africa Cooperation (FOCAC), which gave practical expression to the historic solidarity that has traditionally existed between Africa and China, in addition to Belt and Road Initiative (BRI) launched in 2013 by President Xi Jinping, initially involving development and investment initiatives on infrastructures that would stretch from East Asia to Europe, which was later extended to Africa.

An overview of the recent history of China-Africa cooperation shows that the last twenty years have witnessed various achievements in the political, economic, technical, scientific and socio-cultural fields. In fact, in the past two decades, the China–Africa partnership has made vital and formidable footprints in the struggle for sustainable development and improved living conditions for people in Africa. In many areas, this partnership has delivered concrete outcomes that are beneficial to both Africa and China, in areas including investment, trade, health, agriculture, energy, education, culture and people-to-people exchanges, among others.

More recently, the China–Africa partnership has also emphasized cooperation under the BRI. As it was expressly stated in the Beijing Declaration of 2018, Africa, being part of the historical and natural extension of the Belt and Road, is an important participant in the BRI and the cooperation within that framework should generate more resources and expand the market and space for African development. Indeed, Africa and China agree on the need to form a strong synergy between the BRI and the 2030 Agenda for Sustainable Development of the United Nations (UN), and the AU Agenda 2063, as well as the development strategies of individual African countries. The two sides further agree that closer connectivity in policy, infrastructure, trade, finance and people-to-people ties, strengthened industrial capacity cooperation and

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greater cooperation in the planning of African infrastructure and industrial development, will lend new impetus to the win–win relationship and common development between China and Africa.

One should note that the AU Agenda 2063, as a strategic framework for the socio-economic transformation of the continent over the next 50 years, emphasizes the need for integration as one of the key foundations to ensure that Africa achieves its goals for inclusive and sustainable growth and development. In particular, Aspiration 2 places importance on the need for Africa to develop world-class infrastructure that crisscrosses Africa and will improve connectivity through newer and bolder initiatives to link the continent by rail, road, sea and air, as well as developing regional and continental power pools and information communication technologies. The UN 2030 Agenda also serves as a guiding blueprint for development cooperation around the world, and in recent years, the international community has made initial progress in achieving the agenda's goals, but global development still remains unbalanced.

The AU and UN have been working together to synchronize the two agendas. In January 2018, the UN Secretary-General H.E. Antonio Guterres and the AU Commission Chairperson H.E. Moussa Faki Mahamat signed the AUUN Framework for the Implementation of Agenda 2063 and the 2030 Agenda, at the 30th AU Summit. The joint AUUN sustainable development framework envisions stronger coordination between the two organizations to ensure that the two agendas are mainstreamed and integrated into the national planning frameworks of member states and contribute positively to African development. A harmonized and integrated approach to the implementation of the two Agendas will help to minimize duplication, optimize resource use and mobilize the support of domestic and external stakeholders and development partners.

2020 was a challenging year for the entire world due to the COVID-19 pandemic, which has led to a slowdown in economic activities, destroyed value chains, caused the closure of companies and considerably reduced tax revenues in many countries. Africa has been negatively impacted by the pandemic and is now feeling the socio-economic impact despite efforts being undertaken to control and manage its impact across the continent. Equally, the COVID-19 pandemic has posed a serious threat to the 2030 Agenda, making it difficult to achieve its goals in all countries and for all people as scheduled.

China's remarkable achievements in poverty reduction and absolute poverty eradication in recent years have made it the first developing country to achieve the poverty-reduction targets set by the Millennium Development Goals (MDGs) ahead of schedule. Hence, there is a consensus that China's poverty reduction approach may serve as a useful model for Africa.

Through international cooperation on improving development capacity and optimizing development partnerships, China has helped Africa to mitigate the impact of the pandemic, so as to accelerate action for the 2030 Agenda and achieve common prosperity. China and Africa should continue to spearhead the epidemic response as guided by the Extraordinary China-Africa Summit on Solidarity against COVID-19, including steps like facilitating Africa's access to medical supplies from China,

speeding up the construction of the Africa CDC headquarters, and enhancing cooperation key areas such as health, vaccines and medicines, work and production resumption and improving people's livelihoods.

Africa has developed very concrete projects for the development of the continent in agriculture, trade and industry, infrastructure, etc. One of the key mechanisms that enables African development is the African Continental Free Trade Area (AfCFTA), which represents a window of opportunity for African countries to promote intra-African trade, diversify and structurally transform the continent's economy and pursue important socio-economic development goals. The goals of the AfCFTA are to harmonize the trade policies and regulatory frameworks, rationalize trade negotiations, reduce the cost of doing business, support industrialization and stimulate cross-border infrastructure projects. However, to realize these goals, a strong partnership with China through FOCAC and the BRI is required to mobilize resources and stakeholders to implement the Free Trade Area. The full implementation of the AfCFTA will also improve the prospects of Africa as an attractive investment destination. China and other partners will benefit from investment opportunities and access to a wider, more efficient and more harmonized market.

The recently adopted outline of the 14th Five-Year Plan (2021–2025) for National Economic and Social Development and the Long-Range Objectives Through the Year of 2035 by the 13th National People's Congress (NPC) envisages China achieving their goal of a moderately prosperous society in all respects within the set time frame, and will embark on a new journey in the coming years toward fully building a modern country and society. This also includes China entering into a new stage of development and adhering to a new development philosophy, through a new development paradigm with a focus on domestic circulation and with domestic and international circulations reinforcing each other. This approach may ultimately create broad market and development opportunities for Africa, which is critical to strengthening mutual trust at all levels and ensure win–win cooperation. China and Africa public and private sector partnerships will become a prior condition to any coordinated action.

2021 is an important year for China–Africa relations, as it will witness the holding of the next FOCAC meeting in Senegal, which will be a significant and far-reaching event that can take the win–win cooperation and common development between China and Africa to a higher level. China has already made Africa one of its key development partners, and there is a huge expectation that the forthcoming FOCAC will enhance the synergy between China's Two Centenary Goals and the AU 2063 Agenda as well as the development strategies of individual African countries. Post-COVID-19 socio-economic recovery, health, digital economy, blue economy and green development should be highlighted in the forthcoming FOCAC's agenda in addition to the usual topics.

Africa is undoubtedly the continent of the future and has enormous economic potential. This is in addition to its youthful population, which constitutes a large and rapidly growing proportion of the continent's population. Africa's population is currently 1.2 billion, and it is expected to more than double by 2050. Currently, 60% of the continent's population are under 25 years of age, and in 2050, Africa will be home to 452 million youth between the ages of 15 and 24. Africa's young population

represents an opportunity to drive the continent towards development. China, as a consistent partner of Africa and its member states, plays a key role in supporting the empowerment of youth in Africa through the promotion of knowledge sharing, entrepreneurship, cultural and experience exchanges.

While the FOCAC partnership has delivered many concrete outcomes that are mutually beneficial, China and Africa still need to utilize their partnership to the fullest extent in terms of the potential of the available market, investment, trade and business opportunities. There is a need to strengthen collaboration between Africa and China with the goal of achieving outcomes that are in line with the aspirations of Africa's Agenda 2063 and in achieving China's BRI cooperation objectives. This partnership will also support Africa in achieving the Sustainable Development targets established under UN the Agenda 2030. All stakeholders are called upon to play a key role in articulating the implementation of China-Africa development plans and mobilizing the necessary partnerships to achieve the desired effects.



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Solid Kenya–Sino Friendship Underscored in the Belt and Road Initiative



Sarah Serem

China and Africa relations have gained prominence in both scholarly and popular discourses not only due to the rapid growth experienced by both sides, but more so because of the former's transformative development that has enabled it to achieve the extraordinary feat of eradicating absolute poverty.

Kenya-China relations are no different. Kenya is placed in a ready-to-take-off position, a positive trajectory and will not need to reinvent the wheel to lift-off and rid itself the shackles of poverty. Kenya is willing to be a quick learner; to learn from China's success of lifting millions out of poverty and improving the livelihoods of its people in a single lifetime—a period of less than 50 years.

Kenya has seen considerable growth in the past few years with an average growth rate of over five percent. As of 2016, its gross domestic product (GDP) stood at USD 70.53 billion with a per capita income of USD 1,587. Kenya's economy is distinguished from most African countries by the fact that it is not only one of the most diversified, but also the most advanced.

Kenya-China relations have correctly delved into trade in recent years. According to Earl Conteh-Morgan (2018), by 2009, China had already surpassed all other developed nations and major trading blocs to become Africa's largest trading partner. As of 2020, China was Kenya's leading import source market accounting for over 20% of its total imports.

The friendship between Kenya and China can be traced back 600 years during the Ming Dynasty when a great navigator and voyager by the name of Zheng He landed in Kenya's coastal town of Malindi. Fast forward to 58 years ago in 1963 when Kenya gained independence and the two countries established diplomatic relations, settling the two countries on a steady path of increasingly significant mutual benefit and high-level exchanges.

Kenya's economy has followed a stable trajectory, providing an even larger market for international commodities. Critical events in recent years have served

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as marker-points in the positive story of Kenya's economic development. These include deepening regional integration, more foreign direct investment (FDI) and an increased number of international businesses setting up shop in Kenya. These combined markers have seen Kenya establish itself as the gateway to East and Central African markets.

In this positive context, Kenya launched Vision 2030, a national strategy that seeks to improve and build new infrastructure across the board, and the blueprint for Kenya's transformation into a rapidly industrializing prosperous middle-income nation by the year 2030. As Khan (2017) notes, the role of infrastructure in economic development is well-documented. China's engagement in building infrastructure has given great life to Africa's manufacturing sector and society in general.

To achieve the aspirations of Vision 2030's transformative agenda, Kenya has set goal-specific targets that make up what have come to be known as the "Big Four Agenda." The aim and the goals here are to build a united country with a fast-growing economy, where wealth is created and prosperity is shared among all citizens. The Big Four Agenda is a framework to organize and prioritize services and consists of four components: *manufacturing, universal access to healthcare, affordable housing and food security.*

In setting these goals and targets, Kenya is examining and taking notes on what China did. Kenya admires China's incredible development experience, whether in terms of manufacturing, infrastructure development, market access, value addition or mechanization of the agricultural sector. Kenya believes it can improve its manufacturing capability, buoyed by partners like China, and increase its share of GDP to 15%, which will generate employment and reduce our trade deficit.

In spite of its huge population, China is able to comfortably feed its people, thanks to targeted investment in agriculture. Despite agriculture being the mainstay of Kenya's economy, standing at 30% of GDP, this remains a challenge for Kenya and for Africa as a whole.

Although 60% of the world's arable land is in Africa, the continent's agricultural infrastructure requires investment. Up to 50% of agricultural produce in Kenya, for example, is wasted in post-harvest loss. Simple innovation in storage and packaging can once and for all sort out this problem. This sort of minor adjustment, coupled with investment, could enable Africa to be the breadbasket of the world instead of the net importer it currently is. This presents a good investment opportunity for China, the self-proclaimed friend of Kenya and Africa.

Kenya's investment environment is conducive and inviting. Kenya has made meticulous preparations as evidenced by its improved rankings in the World Bank "Ease of Doing Business" rankings. Part of this preparation included the removal of bureaucratic red-tape that impedes and slows down investment. One way this has been done is through the creation of the "One-Stop-Centre," which ensures efficient and effective services for the implementation of new investment proposals and cost-effective operations of existing investments and businesses. The One-Stop Centre, under the Kenya Investment Authority, brings together all key government departments that offer services for investors, thereby streamlining administrative procedures. In addition, the Kenya Investment Authority has "ready to invest" projects

complete with feasibility studies and growth projections. Special Economic Zones and Industrial Parks have already been identified and established across the country.

Investments in Kenya's port infrastructure has been of great benefit to Kenya as it additionally positions the country as the point of exit for products destined for Asia and Europe. The opportunities under the Belt and Road Initiative (BRI) portend great opportunities for Africa's development as set out in the African Union's "Agenda 2063". The benefits of the Chinese initiative are clear and are being realized in the form of increases in volume of exports, cultural and people-to-people exchanges and the creation of a vast interconnected economic zone from the rapidly developing AsiaPacific region to the east coast of Africa. The Kenya–China relationship plays an important role in the success of this initiative for mutual benefit and ensures security, stability and a favorable and sustainable investment environment.

Furthermore, not only does such infrastructure investment free up domestic resources, it enables these resources to be better channeled to the critical needs of education, employment and health care, while also facilitating industrial and commercial activities across the entire continent.

Overall, Chinese companies have upheld their social responsibilities during business operations in Africa, and as such have contributed to favorable local business environments. Studies by the Kenya–China Economic Trade Association, for example, have shown that, despite negative reports, the impact of Chinese construction companies in Kenya has been generally positive. By delivering quality work, enhancing competitiveness across the industry and having the discipline to deliver within or ahead of deadlines, China has helped Kenya make great strides in achieving its infrastructure development goals.

The citizens of African nations have a role to play in ensuring Chinese engagement with Africa serves to consolidate African independence, economic liberation and societal transformation. The meeting together of Chinese and Kenyans at the person-to-person level holds incredible potential. China is investing in technologies that have the potential to revolutionize economies and societies. Nearly all of the natural resources these technologies seek to utilize are on the continent. A new generation of scientists are working to ensure that African resources and the wealth that is created therein remain on the continent. Moreover, the China–Africa partnership is paving the way for African intellectuals, health workers, engineers and scientists and even traditional healers to transform and develop while still retaining key aspects of their respective cultures. China has demonstrated the ability to do this within its development path while also providing an alternate path for Africa and her aspirations.

That said, there is a continuing need to correct the trade imbalance between African countries and China and enable a fairer share of the benefits of trade. There are a number of solutions for achieving this. Firstly, China can consider reducing or removing tariffs on African goods it imports to give the countries better access to its market. Secondly, China can help African goods overcome non-tariff barriers and thirdly help promote African goods in China.

Further solutions include encouraging Chinese firms to manufacture goods in Africa, to sell to the world, and finally, establish more joint ventures, which will

make a significant contribution to helping African industries grow. It is clear, for example, that Kenya has been, and continues to be, one of the most stable countries and economic bases in Africa and, as such, is an important window and bridge for the outside world to engage in trade, investment and technological cooperation with Africa.

China's involvement in Kenya, as in Africa, can be characterized as a positive one. The BRI has opened the way for Kenya to bridge its infrastructure deficit, with clear outcomes for the growth of the nation's economy to date. The development potential presented by the BRI continue to be explored and additionally, presents a truly unique opportunity to rekindle an over 600-year-old relationship through people-to-people and cultural exchange. Ultimately, continued Sino–Kenyan cooperation will play a part in realizing the larger African aspirations of independence, economic liberation, social transformation and rightful enshrining of Africa's place in the world order.



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China and Ireland Economic and Finance Cooperation



Ann Derwin

Before my arrival in China as Ambassador of Ireland, like anyone else embarking on a posting to the Middle Kingdom, I spent a lot of time becoming acquainted with the different aspects of the bilateral relations between Ireland and China.

While I expected to see a positive and robust relationship, I was still struck by the sheer variety of areas in which Ireland and China cooperate. Very high among these areas was of course our relationship as trading and economic partners.

Irish and Chinese economies have much in common—economies previously heavily reliant on agriculture, which have been transformed in a relatively short space of time into highly advanced and technologically innovative economies. Both our governments place a great emphasis on education and innovation as a means to raise living standards. We are both determined to add our own unique skills and competencies to the advancement of the global economy.

Ireland and China are also two of the few countries who recorded GDP growth in 2020 despite the challenges of COVID-19.

1 Bilateral Trade Flows

Aligned with our commonalities, we have witnessed continual growth in our trading relationship in the decades since the establishment of diplomatic relations in 1979. This growth has increased rapidly in the last number of years with bilateral trade in goods and services rising from approximately EUR 7 billion in 2013 to over EUR 24 billion in 2019.

Despite the current pandemic, we continue to enjoy very strong trade flows. The year 2020 witnessed approximately EUR 16.8 billion in trade in goods comprised of

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over EUR 10.5 billion in Irish exports to China and EUR 6.2 billion in imports from China to Ireland. This represents an impressive 18% year on year growth from 2019.

As well as an active flow of goods and services in both directions, Ireland also engages actively on the ground with China through its extensive physical Team Ireland presence. At present, Ireland is represented by our Embassy in Beijing, our resident Consulates General in Shanghai and Hong Kong and our State agencies across the cities of Beijing, Shanghai, Hong Kong and Shenzhen.

Enterprise Ireland, the IDA, Bord Bia and Tourism Ireland all play a major role in actively promoting Ireland in China and raising awareness of our country and its wide range of unique offerings across a multitude of sectors.

Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets by working in partnership with Irish companies to help them start, grow, innovate and win export sales in global markets.

IDA Ireland's main objective is to encourage investment into Ireland by foreign-owned companies. Bord Bia, Ireland's food promotion agency is responsible for bringing Ireland's outstanding food, drink and horticulture to the world, thus enabling growth and sustainability of producers. Tourism Ireland is responsible for marketing the island of Ireland overseas as a leading holiday destination.

In many cities across China, Ireland's Embassy, Consulate and State agency representatives work hard to promote Ireland and Irish businesses and companies introducing top-quality Irish produce to Chinese audiences. From trade and investment exhibitions, seafood and food and beverage trade fairs to education Expos and cultural promotion events, Team Ireland maximises both physical and increasingly virtual events and opportunities to promote Ireland.

Ireland has enduring relationships with China's top international trade fairs, with participation in both the China International Import Exhibition (CIIE) in Shanghai and the China International Fair for Trade in Services (CIFTIS) in Beijing in recent years.

In terms of Chinese investment into Ireland, we continue to witness very strong growth in this area. Chinese foreign direct investment (FDI) into Ireland rose by 56% to EUR 130.5 million in 2019. 2020 saw further major Chinese investment into Ireland with Huawei expanding its Irish operations in terms of investment and employment and TikTok announcing in 2021 that it intended on establishing its first European data centre in Ireland as part of a EUR 460 million investment into Ireland.

The Irish Government, with strong engagement from its Chinese counterpart, intends to capitalise on the extensive complementarities between, on the one hand, China's national economic priorities as set out in its 14th Five-Year Plan, and on the other hand, the strengths that Ireland has to offer. Ireland's particular strengths lie in innovation, entrepreneurship, science and technology including R&D, higher education, high technology including green, clean and FinTech, financial services, food, agri-science and food safety systems.

2 Research and Development

Outside of trade flows, there are also many compatibilities between Chinese and Irish economies. Many of the highest priority areas contained in the recently announced 14th Five-Year Plan such as sustainable urbanisation, innovation, research and development, green development and regional development are areas, in which key Irish policy makers have a keen interest. Furthermore, in many of these areas, Ireland is highly ranked in global rankings.

Ireland's global rankings in research and development have risen sharply in recent years with particularly strong performances in the following areas:

- No. 1 ranking in Nanotechnology,
- No. 2 ranking in Animal and Dairy Science and Immunology,
- No. 2 ranking in Computer Science,
- No. 3 ranking in Animal Husbandry and Dairy Science, and
- No. 5 ranking in Materials Science.

Irish higher education institutes are very much a part of the research and development ecosystem in Ireland and linked to this are their relationships with fellow educational institutes around the world. In terms of Ireland–China educational collaboration, there are now more than 200 joint higher education programmes between educational institutes in China and Ireland.

Additionally, a revised memorandum of understanding to promote cooperation on science, technology and innovation was signed between Ireland and China in July 2019. This will allow our countries deepen our relationships in the area of research and innovation, which is also essential to deliver on our shared ambitions to become global innovation leaders.

Enduring people-to-people links between Ireland and China are very much in evidence in the education field in the thousands of students in Ireland and China, who seize the opportunity to study in our respective countries annually.

3 Financial Services

Expertise in internationally traded specialist financial services has been a core part of Ireland's offering to the world for over three decades. Ireland's proven capabilities across international banking, insurance, aviation financing, FinTech and payments and asset management and fund services industries have been a constant source of growth and pride.

Connecting international asset managers from around the world with clients from 70 countries illustrates how Ireland's wider financial services sector operates as a gateway to Europe—we use our skills to build success for our partners and ourselves.

In April 2019, the Government of Ireland launched *Ireland for Finance*, its whole-of-Government strategy for the further development of the international financial

services sector in Ireland to 2025. The vision of the strategy is for Ireland to be a top-tier location of choice for specialist international financial services.

The employment target for the strategy is to reach 50,000 people in direct employment in the sector by 2025. This compares with 44,000 people directly employed in the sector at the end of 2018.

The strategy is structured around the following four pillars:

1. The operating environment pillar focuses on ensuring the policy, culture and legislative conditions underpinning international financial services will support growth.
2. The technology and innovation pillar focuses on providing a collaborative approach to addressing emerging challenges and opportunities in technological developments.
3. The talent pillar seeks to ensure that we continue to have skilled people to meet the demands of the international financial services sector, including meeting new and changing skills.
4. The communications and promotion pillar focuses on ensuring that Ireland's international financial offering is communicated to all those who are or may be attracted to investing in Ireland.

Three horizontal priorities apply across the four pillars: regionalization, sustainable finance and diversity.

The Ireland for Finance Strategy also recognises that organisations that are diverse improve collaboration and drive better financial performance by harnessing the power of different experiences, knowledge and skills. Within this space, gender diversity plays a crucial role and can enhance the process and quality of decision-making.

Crucial to building success in the long term is sustained investment in knowledge and relationships. Ireland can, and increasingly will, provide inbound access to investment managers looking to deploy capital in the Chinese securities markets—the previous work of industry participants around the Stock Connect infrastructure and grant of RQFII quota to Ireland in late 2016 are testament to this.

Just as important, the rapid development of asset management capabilities in China will naturally seek new markets and client bases to extend and increase the size of their international businesses. Ireland, as a global centre for asset management and fund services, is ready to assist in this journey.

4 Green Finance

In relation to Green Finance, the Irish Government has long recognised the importance of this area with Ireland being among the first countries to make Green Finance a strategic priority, with Government policy backing since 2012.

The Irish Government's National Mitigation Action plan includes as a specific action the need to explore how to best attract domestic and international capital towards the financing of our decarbonisation efforts.

However, as well as the very important role that Green Finance has to play with regard to supporting our decarbonisation efforts, so too does it present exciting opportunities. This is even more pertinent as the sustainable finance initiative at the EU level gains momentum.

Since arriving in China, I have read and heard much about China's efforts in this area, and I believe this is an area of much potential partnership for both Ireland and China.

5 FinTech

Irish FinTech exports to China have increased significantly over the last five years with more Irish FinTech companies entering the Chinese market than ever before. Some of China's largest financial institutions and organisations currently use Irish FinTech solutions. These include Bank of China, ICBC, HSBC, RBC, Hong Kong Jockey Club, Sensetime, and Bytedance.

Ireland's FinTech capabilities are wide ranging, but Irish FinTech is particularly strong in two key areas—RegTech and Payments—with exports to China in these areas continuing to exhibit strong growth. Irish RegTech companies have established a world-class reputation for helping financial services customers deal with the increasingly complex and rapidly evolving regulation—as well as continuous disruption and transformation—which characterises the industry today including in the Chinese market. The Irish RegTech Cluster includes highly regarded Irish companies such as Fenargo, Know Your Customer, Daon and MyComplianceOffice all entering the Chinese market.

In the Payments area, Ireland also comes out as a world leader with Irish companies such as Fexco, Taxback International, CurrencyFair, MiFinity and Ding leading the charge. Irish payments companies are partnering with Chinese payment companies in order to enhance the Europe–China payments corridor. Examples of such partnerships include:

- CurrencyFair, a leading provider of International Money Transfer services to consumers and businesses worldwide recently announced a major expansion into China through the signing of a strategic partnership with Hong Kong-based Convoy Payment, a subsidiary of Convoy Global Holdings, and
- MiFinity, another Irish remittance company, is licensed to acquire UnionPay traffic and support a cross border remittance service via UnionPay MoneyExpress.

More broadly, Ireland is renowned as a centre of global financial services with hundreds of the world's leading financial services firms currently operating in Ireland and 40% of the world's hedge fund assets being serviced by Ireland. Ireland currently ranks fourth globally in terms of export of financial services.

One of the most recent success stories in terms of Irish FinTech companies in China is that of Global Shares. Global Shares is the fastest growing Irish FinTech company in China at present and is one of only a handful of companies worldwide

that offer fully outsourced employee share plan management working with public and private companies through employee equity FinTech and share-dealing solutions. Having established its first office in Hong Kong in 2018 and an office in Beijing in 2019, Global Shares has displayed phenomenal growth, and it is evidence that much more potential exists for their rapid growth in the Chinese market.

6 Women in Business, Finance and Entrepreneurship in Ireland

Diversity in business and finance is also a major priority for Ireland as we believe that it is crucial in order to best reflect the modern and globalised society in which we live. It is also vital to delivering a more sustainable and inclusive economy for us all. In order to better cultivate a more gender-diverse business environment in Ireland, our State trade promotion agency, Enterprise Ireland, introduced an action plan for Women in Business in January 2020. Ireland believes that increasing the participation of women in establishing, leading and growing enterprises will result in better business and more rapid and sustainable long-term economic growth.

The action plan is based on four pillars:

1. Increasing the number of women-led established companies growing internationally,
2. Increasing the number of women in middle and senior management and leadership roles in Irish companies,
3. Increasing the number of women becoming entrepreneurs (we are investing in a national network of role models to interact with and inspire future entrepreneurs), and
4. Increasing the number of women-led start-ups with high growth potential (we've set up a dedicated team to support female founders and have issued a series of funding calls targeting women entrepreneurs and researchers from third-level institutions.)

The action plan has also set targets including increases in:

- the number of women-led companies growing internationally,
- the participation rate of women on Enterprise Ireland Management Development programmes,
- the number of women participants on start-up programmes,
- Local Enterprise Office supports to women in business, and
- the proportion of female-founded High-Potential Start-Ups.

In the Ireland for Finance Action Plan 2019, the Industry Advisory Committee (IAC) was tasked with developing a Women in Finance Charter (WIF Charter). The WIF Charter entails companies that sign the Charter committing to supporting the progression of women into senior roles in the financial services sector by focusing on the executive pipeline and mid-tier level positions.

International comparators such as the UK's Women in Finance Charter, launched in March 2016, have been signed by more than 350 organisations covering 800,000 employees across the UK financial services sector. Ireland is aiming to build on this international example, and significant progress has been made.

In Action Plan 2020, the Irish finance industry committed to work on a similar charter or seek a suitable and up-to-date alternative and seek signatory organisations. The Irish Government has noted significant progress in this regard. On 8 March 2019, the Irish Government agreed to establish a public sector network within the 30% Club Ireland. This initiative, based on the 30% Club global campaign, offers opportunities to promote greater gender balance in the public sector, in addition to sharing good practices on promoting women in leadership between the public and corporate sectors.

Across all sectors in Ireland, the proportion of applications by women for approval for board-level positions increased from 20% in 2018 to 26% in 2019. The proportion of women applying for approval for management-level positions was higher, but remained static at 29% in both 2018 and 2019. In 2021, the work on diversity and gender balance will continue, pressing to ensure diversity and gender balance is a priority and agenda point in international financial services firms. It is also important to continue to drive the agenda to the next level.

At the small and medium enterprise level, Ireland is also making a difference in supporting early-stage and female entrepreneurs and women in business. Through the nationwide programme, ACORNS, Irish female entrepreneurs in rural locations are given the opportunity to tap into the experience and mentorship of fellow female entrepreneurs. Ireland faces a similar challenge to China in coming up with ways to address the urban/rural divide, especially in terms of incentives for businesses outside the main commercial centres. Through this programme, Ireland has been able to successfully support its early-stage female entrepreneurs in growing their businesses.

Going for growth is another initiative introduced by the Irish government designed to support women in growing their own businesses. Participants are offered a unique learning environment with a peer-led approach based on the shared experiences of both a lead entrepreneur and other participants facing common challenges.

7 International Financial Institutions

Ireland-China cooperation in the sphere of economics and finance also extends to international financial institutions. Ireland became a member of the Asian Infrastructure Investment Bank (AIIB) in October 2017 and is a member of the Euro Area Constituency of the Bank along with other Euro Area AIIB members (Cyprus, Germany, France, Italy, Spain, Austria, Finland, Luxembourg, Malta, Netherlands and Portugal).

Ireland very much values its membership of multilateral financial institutions such as the AIIB and fully supports its key aims of fostering economic development and regional integration in Asia.

AIIB membership also complements Ireland's international development policy, broadening the scope of our development assistance to Asia and aligning with priorities including sustainable development and inclusive economic growth.

Ireland and the other EU members of the AIIB are keen to ensure that the AIIB's innovative approach is complemented by robust governance standards on a par with other multilateral development banks.

8 Conclusion

Overall, cooperation between Ireland and China across the economic, trade and finance spectrum remains one of our strongest and fastest growing linkages. As our relationship in these areas continues to evolve, I am sure that both Ireland and China will be able to benefit from the growing fruits of our relationship.

As China becomes an ever more influential partner on the world stage and key member of the multilateral trading system, cooperation and engagement between our countries will become ever more important.



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Facing Global Challenges Together

The Blue Marble: An Essay on the Commonality of Human Experience



Alenka Suhadolnik

The following essay consists of three sections, which respectively borrow the titles of one magazine, one exhibition and one novel. This text is a short reflection into the universality of the human experience and the tasks that face the global community. I believe the arts have a crucial role in revealing this, which I hope to showcase through the three aforementioned cultural pieces.

1 The Whole Earth

In the fall of 1968, the first volume of an American counterculture magazine, *Whole Earth Catalog*, published one of the first photographs of the earth from outer space in color: a blue and white alabaster ball on a black background. This iconic image later became known as the “blue marble.”

The magazine featured product reviews as well as essays and articles, focusing on ecology, self-sufficiency, DIY projects and holism. Through these contributions, it succeeded in forging alliances between traditionally opposing social groups. Namely, between the military responsible for the space program and the nascent ecological movement, as well as the emerging fields of computer science cybernetics and informatics. Steve Jobs has even compared the *Whole Earth Catalog* to Google, saying that it was “one of the bibles of (his) generation.” He added: “It was sort of like Google in paperback form, 35 years before Google came along. It was idealistic and overflowing with neat tools and great notions.”

The “Blue Marble” thus became an iconic image for the next few decades and a powerful visual articulation of the commonality and universality of the human experience. An image of our planet that redefined the world as we knew it, because we

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could see the world from the outside, without borders, without centers or peripheries; we no longer saw the land we stood on, but a planet among the planets.

The whole earth, finite in its resources, is the only one we have, and it belongs to all of us. Utopian universalism was inscribed into this image of the whole earth, which became the catalyst for the ecological movement and a reminder of the human condition.

2 The Family of Man

First curated in 1955, in the wake of World War II, *The Family of Man* is hailed as the most successful photography exhibition ever assembled (Azoulay 2013; Latour 2018). 503 pictures from 68 countries by 273 artists adorned the walls of the Museum of Modern Art (MoMA) in New York City from January to May. Spearheaded by photographer, painter and curator Edward Steichen; the exhibition was published in a catalog of the same name, which reproduced all 503 photographs. Since its publication, it has sold over four million copies and has been continuously in print. The exhibition toured the world for eight years, attracting more than nine million visitors.

The aim of the exhibition was to showcase the commonality of human experience though the common language of photography, attempting to answer two fundamental questions on the human condition: “What is humanity?” and “What does humanity have in common?”

The exhibit and publication have been subject to various interpretations and critiques. The exhibition has faced backlash for propagating American values, disguised as universal values, under the watchful gaze of Uncle Sam. It has also been criticized for being too sentimental, derivative, ideological and culturally colonial. Despite this, *The Family of Man* remains the most visited photography exhibition of all time. As Ariela Azoulay art curator, author and filmmaker—explains the exhibition audience understood the universal message of the artwork, whether they liked the photographs or not. Azoulay presents the exhibition not only as an important milestone in the history of photography but also as a “seminal event in the history of the relationship between photography and human rights” and also as “the visual proxy of the UN Universal Declaration of Human Rights.”

The photographs in the exhibition were comprised of 37 sections: birth, marriage, children, work, relationships, learning, death, aloneness and compassion being among them. The exhibition has, by juxtaposing photographs of the same situation, succeeded in establishing a universal visual discourse.

In the here and now, the world is battling a global pandemic, which is equally heavily documented through photographs, articles and social media posts. Our collective universal experience is established through the commonality of fear. The fear of getting sick, of getting others sick, of losing our dignity, of our loneliness, of the future and what the future brings. A universal experience now no longer requires

an outside perspective: we simply need to look at ourselves and our smartphones in order to understand what the rest of the world is going through.

COVID-19 is not the first pandemic of the modern age. The Spanish flu is also an example of a fairly recent global pandemic, which affected the world from 1918 to 1920 and nearly decimated Europe. 500 million people fell ill and at least 40 million died from the illness. These numbers were higher than the casualties of the First World War. Because the illness erupted at a time when WWI was just ending, historians were ill equipped to address the pandemic to the point one would expect, considering the extraordinarily high casualties.

Because of our technologically connected, globalized world, the pandemic of our time is nothing like the Spanish flu. While we could initially hope that the pandemic would be contained within certain regions, the virus quickly spread between countries and continents. The world went into lockdown and began practicing social distancing. While everyone else quarantined in their homes, scientists retreated into their labs in order to come up with a vaccine that could prevent patients from getting the virus, which they discovered surprisingly quickly. Thanks to technological advancements and Internet access, new social interactions and bonds were formed, through school, work, cooking classes, workshops, music lessons and much more on Zoom: all transferred from real life to the virtual world.

COVID-19 affected all of us, regardless of where we were from or where we lived.

3 The Ministry for the Future

The Ministry for the Future is a novel written by American author Kim Stanley Robinson in 2020 and belongs to the novel genre of climate fiction, which deals with the consequences of climate change in the world as we know it or in the near future, as opposed to science fiction, which most often deals with apocalyptic worlds out of our realm of reality.

Robinson's novel combines fictional eyewitness accounts on global warming with non-fictional excerpts on climate change—the main question of our time. The protagonist of the novel is Mary Murphy, the former foreign minister of Ireland, who is leading a new climate institution under the Paris Climate Agreement. The mission of this institution, soon after named “The Ministry for the Future,” is to defend the rights of posterity, which have the same validity as the rights of the present generation.

The story follows Ms. Murphy as she manages to convince the central banks that the stability of their currencies and the international financial system is in danger because of the climate crisis. Despite the powerful vested interests of both countries and industries, she finds her answers in a coordinated global round of green quantitative easing through a new complementary crypto currency: Carbon Coin. Since central banks are bound to long-term purchase, Carbon Coin becomes the safest investment and the global economic system becomes motivated to fight against global warming.

When doing research for his book, Robinson kept coming back to diplomacy, international organizations, central banks, regulation of the international financial system, and rule of law, as essential tools for tackling climate change.

Much like Ms. Murphy, we are also taking strides toward international climate diplomacy, which are marked by two climate summits this year. Namely, the UN Climate Change Conference (COP26) in Glasgow and the UN Biodiversity Conference (COP15) in Kunming. 2021 is, therefore, a fundamental year for collective global action. While we work on containing a worldwide health crisis and restarting the global economy, many countries are recognizing it is time we develop and accomplish tangible environmental missions, since climate change is already showing its dire consequences. With increased sea levels, melting ice caps and extreme weather events such as floods, drought, loss of biodiversity and wildfires, the next ten years are crucial.

4 The Coronavirus as a Lesson for All Crises

The Coronavirus pandemic has shed additional light on the climate crisis, which according to climatologists is the tragedy of the time horizon, while the pandemic is a tragedy that is happening here and now. Nevertheless, both are equally unprecedented and require our immediate attention.

What lessons can we learn from this pandemic? And which can we use to tackle climate change?

The Coronavirus crisis has put global public health at the forefront of challenges that are facing humanity. The necessity of a robust public health system and health as a global public good have been put in focus. But we now understand that global public health is not just a matter of national health systems and international health organizations, but also a matter of academia, non-governmental and philanthropic organizations, healthcare workers, as well as individual healthcare activists and advocates. The same sort of activism and building of alliances is needed in order to preserve biodiversity and combat global warming.

In 2021, we understand that fast, massive behavioral change is possible. We now know that we can adapt, because we've seen ourselves adapt through our own eyes, through our own experiences. We saw ourselves, as well as our friends and family, stay home in order to protect those who are more vulnerable and more susceptible to complications due to the Coronavirus. We self-isolated today so that we could spend time together tomorrow. We know we can implement and carry out lasting, systemic changes in behavior in order to protect others. Not just in today's generation but also in future ones.

This present health crisis has once again shown that all crises increase inequality. COVID-19 has upended all aspects of our lives. And while we are equal in a commonality of fear, we are also becoming more unequal in other aspects within and between countries. We are not equal in terms of vaccine accessibility, the nature of our work, the social care systems that allow for the needed support of the most vulnerable, nor

are we equal in the possibilities of a prompt economic recovery. Women, who globally represent 70% of the employees in the informal sector, are especially burdened.

According to philosopher Dr. Bruno Latour, “everyone now knows that the climate question is at the heart of all geopolitical issues and that it is directly tied to questions of injustice and inequality.” With an untamed climate crisis, the inequalities would be much bigger and more disruptive.

A global pandemic is also a time to globally rethink how our society works. Hasn't visionary systemic change always occurred during or after major crises or wars? This occurred with the formation of the United Nations in the wake of the Second World War, aiming to prevent future wars. Later on, in 1948, the Universal Declaration of Human Right was adopted.

Agreements on climate change mitigation and adaptation are already becoming part of a global social contract. The right to a healthy environment is gaining recognition at national and regional levels. It has acquired constitutional recognition and protection in 110 states, while over 120 states have ratified regional treaties that explicitly include the right to a healthy environment. The formal recognition by the United Nations of the human right to a safe, clean, healthy and sustainable environment would be an important step forward. Much needs to be done in this year, and in the crucial next decade, in order to tame climate change.

This unprecedented health crisis has allowed us to recognize that the burden of a global catastrophe needs to be more equally distributed between individuals, businesses and governments. Because of this, governments are unveiling the biggest stimulus packages in history for economic recovery and supporting their citizens who lost their jobs, their businesses and their homes. The role of governments in tackling the crisis caused by the Coronavirus pandemic is widely recognized. For example, the European Union has adopted the Next Generation EU COVID-19 stimulus package, a EUR 750 billion temporary instrument, which will help repair the social and economic damage caused by the COVID-19 pandemic. Together with the EU's long-term budget, the Next Generation EU will be the largest stimulus package ever financed through the EU. The aim of this sizable stimulus is to build a greener, more digital and more resilient Europe.

In 2020, we learned that investments in science and research can change the world, as we have witnessed in the race for the COVID-19 vaccine, which is by far the largest public health operation in history. If the global community would apply the same vigor, and invest in research and innovation addressing climate change, we could expect the same results on climate health.

We have also discovered that questions of health and environment are inextricably linked. When the pandemic first began, health professionals began to advise the public to wash their hands at least six to ten times a day. And in order to wash your hands, you need water. In 2010, the United Nations General Assembly endorsed the human right to water and sanitation and acknowledged that clean drinking water and sanitation are essential to the realization of all human rights. Never before have we better understood the meaning of WASH (water, sanitation and hygiene) as we do today.

5 Water as a Right and Mechanism for Peace

Water is set to become a strategic asset of the twenty-first century and one of the most important global challenges we face. 40% of the world's population is already affected by water scarcity, while water demand is set to rise more than 50% by 2030. Over 2.1 billion people worldwide suffer from not having adequate water access, while 2.3 billion (meaning, approximately 30% of the world's population) do not have access to improved sanitation.

Allow me to briefly introduce my country's stance and ambitions on the issue of water. Slovenia is one of the most water rich European countries and the second in Europe to amend its constitution by including a right to drinking water. It has an abundance of lakes, rivers, streams and freshwater springs. This has inspired Slovenia to establish a good precedent on water and integrated water management, as well as on transboundary water cooperation on a bilateral and regional level. The understanding of water as a public good resulted in the Slovenian parliament's adoption of the 2016 amendment which declared water "a public good managed by the state" and "not a market commodity."

The importance that Slovenia puts on the issue of water is reflected in the fact that water will be one of the priorities during our Presidency of the Council of the European Union in the second half of 2021. Slovenia will be advocating for water to be systematically and comprehensively embedded across all aspects and facets of the EU's external action. Our approach is based on the triple "humanitarian-development-peace" nexus, essentially promoting water cooperation as a mechanism for peace, development, as well as political and social security, while emphasizing the human right to water and sanitation.

While the Coronavirus crisis changed political and environmental priorities for 2020, 2021 still brought us a certain amount of optimism. At the UN General Assembly last September, the President of China, Xi Jinping announced "a peak of carbon emissions before 2030" and pledged to "achieve carbon neutrality before 2060." President Xi emphasized: "COVID-19 reminds us that humankind should launch a green revolution." Meanwhile, the United States of America has returned to the Paris Agreement and the European Union remains committed to their environmental missions and aims to become the first climate neutral continent. At the announcement of the European Green Deal, the European Commission President Ursula von der Leyen stated in a video interview: "This is Europe's man on the moon moment... Our goal is to reconcile the economy with our planet."

As much as we need measures and campaigns in order to stop the pandemic, we need measures and campaigns against climate change. In order to achieve this, we will need to build alliances: top down, bottom up and also side to side. We need inclusive, emancipatory and collective engagement in order to create a society that is safe for all. The good news is we already have the blueprints necessary for tackling climate change and are armed with knowledge from the Coronavirus pandemic. With the help of the Paris Climate Agreement and the UN Sustainable Development Goals, we can shift from climate fiction to climate action.

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Toward Building New Sino–Dutch Green Partnerships



Wim Geerts

1 Introduction

The 2021 is a crucial year in the global fight against climate change, with the Climate COP26 in Glasgow, UK, in November and the Biodiversity COP15 in Kunming, China, in Q4. We need to deliver results to make sure the Paris Agreement can be fully implemented and show that the world is not backtracking on its commitment to reaching climate goals due to the crisis caused by COVID-19. The Netherlands stays fully committed to the goals set in the Paris Agreement and stands ready to work together with China and others to encourage greater ambition in both COPs.

Like many other countries, the Netherlands very much welcomed President Xi's speech during the United Nations General Assembly on September 22, 2020, in which he announced that China will strive to become carbon neutral by 2060 and to peak its CO₂ emissions by 2030, as well as the more concrete 2030 targets announced by the president at the virtual Climate Ambition Summit in December 2020. If we are to reach the climate goals of the Paris Agreement, we need China to be a frontrunner.

At last year's Two Sessions, the 14th Five-year Plan was adopted, and although this plan does not set new commitments to reach the 2060 carbon neutrality goal or to peak CO₂ emissions earlier than 2030, we have high hopes that China will enhance its policy ambitions through its sectoral five-year plans and the national peak action plan.

The Netherlands and China are already working together in many areas linked to climate goals. We have a long history in energy cooperation, especially in offshore wind, and have cooperated extensively to make agriculture more sustainable and improve food quality. We have also worked intensively on water management, in areas including sponge cities and river basin monitoring, environment and transport, and last but not least, we have seen strong growth in scientific collaboration over the years.

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Especially now, in these times of economic turbulence and geopolitical change, it is important that we continue to invest in our relationship and join forces to deal with the challenges ahead, and climate change is the most important global challenge of our time.

In this article, we will look at current collaborative efforts and explore areas for the future cooperation. To put this into context, I will first explain which commitments the Netherlands and the EU have made in order to reach the climate goals of the Paris Agreement.

2 Netherlands National Climate Agreement and EU Green Deal

In 2019, the Netherlands launched its national Climate Agreement, with the following commitments:

- By 2030, we aim to achieve a reduction in greenhouse gas emissions (GHG) by 49% compared to 1990 levels;
- By 2050, we aim to achieve a reduction in GHG of 95% compared to 1990 levels; as for electricity generation, our target is to be 100% CO₂ neutral in 2050.

Our national Climate Agreement was supplemented by the Dutch-integrated National Energy and Climate Plan 2021–2030 (NECP), which contains the main priorities of the climate and energy policy for the next ten years.

At the same time, the European Union has announced its Green Deal, in which it pledges to reach climate neutrality by 2050. With this Green Deal, the European Union is showing leadership and is setting an example: It has stepped up its domestic commitments, adopting an objective of climate neutrality by 2050 and enhancing its short-term GHG emission reduction target to at least 55% by 2030 compared to 1990.

To reach these ambitious targets, a lot of work needs to be done in all aspects of the economy, including:

- investing in environmentally friendly technologies;
- supporting industries to innovate;
- rolling out cleaner, cheaper and healthier forms of private and public transport;
- decarbonizing the energy sector;
- ensuring buildings are more energy-efficient;
- working with international partners to improve global environmental standards.

In transitioning toward a climate neutral economy, China, the EU and the Netherlands are facing similar opportunities and challenges. That is why, we need to keep sharing knowledge and continue establishing green partnerships.

3 Energy Cooperation

As previously mentioned, China and the Netherlands have a long history in energy cooperation, especially in the offshore wind sector. Dutch companies are strongly involved in the energy transition in China. Among these efforts, the following are especially notable:

- **Wind Power:** Around 20 Dutch companies are already active in the offshore wind sector. Now, that wind turbines for offshore wind farms are getting bigger, and the location of the wind farms is getting further away from the coast, and Dutch expertise in doing complex projects on sea can contribute to technical solutions;
- **Clean Energy and Energy Storage:** Since hydrogen became a new topic in clean energy and energy storage solutions, we have been actively providing platforms for Sino–Dutch cooperation on hydrogen. The Dutch hydrogen energy sector has teamed up in a Partners for International Business (PIB) project with outstanding Dutch companies and knowledge institutions aiming to develop and implement H2 energy application demonstration projects in China. In this respect, a large-scale fact-finding mission was organized together with the UNDP to explore cooperation opportunities in southern China, and many of these companies also participated in the UNDP H2 Conference in the city of Foshan.

We have now entered a new decade where the time has come to transition from fossil fuels to renewables. Burning coal for energy production, even in its cleanest form, is no longer a viable economic option, with low prices for renewables, nor is it a Paris proof avenue.

Sustainability, affordability and reliability are key in the development of the offshore wind in the Netherlands. For a better positioning of offshore wind in the energy system, both in the Netherlands and internationally, the advancement and introduction of technical innovations in the offshore wind market are vital. One of the ways we are stimulating technical innovation is through the Offshore Wind Innovation Challenge, which is already in its fourth year. Through this challenge, start-ups and small businesses can apply to find a solution to one of the challenges that leading companies in the offshore wind sector have formulated. This year's Offshore Wind Innovating Challenge is aimed at finding less expensive and more efficient ways of monitoring biodiversity in Offshore Wind Farms and at creating the perfect artificial reef.

The Netherlands is also strong in sustainable construction, using energy-efficient technologies and solutions. We have already begun discussions and are cooperating with several Chinese cities on promoting circular economic growth, smart city development and zero-waste urban development. There is a mutual benefit in making cities more green and emissions-free.

In the Netherlands, we are committed to creating a carbon neutral environment by 2050. In the last few years, over 450 innovation projects have begun, focusing on issues ranging from solar power technology, reduction in energy consumption, sustainable heating and cooling systems and smart IT solutions.

4 A More Sustainable Food System

The Netherlands and China face similar global challenges when it comes to agriculture, feeding their populations with relatively limited arable land, while tackling climate change. This is especially true in the Netherlands as half of the country's land is below sea level. The food industry accounts for nearly one-third of global GHG emissions and consumes large amounts of natural resources.

The Netherlands supports the EU farm-to-fork strategy, which is a part of the EU Green Deal. The European Commission has set targets to reduce pesticide use by 50% by 2030 and nutrient losses by 50% by 2030 to improve water and soil quality. China and the Netherlands have a long history of cooperation in making agriculture more sustainable and improving food quality.

Sustainability is both good for the planet and profit, as it can improve competitiveness and resilience. In the Netherlands, this transition in sustainability is both driven by both companies and research institutes. This valuable knowledge exchange creates solid business cases. This success has been expanded to China, with the Dutch Farm Training Center in pig production and the Sino-Dutch Dairy Development Center. Wageningen University and Research Center is also working closely with Chinese universities.

In the aftermath of the hugely disruptive African swine fever, China is on the eve of redesigning its pig sector. China has the ambition to steadily develop pork production and make the industry more sustainable. A consortium of 14 Dutch companies and knowledge institutes has started working on the development of an innovative, responsible and animal-friendly growth model for the pig farming sector in China. The first achievement is the construction of a Research Test and Training Center (RTTC) in Anping, where Dutch knowledge and expertise will be applied to create better living conditions for people and animals in and around the Chinese pig farming sector.

They are using this state-of-the-art center to help guide China into the future with more sustainable production methods and equipment, like decreasing the use

of energy by using ventilation systems that are close to energy neutral and reducing emissions by using biological air wash installations.

There is also strong cooperation between China and the Netherlands in dairy production. In November 2013, China Agricultural University, Wageningen University and Research Center and Dutch company FrieslandCampina launched the Sino–Dutch Dairy Development Center (SDDDC) in Beijing. Since then, ten more partners have joined this center, from both the Netherlands and China. The objective of the center is to improve dairy production, safety and quality levels throughout the entire dairy chain in China. This includes the reduction of emissions at dairy farms by, for example, manure separation treatment to close the nutrient cycle and improvements in feeding practices to reduce ammonia emissions from cows.

The Dutch greenhouse horticulture sector also works with the PIB NL Protected Agri-Alliance China to develop and implement integral and sustainable high-tech greenhouse horticulture agroparks near metropolitan areas. In the Dutch experience, it is possible to replace pesticides in greenhouses by using the natural enemies of insects and micro-organisms to combat pests and plant diseases. Dutch companies and research institutes have applied their knowledge to reduce pesticide emissions from horticulture and contribute to the goal of reducing pesticide use to protect water and soil.

The Netherlands welcomes Chinese efforts in environmentally friendly agriculture to use resources more efficiently and promote soil and water conservation. Dutch agriculture is well-known for its quality and resource efficiency, and the Dutch agri-food sector is working well with Chinese counterparts to develop a more sustainable food system in China.

5 Cooperation on Water Management, Environment and Transport

China and the Netherlands have a longstanding relationship in the field of water management, the environment and transportation. In a fast-changing world, in which China plays a pivotal role, cooperation in these areas serves as a tool for mutual learning and development that can contribute to progress in both China and the Netherlands.

For instance, over a decade ago, the Dutch Ministry of Infrastructure and Water Management and the Chinese Ministry of Water Resources (MWR) started to work together in a concrete, problem-oriented spirit of cooperation to learn from each other. Future cooperation between the Netherlands and China will shift from classical water management-related topics to an integrated approach of climate adaptation.

During the Climate Adaptation Summit in January 2021, hosted by the Netherlands, China underlined the equal importance of mitigation and adaptation and the importance of adaptation on a global scale. Furthermore, China stated that it had formulated a national strategy of adapting to climate change for 2035 to make the

country more resilient to climate risks. It underlines the importance of adaptation as well as an integrated approach in urban planning and water management in China and the Netherlands. Cooperation in this field will increase through deepened policy and knowledge exchanges. In environmental cooperation, the Netherlands is a member of the China Council for International Cooperation on Environment and Development, which will become more important in advising the Chinese central government as environmental issues become more acute.

In the transport sector, rapid developments are taking place that have the potential to improve sustainability and contribute to lowering emissions. Developments on new energy and new technologies for ships, zero emissions in urban freight vehicles, zero carbon port development and railway freight are only a few of the topics that are important and need bilateral and multilateral cooperation to accelerate the reform process.

6 Scientific Collaboration

The Netherlands is one of the most important countries for science. All of our universities are listed in the top 200 of the Times Higher Education Ranking, and we consistently rank among the top five countries in the OECD's list of most innovative countries. An important reason for that is that industry, academia and tertiary education institutes are very closely connected and open to cooperation. We also rank fourth in the world in terms of the number of citations per paper, a proxy for the overall quality of our scientific production. Another success factor is that our country is very open to international cooperation, both in science and innovation.

Scientific collaboration with China has grown strongly over the years. Nowadays, all research universities and many universities of applied sciences have ongoing collaborations with Chinese counterparts. These collaborations vary from joint Ph.D. programs to visiting fellowships and full-blown joint research projects. There are about 5,000 Chinese bachelor and master students at our universities and another 500 Ph.D. students.

Some examples of scientific collaboration include:

- LIAMA institute, in which the Center for Mathematics and Computer Sciences (CWI, Amsterdam), CAS Institute of Automation and INRIA from France cooperate. This institute is dedicated to joint research projects in applied mathematics and dates back to 1997. Its research focuses on trustworthy computing, multi-modal sensing and scene understanding and computational models for earth and life sciences. The institute has generated a dozen joint research projects in these areas, with the support of both governments.
- The Sino–Dutch Summer School on semiconductors, which brings together the 40 most brilliant Ph.D. students in semiconductors from both countries for a week of lectures by the most experienced professors and researchers. Besides the obvious academic interest, this is an excellent tool to foster people-to-people relations.

- The Dutch Council for Scientific Research (NWO) has set up a co-funding program with the Chinese Academy of Science (CAS) to support research projects in the area of vertical farming. Already, two large-scale projects have been approved for funding for the coming four years. Within this program, researchers and industrial partners from both countries will work together to tackle challenges on among others energy-efficiency, crop sciences and prediction models.

7 Looking Ahead

The Dutch priorities and objectives for COP26 are in greening financial flows, clean energy, adaption and resilience, nature-based solutions and clean road transport. Under the umbrella of our clean energy priorities, the following points are most relevant:

- We play an active role in the Powering Past Coal Alliance (PPCA) to phase out the use of coal in the world's energy mix and phase out international coal finance. We would like to see China adopt its ambitions and join the Alliance;
- The Netherlands is also active in (research on) carbon capture, utilization and storage (CCUS). For its further deployment, we can share learnings from the Port of Rotterdam CO₂ Transport Hub and Offshore Storage Project (Porthos), the first large-scale industrial cluster of CCS;
- On April 15, 2021, the Netherlands co-hosted the World Circular Economy Forum where the crucial role of the transition to a circular economy in achieving the Paris goals was discussed. By designing out waste, avoiding pollution and keeping materials in use as long as possible, it is possible to reduce climate emissions by about 20%. To achieve climate neutrality, it is important to look beyond energy-efficiency, and all work toward a circular shift across the world.

For COP15, the Netherlands hopes that negotiations can resume soon, so that we can adopt a post-2020 global biodiversity framework in Kunming in 2021. Our country is working to this end in concert with the other member states of the European Union.

The Netherlands would like the new framework to include a focus on making international trade sustainable and on the role of the financial sector. Besides cost prices, food safety and food security, trade and industry also need to take more account of their impact on biodiversity.

We stand ready to build new Sino–Dutch green partnerships to face our common challenges.



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Finland's Open Code for Better Education—Opportunities for Sino–Finnish Cooperation



Jarno Syrjälä

1 Finland and China—70 Years of Diplomatic Relations

Finland and China have a long and prosperous history together. Finland was among the first Western countries to recognize China. In 2020, we celebrated the 70th anniversary of our diplomatic relations, which began on October 28, 1950 when the two countries established ties.

In the following decades, China and Finland have each seen significant development and success stories of their own. China has risen to the ranks of the great powers, or even super powers, both politically and economically. Finland has become a modern Western welfare state, and is known in China, for example, for its high competence in education, Finland also earned the accolade of being named the happiest country in the world in 2020 for the third time in a row.

In parallel with these developments, we have created a strong foundation for interaction between our two nations. This relationship has developed in a way that is mutually beneficial and satisfactory. We value the friendship between our countries and hope that cooperation will develop further. Finland and China are very different countries in terms of size or population, but the strength of our relationship lies in the fact that we actually complement each other in many respects.

The interaction between our countries is active. An important step in strengthening bilateral relations was taken in 2017, when a new type of partnership was agreed to during President Xi Jinping's state visit to Finland. The partnership was related to an implementation plan for 2019–2023 that was published in connection with President Sauli Niinistö's state visit in January 2019. The bilateral partnership between China and Finland is an excellent complement to the comprehensive strategic partnership between the European Union and China.

Trade and economic cooperation in particular has always played an important role in relations between Finland and China. Finland was the first Western country

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to conclude a bilateral trade agreement with China, which happened as early as 1953. Today, economic cooperation is much more than just trade in goods. It is trade in services, investments, education, research and development and much more. Currently, China is also home to almost 400 Finnish companies. In recent years, before the COVID-19 pandemic, more and more Chinese tourists were also travelling to our beautiful country.

Today education is an integral and well-established part of bilateral cooperation between Finland and China. Like in so many other sectors, the momentum to further develop our relations in the field of education is upon us. We in Finland are willing to share the lessons learnt in the course of developing our educational system. Teacher training, vocational education and training (VET), early childhood education and care, learning games and other digital learning environments, consultation on education systems and physical learning environments are among the sectors where Finnish know-how is available. Education cooperation on commercial basis has also emerged in order to meet the demand for Finnish know-how and expertise. There is a good number of actors ranging from educational institutions to private companies working with their Chinese partners. In order to better understand what we can do together, it is good to know some basic facts about Finland and its education system.

2 Finland's Thirst for Education

Finland is a country where people believe in education. Even today, there is a broad national consensus that Finland's well-being is and will be based on knowledge and expertise. Our Government has set an ambitious vision for 2025: for Finland to be a country where everybody wants to learn more all the time.

In order to understand where Finland is heading, it is also necessary to understand where it is coming from. Over its more than 100 years of independence, Finland has been transformed from a poor, agrarian country into a prosperous, safe and highly progressive society. Today, Finland is the most stable country in the world. We believe education has been one of the most important reasons behind this success and education will continue to define Finland's future.

Again, how did we get to this point? I would like to stress the importance of a clear vision, a long-term perspective and strategy supported by evidence-informed research. Finland's success in international comparisons is partly explained by our foresight in educational trends, development-oriented evaluation and research, openness to new ideas and the formulation of reforms together with relevant stakeholders—researchers, teachers, parents and education experts. It is very important to ensure the different voices of all stakeholders are heard, and Finnish decision makers have done just that for decades now.

The basic principle of Finnish education is equality. All people have equal access to high-quality education and training, no matter their gender, location, social position or wealth. This is a fundamentally important principle, and we will do our best to ensure that equality is maintained also in the years to come. Another important aspect

of this is that the quality of education is the same everywhere in Finland, no matter the size or location of the school. There is very little difference in what is learned and nearly all students complete comprehensive school within a targeted period of time.

2.1 It All Starts with ABC

There are deep historical roots for this development, which is related to our national awakening and religion. Literacy plays a key role in Lutheranism, the state and majority religion of Finland, as Christians are supposed to be able to read the Bible in their native language so they have firsthand access to original texts, and not just the hearsay of charismatic speakers. These values have stayed with Finns into today's more secular era. Bishop Mikael Agricola studied under Martin Luther and translated the New Testament into Finnish in 1548. Agricola's a primer called *Abckiria* (ABC Book) and is considered the first piece of literature in Finnish. The first schools in Finland were established by the Church in the Middle Ages and the Church was responsible for education until the 1850s. In the thirteenth century, there was a seminary for boys who planned to become priests in the town of Turku, and later, the first grammar school was founded in Turku in 1630, followed by the first university in 1640.

The Finnish literacy rate reached over 50 percent in the late eighteenth century and 80–90 percent by the mid-nineteenth century. As there were no schools in municipal outskirts, reading was taught in ambulatory schools. The ceremony of Confirmation at a church, a rite of transition to adulthood, was only permissible to the literate, and enabled entrance into marriage, for example. Official statistics are available since 1880, when literacy was 97.6%.

The early education system under Swedish rule was in the Swedish language. It consisted of primary education, meaning reading and writing, a trivial school teaching grammar, Latin, Greek, rhetoric and dialectics. After that, it was possible to enter the gymnasium, which prepared a select few for university studies. In the mid-nineteenth century, Finnish became an official language, and gradually replaced Swedish as the language used for schooling. In 1898, everyone was given the right to attend schools. Attendance reached 50% in 1911 and became mandatory in 1921, after Finland had gained its independence in 1917. At the time, municipalities were obliged to provide schooling. Free school lunches became a reality in 1948.

2.2 Equipped for the Future

A major educational reform was implemented in 1972–1977 based on the fundamental understanding of the need to provide good education for all. While the Finnish educational system has witnessed numerous reforms since then, this was the period

during which its firm foundations were established. Today, the Finnish educational system consists of (i) early childhood education and care, (ii) pre-primary education, (iii) basic education, (iv) general upper secondary education, (v) vocational education, (vi) higher education and (vii) adult education. Today, we speak increasingly of lifelong learning, or continuous education, where each level of education equips us for the future.

Finnish legislation guides comprehensive education. National curriculum bases and local curricula are also in use. Teachers are at liberty to create their lesson plans independently based on the national and local curricula. Recently, curricula have included, for example, entities that cover several subjects, investigating daily phenomena and information and communications technology. Children often have the same teacher for the first six years. The teacher gets to know the students well and is able to develop courses to suit their needs. One important goal is that the students learn how to think for themselves and assume responsibility over their own learning.

Compulsory schooling has consisted of one-year pre-primary education for six-year-olds and nine-year basic education for children aged 7–16. The latest education reform is the extension of compulsory education due to become effective in 2021, raising the age of compulsory education to 18 years and extending compulsory education to upper secondary education. Upper secondary education consists of three-year general or vocational education and training leading to matriculation examination or vocational qualification, respectively.

Preschool education, comprehensive education and upper secondary education are free of charge and higher education is for the most part free of charge. As mentioned, the goal is for everyone to have an equal opportunity to receive high-quality education regardless of the family's income and to grow up to become active citizens.

The ethos of the Finnish comprehensive school system has been to not leave any child behind. More resources are directed to children who need extra help, remedial teaching, classes in Finnish/Swedish as a second language, or classes for other native languages. Schools also offer health and counselling services.

2.3 In Teachers We Trust

The cornerstone of any school or educational system is its teachers. Well-trained, highly competent teachers are a vital part of the Finnish system. For example, all comprehensive school teachers have a relevant Master's degree with pedagogical training. Teachers for grades 1–6 are specialized in pedagogy, while those teaching grades 7–9 are specialized in the subjects they teach.

In Finland, teaching is a respected profession, and an education in teaching is an attractive path for students to take. Only the best applicants are selected into such programs. In some cases less than 10 percent of the applicants are accepted, making it more difficult to become a teacher than it is to become a doctor. Teachers, as valued experts, have considerable autonomy in their work, and are well motivated to

constantly develop their skills. Furthermore, for them, learning does not stop upon graduation.

At Finnish schools, great attention is placed on increasing the motivation to learn. This is central for the idea of lifelong learning. School is about work and requires effort, of course. Yet, why should we not try to find innovative ways to improve the joy of learning?

In the Finnish system, there is a holistic approach to children's well-being and learning is at the core. Good results have been achieved despite relatively short school days, proper 15 min breaks in fresh air between classes, a small amount of homework, nutritious lunches and average costs. The idea is to maximize the potential of every student. Free learning materials, school meals and healthcare as well as guidance and counselling services are available to all students.

The Finnish education system is also flexible. There are no dead ends and decisions on one's education are not binding: learners can always continue their studies in several directions. Adult education is also very popular. It includes a multitude of alternatives from comprehensive to higher education.

It is worth remembering that these good results were not achieved overnight. It has taken decades and many reforms to get the Finnish educational system to where it is now. Finland has advanced education in a systematic way in broad cooperation with stakeholders.

2.4 Trending Now: Vocational Education and Training (VET)

The rapid change of society in general is creating significant pressure for the education system to “get on with the times.” The way to globalization, digitalization and automation is paved with many challenges shared by countries around the globe. In this situation, the Finns will also have to take their already successful school system to a new level. This calls for intensive reforms, both in teacher education and at schools. As the world around us is evolving at an ever-increasing pace, so too must pedagogical methods, learning and ways of thinking at schools.

Lately, we have reformed our VET system so that it is ready to meet the future needs of a changing labor market. Many traditional professions are expected to disappear in the coming decades and entirely new ones will be born in their place.

In Finland, VET is not a second choice, but it is steadily becoming more and more attractive. Today, almost half of graduates choose VET. The main reasons for this are that work-based learning is included in all VET programs; there are opportunities for individual learning pathways and competence development, and also the fact that if a student is motivated enough, the pathway to higher education remains an option.

Finnish VET students are proud of their studies and, based on the recent surveys, VET students feel happier at school compared to students in other sectors. Vocational qualifications are no longer defined by the length of study in a curriculum and solely

by the performance of the student. The objective is to build a flexible vocational education system, which responds in the best possible way to the needs of professional life and enhances lifelong learning, that is, the ability to learn.

Representatives of employers, workers and trade unions have been very closely engaged in the development of VET programs for years. Their role has been active both at the national and regional level as well as in individual schools.

In fact, close cooperation between VET and companies has made it possible for companies to influence the kinds of programs offered through VET and ensured that their own employees will have a chance to have adequate additional training, if needed.

2.5 Nothing Worth Having Comes Easy

Despite the many successes of the Finnish education system, it is not without its challenges and open questions. Developing education is a perplexing task in Finland as well. The popularity of science, technology, engineering and mathematics as subjects and related programs has been decreasing in many countries across the world, and Finland is no exception to this. In order to remain an innovative, future-oriented country, it is important to make these subjects more appealing. Finnish experts are currently trying to find ways to encourage young people, especially girls, to pursue careers in science and technology.

At the same time, the gap between boys' and girls' performance in basic education has been a topic of discussion for some time. While Finnish girls do very well in school, the boys are not achieving as high a level. It seems that boys are less interested in reading and in learning. Boys are also more likely to drop out of school. We are now studying the underlying reasons for this in order to find a solution to the problem. This is not easy in a society where the fight against needless gender stereotypes coincides. Addressing the differences in girls' and boys' learning needs requires mindfulness and sensitivity to interpret, and eventually correct, the phenomenon. If we do not address the situation, we cannot claim that we have learned from our past when only boys were allowed to go to school.

3 Sino–Finnish Cooperation in Education—Exploring the Common Ground

Today, Finland is the home of one of the best educational systems in the world. Professional freedom, resilience and capacity for renewal sum it up well. Finland is also a country where the most inspiring learning and education will take place in the years to come. It will be an interesting journey and, as said, we are ready to share our experiences. We are open for cooperation.

China and Finland share a reform-orientated approach to education. At the same time, for both of us, education is a public good with intrinsic value. While many thoroughly thought-out rules and regulations guide our educational systems, cooperation is about exploring and finding common ground. We believe there are numerous areas open for cooperation, such as early childhood education, teacher training, VET reform and academic exchange. Just how extensive this common ground is must be explored together.

Early childhood education plays an important part in promoting the well-being, learning and equality of children. Research indicates that early childhood education prevents learning difficulties and levels out differences in children's development and socioeconomic background. The Finnish model is based on the "educare principle" where education, teaching, learning and care are integrated. This is where the love for learning can start, so it must be built in children's own terms. A happy child learns better. There is considerable interest in China in the pedagogical models used in Finnish early childhood education and some kindergartens have already adopted similar models, but we can do much more.

Equal opportunity and superb **teacher training** are the building blocks of Finland's comprehensive education. A motivated teacher teaches better. Our higher education institutions have offered teacher training packages for Chinese partner institutions for some time already. Numerous sister schools from all around China and Finland share learning and teaching experiences on regular basis and student groups have visited one another.

Countries all around the world are now focusing increasingly on VET. We all understand the need for highly skilled labor at all levels as our societies become more advanced and more digitalized. Finland carried out **VET reform** several years ago, and China is in the process of going through a similar process. Finland has come a long way in making VET the preferred choice for many youngsters. Perhaps cooperation in VET can be the next success story in our active bilateral relations. The world is increasingly connected and global learning should be an integral part of VET as well.

Chinese and Finnish higher education institutions have numerous linkages from **student and academic staff mobility** to research cooperation. As illustrated in the development of Finnish education system, we have built our successes on research-based knowledge. Scientific research benefits people and society through the advancement of knowledge. Openness and mobility of talent are the best guarantees of academic excellence and increase our prospects in finding solutions to both smaller and major challenges.

A high-level of civilization and a curiosity in all things are ingredients for a blossoming society. This is what we believe in Finland. Educational curricula can never be built solely on the basis of current economic needs and require a continuous drive to explore and build knowledge and innovation. Finland will continue its exploration of science, culture and knowledge sharing, wherever that journey may take us. We invite our friends in China and around the world to join us aboard.



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Challenges and Opportunities for Colombia and China



Luis Diego Monsalve

Colombia and China established diplomatic relations on February 7, 1980 and the ties forged in politics, economy and cooperation over more than 40 years have now reached their highest point, demonstrating a true friendship that lasts forever. From the beginning, both countries, regardless of the crisis faced, have shown interest in continuing to strengthen their ties and looking toward a prosperous future.

It is undeniable that when we think about humanity, its history, the conception of nations and also the beginning of an international system based on common goals, rules and multilateralism, we must accept that by default the words change, challenge and opportunity have been the driving forces for development. In this context, today and in recent history, humanity has faced tremendous challenges such as the Great Depression, the First World War, the Second World War and today the COVID-19 pandemic, each of which has reinforced the relationship between countries. In the reality and complexity of today's world, we all wonder what the world will be like in the post-pandemic era. As some experts have said, the Coronavirus is not just a health crisis of immense proportion, it will inevitably result in the restructuring of the global economic order, and in this unprecedented new reality, we will witness a dramatic break with the ways society has traditionally operated. The COVID-19 pandemic is a challenge for the world in all aspects. All the policies adopted by governments around the world to reduce the spread of the virus have had an unprecedented impact on trade, social interaction, education, culture and much more.

However, when we are rethinking global geopolitics and the impact on society, we can clearly state that we are on the right track. Of course, history has shown us that humanity is living its own bumpy road. However, as human beings, we have demonstrated time and again our resilience, and in the case of the relationship between Colombia and China, we can only predict a wonderful prospect.

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1 A Foundation of Strong Political Ties

Political exchanges and high-level visits have been the pillar of the evolution of our relationship, with the leaders of both countries sharing positions and agreeing on ways to work together in different areas. Through mechanisms such as political consultations such as the tenth meeting, which took place in November 2020 and allowed both parties to follow up on commitments and agree on new strategies.

On the Chinese side, many personalities and leaders have visited Colombia, including former Minister of Foreign Affairs Huang Hua (1981), the State Councilor and Minister of Foreign Affairs Wang Yi (2017) as well as various ministers in different areas, leaders of the Standing Committee of the National People's Congress of China such as Zhang Dejiang (2014), prime ministers such as Li Keqiang (2015) and presidents before taking office such as Hu Jintao (1999) and Xi Jinping (2009). At the same time, representatives of the Colombian side have made numerous official visits from local authorities to ministers, party members, congressmen and vice presidents. At the highest level, the last five Presidents of Colombia have made State Visits to the People's Republic of China, namely Ernesto Samper (1996), Andrés Pastrana (1999), Álvaro Uribe (2005), Juan Manuel Santos (2012) and Iván Duque (2019).

In July 2019, President Duque made a State Visit to China, traveling to Beijing and Shanghai on his first tour of Asia. He visited only China and it was less than a year since his inauguration, which is considered a milestone in the relationship and resulted in bilateral agreements in which both leaders agreed on a comprehensive strategy for the coming years. During this important event, around eleven agreements were signed in transportation, electronic commerce, justice, agriculture, education and technology.

In this area, we still face some challenges, and we must continue to work and establish a regular and consistent strategy from both parties to promote more regular visits from our leaders. In this spirit, our president extended an invitation to President Xi Jinping to make a State Visit to our country, which will be the highest-level visit in the history of our bilateral relations, and we hope that it will take place during the president's next tour to Latin America. Of course, once again, the COVID-19 pandemic particularly affected the free movement of people around the world and in this case official travel. However, we hope that after all flight and migration restrictions are lifted due to the COVID-19 pandemic, we can make several technical visits by our Vice President, Ministers of Commerce, Agriculture, Science, among others, which will help promote specific areas of cooperation.

Finally, we are working to implement what both leaders agreed to in 2019, regarding the launch of the Colombo China Strategy within the framework of the Belt and Road Initiative. Basically, it will be a roadmap for the coming years with concrete and ambitious goals to deepen the relationship and create a strategic alliance.

2 Diverse Exchanges in Commerce and Culture

Colombia and China are definitely countries full of diversity evident in their varied territories and regions. Consequently, another area in which cooperation and political exchange are being strengthened is between local authorities, for the establishment of sister cities and the development of common agendas based on trade and investment, political dialogue and generation of cultural and educational opportunities. Within this framework, there are agreements and exchanges between Atlántico-Jiangsu (2001), Barranquilla-Nanjing (2001), Bogotá-Guangzhou (2016), Ibagué-Chengdu (2017), Casanare-Ningxia (2018), Neiva-Xi'an (2018), Sucre-Hainan (2019), Cartagena-Qingdao (2019), Bogotá-Chengdu (2019) and many others. The embassy has been working on video conferences with local Colombian authorities to identify opportunities and methods of cooperation. On the other hand, the Ambassador has been developing an active agenda visiting more than 22 provinces to learn more about each one, generate exchanges, present areas of collaboration and intensify exchanges. As concrete results, exclusive offers of scholarships for Colombians have been obtained and recently Antioquia and Fujian signed an agreement to establish a relationship as sister provinces. This is undoubtedly a new approach to the relationship between China and Colombia in a changing context, in which we are empowering local authorities to promote more exchanges and contacts between people to emphasize the importance of mutual understanding.

In trade matters, both countries have a wide range of agreements such as the Trade Cooperation Agreement signed in 1981, which includes a Joint Commission for Trade and Investment, which has held eight meetings, the last one in 2012. Both countries are expected to resume this mechanism and hold new meetings on a regular basis starting this year, proposing new tasks to promote commercial exchanges. Likewise, there was also the Economic Cooperation Agreement signed in 1985, which establishes all the economic cooperation agreements that are signed periodically for the allocation of resources and projects of strategic interest. In addition, there was also the Protocol for the Export of Bananas (2002), which is currently being updated to expand the number of regions able to export; some sanitary and phytosanitary cooperation agreements signed in 2005, to stimulate collaboration and communication between the health authorities of both countries; a Bilateral Investment Treaty that came into force in 2012; a Protocol for the Export of Avocados that allowed access to this fruit in 2019 during President Duque's visit, as well as a Memorandum of Understanding on Electronic Commerce signed during the same visit, which encourages exchanges in this area by taking advantage of the advances of China and seeking to position Colombian products on different platforms.

The evolution of the economic exchange figures today positions China as Colombia's second trading partner in both imports and exports, in which for 2019, global trade amounted to more than USD 15.5 billion. In other words, we went from exporting around USD 17 million in 1991 to USD 4.5 billion in 2019, which is equivalent to an increase of more than 268 times the initial value. Similarly, in imports, we went from importing USD 8 million in 1991 to around USD 11 billion in

2019, which is equivalent to 1,375 times the initial value. Unfortunately, last year, we only exported USD 2.7 billion and imported USD 10.3 billion. Despite this downturn, the export of non-mining products, which is our main focus, increased in 31%. Although the progress of trade is evident, we are aware on both sides that the trade deficit must be reduced through the expansion of Colombian exports, and that this can be achieved by ensuring that the two economies complement each other. In addition, from Colombia, the goal is to increase exports, mainly non-mining products, and diversify the export basket, which is currently made up of more than 80% oil and its derivatives.

In this sense, strategies promoted by different government entities, mainly the Agency for the Promotion of Exports, Tourism and Investment-ProColombia, are identifying ways to expand the presence of Colombian products in the Chinese market, and drive an increase in both volumes and figures. Within these trends, for example, in 2019 Colombia participated in the second China International Import Expo-CIIE, the largest import fair in the world, where the Colombian delegation was led by the Vice Minister of Foreign Trade, Laura Valdivieso, and the president of ProColombia, Flavia Santoro. This was the first time that Colombia participated in this fair, at which it had a number of stands including a national pavilion, a commercial stand for ProColombia and the Colombo China Chamber of Commerce and Investments with nine companies focused on agro-industrial products, two stands for the International Trade Center (ITC), with seven companies (four focused on agro-industrial and three on services); and two stands promoting emeralds. Last year, during the third edition of the fair, Colombian companies also participated with a stand from the agro-industrial sector led by ProColombia and the Colombo-China Chamber of Commerce and Investments, with seven companies focusing on coffee, cocoa, pork and fruit.

As part of our efforts to diversify our export basket, a sector that has been identified as having great potential is fashion, because it offers high-quality products with innovative proposals and exclusive designs. Some important Colombian luxury clothing designs are already available on electronic platforms and boutiques, and there is a physical store for swimsuits in Sanya, the most famous beach destination in China. To promote this sector, ProColombia arranged the participation of 23 companies at China Fashion Week in May 2020, and 13 companies at the Beijing Fashion Week held in September 2020.

Despite all the new realities in terms of the supply chain and logistics, which are a result of the pandemic, the goals in this field are aimed at expanding exports of agricultural products (currently only amounting to 3.5%), where Colombia will focus on high-quality products seeking to increase the amount of coffee (green and roasted), fresh and canned flowers, chocolates, bananas and avocados it exports while also gaining access to new tropical fruits such as lemon, passion fruit, mango and pineapple, and products such as beef and pork. Additionally, it is important to position some products such as alcoholic beverages (rum), healthy drinks, haute couture, swimwear and control clothing. To this end, our strategies are focused on stimulating the relationship between health authorities, participation in events, fairs

and seminars, where Colombia expects to attend as a guest of honor in the fourth China International Import Expo and expand its presence in trade platforms.

China has become Colombia's second trading partner worldwide in terms of both exports and imports, and there have been irrefutable achievements in this area, where we have overcome hurdles like geographical distance, language barriers and differences in laws. However, we still have some important concerns that we need to address: 1. We must reduce the existing trade deficit of around USD 7 billion. 2. We must diversify the export basket (around 90% is oil and mining), eliminating non-tariff barriers and moving faster in the admission process. 3. We must also establish a common strategy to increase the joint promotion of Colombian products in China and facilitate access to new channels such as e-commerce.

Regarding investment flows, there is a Bilateral Investment Treaty to promote bilateral flows. The number of Chinese companies that have settled in Colombia has steadily increased, and today there are more than 80 companies in different sectors such as infrastructure, technology, automotive, renewable energy, oil and gas, mining, among others. The last two years were extraordinary in this area with Chinese companies winning the most important bids for infrastructure projects in Colombia, such as the Bogotá Metro, which is the largest project of its kind in Latin America; Regiotram Railway; several projects in the renewable energy sector, some of which are already in operation; mining; water treatment facilities; hospitals, etc. Considering Colombia's interest in attracting more Chinese investment, the Embassy in Beijing, along with ProColombia, has created an event called "Coffee with the Ambassador" where we periodically present all the opportunities and new projects in the pipeline.

In a recently published analysis, UNCTAD revised its projections on the potential impact of the COVID-19 pandemic on FDI and global supply chains. The update predicts downward pressure on estimated global FDI that, of course, is also affecting the relationship between China and Colombia, mainly in creating new opportunities. However, the Colombian proposals are mainly based on mega investments and large-scale projects, and in this sense, we are driving and expanding the benefits for Chinese companies, while also creating events to help them better understand the requirements and procedures. To adapt these new challenges, Colombia has mainly used webinars and online events.

It is clear that the global economy will take another shape after COVID-19, including how investors will view resilience and risk. According to some firms and academics, companies, especially in the manufacturing sector, will reconsider their location footprints and seek to regionalize or localize their production and supply chains to mitigate risk. Companies will have to prioritize supply chain resilience over the current focus on efficiency. Therefore, there will also be other opportunities to explore with China in terms of FDI, taking into account our advantages in the region and the need for companies to ensure a constant supply to consumers, through the adaptation of their production. Colombia is strategically located in the middle of the Americas, enabling us to act as a regional export platform.

Despite the fact that the world is facing a global contraction due to COVID-19, Colombia continues to be one of the countries with the best growth projections

in Latin America. We are the fourth-largest economy in the region and have seen sustained growth in recent years, dynamism and recognized stability. In addition, we have a market of around 50 million people, rooted in a growing middle class with high purchasing power. The Colombian government is dedicated to improving its competitiveness as an engine of economic growth, and in this sense, we offer many incentives to promote FDI. As a result, Colombia has established itself as the third-largest recipient of foreign investment in our region and is among the top 30 countries worldwide. The world showed its confidence and trust in Colombia when we officially became the 37th member of the OECD.

For this reason, there is also a growing interest of Chinese companies in establishing themselves in Colombia to produce and cover the regional market in sectors such as technology, construction materials, clothing and medical devices. Even though Chinese investment is increasing in Colombia, and currently ranks first among major Asian investors, we are eager to continue exploring new opportunities in these new circumstances. The main challenges are: 1. to continue working closely to promote investment projects and gain a better understanding of local regulations, benefits, and advantages; and 2. to establish better strategies between both countries to promote the transfer of knowledge and technology in order to meet Chinese requirements.

Tourism is also an important sector in which Colombia is expanding its offer, seeking to increase the number of Chinese tourists, which is currently growing at 15% annually through new marketing strategies such as a special agreement with BAIDU, and webinars with travel agencies, reaching around 21,000 in 2019. Unfortunately, this sector was one of the most affected by the pandemic, and will only restart internationally, and under normal conditions, once COVID-19 is under control and regular flights have resumed. Therefore, we need to add new variables and value to our proposals, linked not only to adapting to the demands of Chinese tourists, but also to an extra component that we are currently working on, biosecurity. Colombia has already taken very strong measures to guarantee safe destinations, and prepared the country so that as our marketing states: We are ready to receive them in the most welcoming place on earth! These days, Colombia offers many new exclusive destinations with unique experiences in terms of bird watching, UNESCO heritage sites, main cities such as Cartagena, attractions of the Coffee Axis and much more.

3 Exchange and Education

Cooperation has been one of the most important tools to generate trust and friendship between both countries. In this sense, the framework for cooperation in different fields is the Cooperation Agreement signed in 1981 and some subsidiary agreements signed for specific topics. Since then, different activities have been carried out in agriculture, demining, defense, science and technology, construction, transportation and infrastructure among others. Through donations, courses, seminars, joint

committees, and visits, both countries have established ambitious projects to share best practices and develop capacities.

In this area, during this year, one of the greatest signs of friendship took place, reaffirming that despite any crisis, we have been committed to each other, confirming that “a friend in need is a friend indeed.” During the COVID-19 pandemic, both countries supported the other through donations, especially of personal protective equipment (PPE), in which Chinese donations to Colombia from local governments, the national government and companies, were valued at USD 1.5 million. In this battle, Colombia and China continue to work together, exchanging best practices and knowledge to improve the capacity for control, prevention and treatment. Recently, we continued to cooperate, and Colombia bought Chinese vaccines from the pharmaceutical company SINOVAC, which arrived in Colombia in February 2021, marking an important event for the entire country, in terms of reaffirming the government’s commitment to the National Vaccination Plan, as well as a sign of hope for our people. Consequently, there was a very positive environment and it attracted extensive media coverage throughout the process. President Duque, the Vice President and the Chinese Ambassador in Bogotá held a joint press conference at the airport depot to keep the country informed about the successful arrival and distribution in Colombia. This is an important sign of how opportunities open up during a crisis and continue to strengthen the bond between the two countries. Since then, we have received a total of 7.5 million doses.

Another area related to enhancing political understanding and cooperation is culture. Culture creates more personal exchanges and a better mutual understanding that can bring countries closer. To this end, Colombia and China signed a Cultural Agreement in 1981, which includes activities in the arts, music and literature. Over the past 41 years, both countries have carried out different activities that represent their culture including dances such as the famous Barranquilla Carnival as well as performances of salsa and ballet; music ranging from lyrical singers to the best of our folklore; theater such as Chinese opera; cinema with several film festivals; literary activities including the visit of the Chinese Nobel Laureate Mo Yan to Colombia and various activities related to our Colombian Nobel Gabriel García Márquez; visual arts with exhibitions by renowned artists such as the painter and sculptor Fernando Botero; and museum exhibits such as pre-Columbian gold pieces at the Bogotá Gold Museum and a terracotta warriors exhibit at the National Museum of Colombia. Of course, the pandemic also affected this area, but we continue to work to create new opportunities using technology. Recently, we held cultural presentations such as *Salsa con Delirio* online and the Chinese New Year Gala was broadcast nationwide Colombian television.

In education, every year, more Colombians decide to study in China, and more Chinese students visit Colombia. Within the framework of the agreement signed in 1981, every three years, both countries agree on an implementation plan that includes activities and scholarships. China offers scholarships every year through the China Scholarship Council, the Colombian Institute for Educational Credit and Technical Studies Abroad-ICETEX and the Chinese Embassy in Colombia. Likewise, Colombia grants scholarships to Chinese citizens through ICETEX. Here, it is

important to note that during the 2020 scholarship call, more than 300 Colombian students applied for the 70 scholarships offered, which shows the interest of Colombian students to study in China. During the last call, and despite the pandemic, more than 60 Colombians applied for 30 scholarships. Consequently, the Embassy is designing a new strategy to access more scholarships through local governments, universities, companies and other sponsors. In addition, many universities have agreed to bilateral student exchange programs to promote joint studies in a multicultural environment. However, we need to create new ways to improve the relationship in education, taking into account that currently there are many restrictions for students to travel abroad, which is why, for example, Chinese universities are providing online courses.

Both countries have also made significant efforts to overcome the language barrier. In particular, Colombia has made Spanish accessible to our Chinese friends through programs like ELE-FOCALAE, through which Chinese students or tour guides receive full scholarships to learn Spanish for four months, a partnership with ICETEX and local universities to through which Colombia welcomed Chinese students to our country to learn Spanish while teaching Chinese language and culture for an academic year, and sent Spanish teachers to China to train public officials. Likewise, China established three Confucius Institutes—two with universities offering classes for enrolled students and beyond: Andes has included high school students in three affiliated classrooms and has reached second-tier cities such as Bucaramanga and Cali and Universidad Jorge Tadeo Lozano, which for two years has partnered with the National Learning Service-SENA, the Colombian public institution in charge of vocational training to bring Chinese to the departments of Atlántico, Bolívar, Caldas and Quindío. A third institute was established by the city of Medellín with EAFIT University and includes nine teaching locations around the city. There is also a Confucius classroom at the Colegio Nueva Granada.

As you will have noticed, the political, economic and cooperation relationships between both countries has been full of challenges, adapting many times to the changing context of the world, but at the same time, there have always been many opportunities. We have been working closely in many fields that are important for the development of each country, to strengthen this true and lasting friendship. The pandemic is just one more challenge that we will also successfully overcome as part of the same human family, based in the spirit of multilateralism and cooperation. Without a doubt, Colombia and China will continue to work together in the face of any obstacles in the future.



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The Fight Against Poverty in Algeria and China



Ahcène Boukhelfa

As soon as I arrived in China, I was immediately struck by the magnitude of the movement that I perceived as a powerful engine driving all of Chinese society. I felt like I was in a country in action driven by a strong dynamic pushing it to always move forward.

Every day a new achievement, an important scientific or technological discovery, a technical progress in this or that field were announced. In short, we felt that we were living times that were out of the ordinary. We told each other that we had a strong feeling of living history, of being in history that was being made.

Moreover, indeed, we witnessed a truly extraordinary event when the Chinese government announced the end of poverty in China.

By the end of 2020, the 1,113 villages in the 52 districts that were still considered poor in China were finally lifted out of poverty. After eight years of hard work, nearly 100 million people in poor rural communities, by China's current standards, had all been lifted out of poverty.

In 1978, extreme poverty affected 80% of the country. However, since then, a combination of rapid economic growth and an effective anti-poverty policies has eliminated extreme poverty.

In the past 42 years, marked by the reform and opening-up policy implemented in 1978, more than 700 million Chinese have emerged from poverty, contributing to more than 70% of global poverty reduction efforts.

China's achievements in the fight against poverty over the past 40 years are simply remarkable.

A historic and unique act has just been accomplished. Since China has existed, that is to say for more than 5,000 years, this is the first time in the long epic of the Chinese people that poverty has been defeated and that there are no more Chinese living in

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China who suffer from this disease. To experience a moment of this importance and intensity is truly exceptional.

This is a huge contribution China has made to the global development agenda, including the Sustainable Development Goals that the United Nations aims to achieve by 2030.

It was with great enthusiasm that I accepted the invitation of my friend Dr. Huiyao Wang, President of the Center for China and Globalization, to deliver a speech about “The fight against poverty in Algeria and China: Cooperation actions and similarities”, in front of the China Public Relations Association.

Here, I will recount the thoughts I shared during that speech.

I was honored to have the opportunity to share my views on the poverty alleviation experience of the People’s Republic of China in my capacity as Ambassador of Algeria, and as a foreign observer of China’s development from the inside.

I had been living in this great country for almost five years, during which and I had the opportunity to visit many parts of China.

Without any hesitation, I would say that the most amazing thing I witnessed during my stay was how fast the development projects were implemented and how much the living conditions of Chinese people had improved since I’d arrived in 2016.

I was incredibly pleased to have the opportunity to applaud the significant achievements made by the People’s Republic of China in recent years in its fight against poverty, enabling it to achieve its first centennial goal of building a moderately prosperous society by the end of 2020.

I am fully convinced that, given the demographic, economic, and diplomatic weight of the People’s Republic of China in the international scene, that the eradication of poverty in China is likely to have a direct positive impact on economic and social development throughout the world.

Global poverty is perhaps the greatest issue in the world today. 24,000 children die every day around the world from poverty-related causes. The annual amount needed to end world hunger is USD 30 billion. The benefits of reducing poverty go beyond humanitarian efforts and can help with a country’s economic and strategic interests.

China has made great progress in the fight against poverty because its leaders have mobilized the nation around clear policies, resources, realistic goals, and strict discipline. China’s experience in eradicating extreme poverty should serve as a reference for others.

Since the implementation of the policy of reform and opening-up, the vast majority of Chinese people have been lifted out of poverty and China has become the first developing country in the world to achieve the UN Millennium Development Goals.

Indeed, the fight against poverty has always been a high priority for the Chinese government. China has been committed to eradicating poverty since the adoption of its policy of reform and opening-up. It has gradually adjusted its poverty reduction targets in line with economic development and has set up special agencies to standardize and institutionalize poverty reduction efforts:

- In 2013, President Xi presented the strategy of a “focused fight against poverty” in the provinces;

- On May 12, 2014, the Anti-Poverty Bureau of the State Council published the Implementation Plan for the Establishment of a Targeted Anti-Poverty Work Mechanism;
- On December 2, 2016, the Council of State published an anti-poverty plan covering the period of the 13th five-year plan (2016–2020), which serves as an action guide for local governments to combat poverty and is an important basis for the relevant departments to elaborate special anti-poverty plans.

The number of rural poor in China decreased from nearly 700 million at the end of 1978 to zero at the end of 2020, as shown by data from the National Bureau of Statistics of China.

President Xi stressed at an internal symposium held in March 2020 and at the 73rd session of the World Health Assembly in May 2020 that when the task of eradicating poverty is completed at the end of 2020, China would have achieved the poverty eradication objective set out in the United Nations Agenda 2030 for Sustainable Development ten years ahead of schedule, which is of great importance both for China and for the world, as no country in the world has ever managed to lift so many people out of poverty in such a short period of time.

The United Nations Development Program (UNDP), whose main mission is to support the Sustainable Development Agenda 2030 and to implement the Sustainable Development Goals (SDGs) by 2030, applauded China's development over the past decades, which has deeply impressed the world. China is the first country to reach the poverty reduction target set in the UN Agenda 2030 for sustainable development.

According to the UNDP, China has adopted a comprehensive poverty reduction strategy with multiple approaches, which is a good example of China's promotion of human development and is an example other countries can learn from. UNDP officials have said that China's achievements in fighting poverty are unprecedented in terms of scale and timing and that countries can learn from China in terms of how to make their economies develop in a more systematic and organized way, which is in line with UN MDGs.

The UN predicts that it will be difficult to achieve the poverty reduction goals of the Agenda 2030 for Sustainable Development, due to the negative impact of the COVID-19 pandemic on the world economy and on developing countries in particular.

African countries, for example, have made positive progress in promoting sustainable economic and social development in recent years, but the continent is still far from achieving the goals set out in the UN Agenda 2030 for Sustainable Development. Most of the world's poor live in Sub-Saharan Africa, making this region the center of global poverty governance.

The rate of poverty reduction in developing countries other than China has been comparatively slow, and the number of poor people is ever increasing. For example, the number of people living in extreme poverty in Sub-Saharan Africa increased from 278 million in 1990 to 413 million in 2015, representing more than half of the world's poor.

It should be noted that China has always made a great contribution to poverty reduction and development in Africa. Trade and investment between China and Africa have boosted Africa's economic development, improved its economic situation and, to some extent, reduced poverty. Similarly, China announced in 2015, at the FOCAC Johannesburg Summit, the implementation of a Sino-African poverty reduction plan.

Algeria and China are connected by a traditional friendship and fruitful cooperation since the establishment of diplomatic relations in 1958. Mutual political trust, economic partnership, and humanitarian exchanges between the two parties have certainly contributed to the development of both countries and their fight against poverty.

I will not give a detailed account of individual cooperation actions, but I will mention some examples that have a direct bearing on the fight against poverty:

- I. In 1963, Algeria received the first Chinese medical mission dispatched abroad, a mission whose composition is still regularly renewed to this day, which has allowed access to health care to a significant number of Algerians, especially in less developed areas. Algeria now has enough doctors, but the two countries continue this action of cooperation as it represents a symbol of traditional friendship;
- II. Bilateral cooperation has also been expanded in the fields of science, technology, and space, particularly with regard to the launch of the first Algerian telecommunications satellite (ALCOM SAT 1) from China on December 11, 2017. This satellite is an important tool that provides internet and radio television coverage in disadvantaged areas;
- III. Chinese operators have strengthened their presence in Algeria and participated on Algerian development programs, especially in the field of infrastructure (highway and housing construction), as they were granted different public development projects for more than USD 70 billion over the last 20 years.

The participation of Chinese companies in development programs in Algeria is reciprocally beneficial, both for the Algerian side and less developed areas and for Chinese companies and workers.

The fight against poverty, which is an important mission for all developing countries, has always been at the center of Algerian government policies.

The Algerian state has made considerable efforts to improve the situation and living conditions of the population in all areas, particularly in housing, urban planning, health, education, employment, and others.

However, several villages and localities are still woefully underdeveloped, manifested in the lack of access to water, electricity, roads, health care, Internet and cell phone coverage, housing, and jobs. These underprivileged localities are called "gray areas" that the government is working to ameliorate.

The development of gray areas has been one of the most important commitments of Algerian President Abdelmadjid Tebboune since his election in December 2019. This commitment aims to ensure equal opportunities to both the inhabitants of rural areas and residents of urban centers.

This political will is demonstrated by the appointment of a Special Counselor to the President of the Republic in charge of following up on the issue of “gray areas”, as well as by regular instructions to the various ministers and provincial governors to boost local economic development through the modernization of administration, the opening-up of disadvantaged and marginalized areas, the connection of industrial and agricultural areas to energy and the strengthening of small and medium enterprises in order to increase employment opportunities and add value to the national economy.

An accurate and detailed inventory of the concerns and needs of the populations living in the gray areas has been carried out in order to determine priorities and develop an emergency program to make up for the delays in development.

An amount of USD 1.5 billion was allocated in 2021 to implement 48,000 local development projects for the benefit of 15,000 gray areas covering 9 million inhabitants.

These projects aim in particular to address the urgent and necessary concerns of these populations in terms of access to drinking water and energy, opening-up access, promoting schooling and transport conditions, and establishing conditions and mechanisms to create productive activities in these regions.

Since the improvement of gray areas covers a broad range of issues, I will focus on five aspects: access to water and energy, access to healthcare, road infrastructure, employment, and Internet coverage.

Regarding access to water and energy, the Algerian government insists that supplying water and electricity to gray areas is an absolute priority for development programs.

For very remote and landlocked regions that cannot be supplied with water by pipelines or connected to the existing electricity networks, the authorities have recommended guaranteeing supplies of water by using tanker trucks equipped with solar energy kits.

Importance is also given to the need to speed up electrification and natural gas supply projects in gray areas. The Algerian Ministry of the Interior, Local Authorities and Territorial Development has identified more than 8,000 gray areas nationwide lacking electricity and gas supplies. The government has adopted a program from 2020 to 2024 to connect more than 140,000 homes to electricity networks and 370,000 others to gas.

Concerning access to health care, the Algerian Ministry of Health has focused on the necessary management of health needs in gray areas in order to ensure the health services needed by their populations.

In-depth studies are underway to examine the best ways to ensure health services in these areas and the mobilization of the human and material resources needed to respond to health requirements.

In addition, multidisciplinary medical caravans for the benefit of people suffering from chronic diseases in gray areas are regularly organized. These caravans include mobile clinics in internal medicine, cardiology, and ophthalmology, as well as biology laboratories to carry out various biological examinations.

Similarly, the healthcare sector's approach to gray areas is to provide them with renewable energy such as solar power.

With regard to road infrastructure, the Algerian government has made major efforts to open up gray areas through several programs whose results are already beginning to be felt.

Over the last few months, the Algerian government has mobilized significant budget allocations through a number of development programs dedicated in particular to the opening-up, development and maintenance of rural roads, communal roads, and forest tracks.

A good number of these roads have been completed, thus contributing to the opening-up and revival of economic activity in several regions of the country. The road projects were implemented thanks to the expertise acquired by Algerian public and private companies specializing in public works.

With regard to employment, several programs have been carried out to promote economic activity in gray areas. A national campaign to identify the opportunities and needs of gray areas across the country was launched in September 2020 for the creation of microenterprises to diversify the national economy.

This campaign aims to identify the opportunities and needs of the gray areas across the country for their exploitation by the inhabitants of these regions through the creation of microenterprises to boost development.

Measures have been taken, for example, to strengthen entrepreneurship and the spirit of innovation among project leaders in the fields of tourism and handicrafts.

These measures provide support for project holders in the field of tourism and handicrafts and enable them to take advantage of training programs, encourage the creation of microenterprises to contribute to sustainable local development, particularly in the southern regions, the highlands, and gray areas.

Regarding cell phone and internet coverage, the Algerian Ministry of Post and Telecommunications insists on the need to connect all areas to the national network, as these services have become indispensable for their citizens, just like water, electricity, and gas.

Cell phone operators are called upon to respect their commitments to serve the citizens, and the government is making considerable efforts to connect isolated areas to the Internet, in coordination with the Algerian Space Agency.

I would like to reaffirm my willingness to work with Algerian and Chinese Experts, scholars, think tanks, and other institutions, in order to exchange experiences and expertise regarding public governance, including the fight against poverty.



H.E. Mr. Ahcène Boukhelfa is the ambassador of the People's Democratic Republic of Algeria to the People's Republic of China. He has been the ambassador of Algeria to China since 2016. Mr. Boukhelfa has rich experience in foreign affairs. He started his career in the Ministry of Foreign Affairs of Algeria in 1978. He was the ambassador of Algeria in Burkina Faso, followed by Argentina and Uruguay and Paraguay with residence in Buenos Aires (Argentina). Mr. Boukhelfa graduated from the National School of Administration in 1978 and he was also Associate Professor of "Strategic and Prospective Analysis", "Conflict Management and Forward Planning" and "Propaganda and Foreign Policy" at the National High School of Political Science from 2000 to 2004 and from 2010 to 2014.

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New Zealand: A Trade-Led Economic Recovery



Clare Fearnley

COVID-19 has had a multitude of impacts on us all, from the way we live to the way we work. The social and economic impacts have been significant, and not evenly spread—the pandemic has had a devastating impact in some parts of the globe.

For diplomats, who are used to hopping on planes frequently and finding themselves posted in different parts of the world in their professional roles, we are now living with a reduction in the people-to-people connection that comes with being able to travel and which has always been a vital part of our job. To some extent, we can mitigate that with the digital tools we have available. While video conferencing technologies may help to keep connectivity going, they cannot move goods (or people) across the world.

The export economy is hugely significant to New Zealand; one in four New Zealand jobs depends on exporting. For this reason, New Zealand has been focused on enabling a trade-led economic recovery from COVID-19. At the start of the pandemic, New Zealand moved quickly to keep supply chains open for essential trade, maintain connectivity and work with other governments to remove trade barriers. We wanted to keep trade flowing to support our economy.

That is what our Trade Recovery Strategy aims to achieve. It has been created to help New Zealand recover from the impacts of COVID-19 and to seize new opportunities for exports and investment. It consists of four pillars of work to position New Zealand for recovery from the economic impacts of the pandemic: retooling the support and facilitation we provide exporters; building New Zealand's strategic economic resilience; refreshing key trade relationships; and reinvigorating the international trade architecture. It is this last item that I wish to focus on in this article.

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1 The Importance of Openness and Coherence for Growth and Resilience to Future Crises

New Zealand is a strong supporter of free and open trade. The sudden uptick in protectionist measures after the COVID-19 pandemic struck in 2020 was alarming—by March 2021, WTO Members had taken over 450 new measures affecting trade in goods or services, or intellectual property rights. New Zealand took the opposite approach—one of openness. We believe that international cooperation, and not national protectionism, is the best way to address a global challenge.

As the COVID-19 crisis unfolded, we acted quickly, working closely with trade-oriented partners to ensure that New Zealanders could access essential goods, like medicines and PPE, and ensure that our goods continued to reach our trading partners.

We unilaterally removed tariffs on essential goods, and we sent strong political signals of our commitment to open trade flows and supply chain connectivity.

For example:

- With Singapore we drafted a *Joint Ministerial Statement affirming commitment to ensuring supply chain connectivity amidst the COVID-19 situation*. This affirmed our commitment to sustain open trade and supply chain connectivity, including refraining from imposing export controls and tariff or non-tariff barriers, and removing any existing trade restrictive measures on essential goods, especially medical supplies. Others agreed, and the statement now has 12 ministerial signatories, including China. New Zealand and Singapore also launched the *Declaration on Trade in Essential Goods for Combating the Covid-19 Pandemic*, a trade initiative to ensure supply chain connectivity and the removal of blockages to trade in a list of essential products. The list included PPE equipment, medical equipment, nutritional products, medicines and hygiene supplies for which participants undertook to remove tariffs and facilitate trade. The Declaration also called for participants not to apply export restrictions on food and beverage products and to facilitate trade in food and beverage.
- New Zealand joined 78 other WTO Members undertaking not to impose export restrictions in relation to the World Food Programme's activities.
- New Zealand continues to work with other Ottawa Group Members to promote a WTO Declaration on Trade and Health that demonstrates how international trade policy can contribute to successfully fighting COVID-19 and any future pandemics.
- New Zealand has co-sponsored a WTO proposal with Canada, Australia, Chile, Colombia, Turkey, Norway, Panama and Paraguay that aims to enhance the role of the WTO in the global effort to produce and distribute COVID-19 vaccines and medical products. The proposal encourages the WTO to collaborate with the WHO, manufacturers and developers to increase COVID-19 vaccine production and to identify trade-related impediments to use and upscaling of vaccine manufacturing capacity.

2 Rebuilding a Strong WTO

Last year was one of the most challenging years for the multilateral trading system since the WTO was established. Not only did the pandemic affect global trade flows and openness, but the WTO infrastructure was unable to respond as effectively as it might have.

WTO reform is a key pillar of New Zealand's Trade Recovery Strategy. Reform is important for ensuring that the WTO works more effectively in the interests of all. It will provide for a more resilient recovery, and the inclusive and sustainable growth and development through trade that all members are seeking.

In undertaking reform, we need to make sure that we have strong, flexible and resilient institutions capable of withstanding a variety of different pressures, rather than simply looking backwards to design our response to fit the last crisis.

This requires focusing on the fundamentals of open trade and non-discrimination and ensuring that the WTO can deliver its core functions of negotiations, monitoring and dispute settlement.

The WTO needs to demonstrate that it can deliver further openness. The priority is to conclude ambitious disciplines on fisheries subsidies, underscoring the WTO's ongoing role as an effective negotiating body, as well as contributing to sustainable development.

Restoring a fully functioning Appellate Body as soon as possible will be fundamental for ensuring openness is maintained in practice and guarding against protectionism.

New Zealand is also a strong supporter of modernizing WTO rules—for example on digital trade. Progress on trade and climate issues, such as through fossil fuel subsidy reform, will ensure that fixing international trade is not at the expense of the planet.

3 Open Plurilateralism

New Zealand supports multilateral efforts as the most effective way to respond to questions of global concern. However, it takes a long time to get 164 WTO Members to agree on anything.

In the meantime, we can further bolster the rules-based system by pursuing “concerted open plurilateralism”, i.e. international agreements amongst subsets of willing participants able to move more quickly, with clauses that allow any other WTO Member to join if they can match the standard of commitments set by the original partners.

Examples include:

- Joint Statement Initiatives launched in Buenos Aires at the 11th WTO Ministerial Conference to advance rules on electronic commerce and services domestic regulation, and investment facilitation for development.

- FTAs with open accession clauses like the Comprehensive and Progressive Trans Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership. We welcome participation from those willing to meet the high standards of these agreements. In the case of CPTPP, New Zealand acts as the depositary for accession requests.
- Sectoral agreements like the Digital Economy Partnership Agreement (DEPA) signed in June 2020 by Chile, Singapore and New Zealand, and which came into force for Singapore and New Zealand on 7 January 2021. Canada formally notified DEPA parties of its interest in joining the agreement at the end of 2020.
- New Zealand's negotiations for an Agreement on Climate Change, Trade and Sustainability (ACCTS) with Costa Rica, Fiji, Iceland, Norway and Switzerland.

Open plurilateralism recognizes that in order to move ahead at the WTO, we may need to be more creative in our approaches, while still respecting fundamental principles of openness, transparency and consistency with WTO disciplines.

We have seen that FTAs can show possible solutions to issues that have proved difficult to progress at the multilateral level—for example, there are already binding disciplines on fisheries subsidies in the CPTPP.

FTAs can also be building blocks for a coherent expansion of regional rules. For example, the ASEAN–Australia–New Zealand FTA (AANZFTA) provided a basis for New Zealand's involvement in the Regional Comprehensive Economic Partnership (RCEP), while the “P4” agreement between Brunei, Chile, Singapore and New Zealand provided the basis for TPP negotiations and then the conclusion of CPTPP. In turn, we hope that these agreements will inform a regional Free Trade Area of the Asia-Pacific through Asia-Pacific Economic Cooperation (APEC).

4 APEC

Non-binding forums, such as APEC, also have an important role as safe spaces to generate innovate ideas and build coherent regional practice through technical exchanges.

In New Zealand's APEC 2021 host year, an integral pillar of work is the region's response to COVID-19, mapping out a sustainable and inclusive response that delivers for all. New Zealand has sought to:

- encourage trade and economic policies that support openness and connectivity and reduce friction at the border. The goal is to reduce barriers, making it easier for companies to trade and do business through the APEC region;
- enhance the participation of groups such as women and indigenous people in the economy and ensure that their contributions are valued;
- ensure that the recovery can be used to improve sustainability outcomes including in the area of climate change and
- take advantage of innovation in the digital space.

New Zealand has also pursued meaningful work on practical steps to support and advance the efforts of APEC economies in the WTO. This includes work to monitor and help economies to implement the WTO outcomes from the fisheries subsidies negotiations; to achieve strong WTO commitments on trade- and production-distorting subsidies; and to support negotiations of the Joint Statement Initiatives. As a non-binding forum, APEC is well placed to discuss new and emerging trade issues for future consideration by the WTO, including issues around inclusion and sustainability, such as identifying COVID-19 essential goods and services, agreeing an updated list of environmental goods and developing a new set of environmental services.

The world's economic recovery from COVID-19 depends on regional and international trade cooperation. APEC will play an important role in this, as the Asia-Pacific's preeminent trade and economic forum. APEC's strength has always been in its ability to bring people together, to share experiences and ideas and to test practical solutions to shared economic and human challenges. The theme for New Zealand's host year draws on this tradition. In te reo Māori (the Māori language), it is *Haumi ē, Hui ē, Tāiki ē*—Join, Work, Grow. Together.

5 New Zealand—China Trade

As New Zealand's largest trade partner, we anticipate that China will have an important role to play in New Zealand's recovery from the economic impact of COVID-19. Our goods exports to China were down just half a per cent last year after a record year in 2019—not a bad result. But not all sectors fared as well as others. Sectors like forestry and seafood were hit particularly hard early on by the challenging market conditions that COVID helped create. Our services exports were also down considerably.

While the movement of people between our two countries has been very challenging this past year, maintaining air and sea links has been essential to keeping goods trade flowing amid significant disruption to supply chains. New Zealand officials worked hard over the last year to maintain sea and air connectivity between our two countries. These connections have been important both for the import of PPE and respiratory equipment from China to help New Zealand's COVID-19 response and to maintain our exports to China amid ongoing disruption.

The signing of the New Zealand–China FTA Upgrade in January 2021 is another strand in our Trade Recovery Strategy. Our existing bilateral FTA from 2008 has been a platform for closer trade and economic cooperation, with two-way trade having more than tripled in that time to NZD 32 billion. The Upgrade modernizes the FTA by updating the rules underpinning our trade to ensure that they remain fit for purpose in today's trading environment.

Key outcomes of the Upgrade include new rules that will make exporting easier and reduce compliance costs, a better deal for services exporters through expanded market access and most-favoured nation commitments and the most ambitious trade

and environment chapter with the highest level of commitment that China has agreed to in any FTA. For New Zealand, the Upgrade also includes new goods access for wood and paper products, as well as further services market access. And for China, temporary employment entry is a better fit with demand.

Importantly, the signing of the Upgrade also sends a positive signal to the world of our two countries working together against the challenges posed by COVID.

6 Conclusion

For most of us, COVID-19 has been the greatest challenge to our societies and our economies in more than a generation. For New Zealand, part of the answer to rebuilding our economy lies in a trade-driven response achieved through international cooperation at every level: a strong, effective WTO that can reform multilateral trade rules for the benefit of all; new regional trade architecture that is open to anyone willing to meet and comply with the high standards set; and refreshing key bilateral relationships. New Zealand's Trade Recovery Strategy aims for such outcomes, combined with giving our exporting businesses the tools and knowledge they need to thrive internationally. This approach is also consistent with New Zealand's values and long-standing support for multilateralism and rules-based systems. *Haumi ē, Hui ē, Tāiki ē.*



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Challenges and Solutions in Japan–China Economic Relations in the Post-COVID Era



Hideo Tarumi

1 The Current Challenges We Face

The international community is now confronting three major transformations and challenges. The first is how to overcome the crisis stemming from the global spread of COVID-19 and the difficult situations involving challenges to human security. The second is the challenge against the universal values and international order that have so far underpinned the peace and prosperity of the international community, posed by such developments as protectionism and unilateral attempts to change the status quo. The third is the emergence of common challenges facing the international community, including globalization, digitalization, and climate change, together with emerging challenges such as those in new domains, including outer space and cyberspace, as well as economic security.

2 Japan–China Relations

Looking back at recent Japan-China relations, upon the inauguration of the first Abe Administration in 2006, Japan and China agreed to establish a “Mutually Beneficial Relationship Based on Common Strategic Interests” and have developed mutually beneficial cooperation at various levels across the board. Although this was followed by a period in which Japan-China relations turned cold, relation warmed when Premier Li Keqiang visited Japan and Prime Minister Abe visited China in 2018. In 2019, President Xi Jinping visited Japan to attend the G20 Osaka Summit and

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Prime Minister Abe visited Beijing and Chengdu to attend the Japan–China–Korea Trilateral Summit Meeting.

In the meantime, the flow of people from Japan to China as well as the flow of people from China to Japan has become a major trend. Before the COVID-19 pandemic in 2019, the number of Chinese tourists who visited Japan reached 9.59 million. The blockbuster movie “唐人街探案3 (Detective Chinatown 3),” which was released in China during the Lunar New Year in 2021, takes place in Tokyo and features the hustle and bustle of Shinjuku and a night view of Tokyo Tower. It is said that one of the reasons for the movie’s huge hit was that it won the hearts and minds of many Chinese audience who wish to travel to Japan but cannot due to the current cross-border travel restrictions.

This year marks the tenth anniversary of the Great East Japan Earthquake, and we will never forget that the international community, including China, provided a great deal of assistance to Japan. In 2020, in response to the unprecedented challenge of COVID-19, there were many heartwarming instances of mutual exchange of relief supplies such as masks and protective equipment at various levels between Japan and China. For example, it became viral that relief supplies sent from Japan to China came with a Chinese poem “山川异域风月同天” (“*although we are in different lands with different mountains and streams, wind and the moon are beneath the same sky*”). This poem was embroidered on a “kesa” (Buddhist stole) sent from the Japanese imperial family to Tang Dynasty China about 1,300 years ago. This episode once again symbolizes the underlying strength of the relationship that is the result of many years of cultural and economic exchange between Japan and China.

3 Japan–China Economic Cooperation

While Japan and China share a long history of exchange established by our ancestors, there has been a period of unfortunate history, and there are various pending issues and differences in positions between the two countries. Because such differences exist amidst the increasingly uncertainty in international affairs, we must establish a stable and constructive Japan-China relationship in which we can communicate at any time. To this end, it is important for both countries, which are mutually complementary, to promote cooperation on the economic front.

The first point should be the promotion of people-to-people exchanges and tourism in the post-COVID-19 era. Last year, Japan and China agreed to establish residence tracks and business tracks to resume people-to-people exchanges, but due to the COVID-19 situation in both countries, these are still extremely limited. First of all, it is necessary to make efforts to prevent the spread of COVID-19, but also to resume air flights as early as possible and to gradually resume travel as the situation dictates. We expect an early resumption of travel between Japan and China to further deepen mutual understanding through direct exchanges between the people of both countries and also to achieve the annual goal of 60 million foreign tourists to Japan by the year 2030.

The second point is to strengthen cooperation in the areas of healthcare and aging. Japan and China share the common challenge of an aging population. Promoting healthy, vibrant aging and developing medical services and technologies to maximize the health of people in an aging society are areas of common interest for both countries. To date, the two countries have yielded results in cooperation such as the holding of the “Japan–China Nursing Care Service Cooperation Forum,” a framework for cooperation in nursing care areas, twice, and the conclusion of 22 memorandums of cooperation on nursing care projects between Japanese and Chinese companies. We will continue to actively promote cooperation between Japan and China through a variety of means including the recommencement of the above forum.

The third point is the continuation of cooperation in the areas of the environment and energy conservation. In recent years, China’s efforts to tackle environmental issues have been remarkable such as tangibly improved air quality in Beijing. We welcome the efforts made by China. Environmental issues such as climate change and marine plastic are a global problem, which Japan and China should tackle together as great world powers and neighbors. We would like to cooperate actively in bilateral and multilateral scenes. On climate change, Prime Minister Suga announced last October that Japan will aim to reduce greenhouse gas emissions to net-zero by 2050 and achieve a decarbonized society. In a speech at the United Nations General Assembly in September last year, President Xi Jinping stated that China will aim to achieve net-zero carbon emissions before 2060. With the start of full-scale implementation of the Paris Agreement, we strongly expect that China will aim for not only “carbon neutral,” but also “climate neutral” which includes all greenhouse gases, to realize a decarbonized society as envisioned in the Paris Agreement. Japan would like to cooperate with China on such efforts. The Fifteenth Meeting of the Conference of the Parties to the Convention on Biological Diversity, which is scheduled to be held in Kunming this year, is an important conference in which a post-2020 global biodiversity framework for the next ten years, an alternative to the “Aichi Targets” for the previous 10 years, will be adopted. Japan was the one to come up with the “Aichi Targets,” and would like to contribute to its adoption.

Japan and China have held the ministerial-level “Japan–China Energy Conservation and Environment Comprehensive Forum” fourteen times and concluded a total of 402 cooperative projects since the first meeting in 2006. At the meeting in December last year, Japan and China confirmed their cooperation in areas such as hydrogen and carbon recycling. I expect that the two countries will continue to deepen their cooperation by making use of each other’s uniqueness through the forum and contribute to the realization of a virtuous cycle of economy and environment in the world.

4 China in the International Community

Now that Japan and China have become the world’s second- and third-largest economies, it is time for the two countries to not only cooperate bilaterally but also to work side by side and contribute to the region and the international community

as responsible great powers. A responsible great power should not coerce foreign governments by arbitrary measures backed by their economic might. Such practices would undermine the trust of the international community and regional prosperity.

Great powers should contribute to the international community in a manner that is appropriate for their power. Based on Japan's past experience, I would like to make few proposals to jointly address various issues in the areas of development and financial cooperation, debt issues, and trade and investment.

4.1 Development Cooperation

Firstly, regarding development cooperation, there is an annual funding gap of USD 2.5 trillion to achieve the SDGs target by 2030. Filling this funding gap is an important issue for the international community.

Given that China's GDP per capita now exceeds USD 10,000 and China has a large presence in the development sector, many countries expect China, as a great power, to proactively work to graduate from a recipient of support from international financial institutions as well as to contribute to the financing for more vulnerable developing countries.

Already in October 2018, the Government of Japan announced that it would stop sanctioning new ODA projects in China and promote cooperation in new dimensions where Japan and China are equal partners.

Statistics put together and published by the DAC do not reveal all the details of aid provided by non-DAC countries. It has been pointed out that non-traditional and non-concessional loans, such as secured lendings, are provided to developing countries. We strongly expect that the assistance provided by China and other emerging donors will be conducted in a transparent manner consistent with international standards and efforts.

4.2 Debt Issues

Secondly, the impact of COVID-19 has further deteriorated debt vulnerabilities in some developing countries. To support the global economy, it is necessary for the international community, including Japan and China, to cooperate in dealing with this issue.

To solve the debt issues of developing countries, it is necessary for developing countries to steadily advance structural reforms under the IMF Financial Assistance Program. For developing countries with severely deteriorating debt sustainability, it is necessary to restore debt sustainability by implementing debt measures resolutely and transparently, based on the "Common Framework" on debt relief approved by the G20, Finance Ministers and the Central Bank Governors Meeting last November.

We strongly expect that the China Development Bank, which has voluntarily implemented the Debt Service Suspension Initiative (DSSI) and disclosed the details of its implementation, will also implement debt measures based on the “Common Framework” in a highly transparent manner.

Since China is now the largest creditor for many developing countries, the loss of medium-term debt sustainability due to the insolvency of developing countries would be a serious loss for China. Working to solve the debt issue and supporting the sustainable economic growth of developing countries is the responsibility of major powers, exemplified by the G20, and will eventually be in China’s interest.

Regarding the debt data of developing countries, it is important to work toward ensuring transparency and accuracy not only when debt vulnerability is a concern, but also during normal times. If investors and developing countries themselves have a transparent and accurate understanding of debt data, it will help secure a stable inflow of investment to developing countries, which will in turn support sustainable economic growth. From this perspective, we expect that China, as a major creditor country, will work to ensure the transparency and accuracy of debt data, and cooperate with the IMF and World Bank in collating debt data.

4.3 WTO

Next, I would like to mention trade and investment. Twenty-five years have passed since the establishment of WTO, and many WTO members have enjoyed the benefits of free trade. It is not an overstatement to say that China, which joined the WTO in 2001 and achieved remarkable economic development through free trade, has become the prime example for such a member. In recent years, a few WTO members who have benefited from free trade and achieved economic growth have declared that they will abandon the S&DT (Special and Differential Treatment) status in current and future negotiations. China is currently the world’s largest trading country with the world’s largest trade value and trade surplus. It is imperative that we reform the WTO so that it can deal with various issues such as responding to unfair trade practices. We expect China, who takes pride in being a defender of the multilateral trade system, to act accordingly under the leadership of the new Director-General Okonjo-Iweala.

As digitalization progresses, the new rule-making on the Data Free Flow with Trust (DFFT) is a major task. The business community’s expectation toward e-commerce negotiations under the “Osaka Track” framework is also high. To restore trust in the WTO, based on the text of the integrated negotiations compiled last year, we would like to continue to accelerate negotiations in the hope of establishing high-standard rules for this year’s MC12 (Twelfth WTO Ministerial Conference). We expect China to support disciplines on the ban of domestic data storage requirements and protection of source code and encryption, which are essential for global digital business.

5 Industrial Subsidies and Overcapacity Issues

Although the global economy is currently in a recovery phase following the rapid decline in global demand caused by the COVID-19 crisis, the problem of overcapacity in industrial sectors such as steel and shipbuilding continues to be serious. This is an issue that flares up and becomes more serious each time there is an economic crisis. For a fundamental solution, it is necessary to address issues such as the abolition of market-distorting subsidies that lead to overcapacity, the appropriate implementation of competition laws, the strengthening of discipline on industrial subsidies, the guarantee of fair conditions for competition through the establishment of discipline on state-owned enterprises, and the promotion of structural adjustment in the medium- and long-term.

This is a global issue that requires a cooperative solution under a multilateral framework, which is something that China attaches great importance to, and cannot be solved without China's participation. The Global Forum on Steel Excess Capacity (GFSEC), which discusses the issue of overcapacity in the steel sector, is open to all member countries of the G20 and OECD. We would like to rack our brains together to achieve solutions based on international cooperation with China who is the world's largest steel producer.

6 RCEP

As concerns over protectionism grow worldwide after the outbreak of COVID-19, we were very pleased to sign the RCEP Agreement in November 2020 after almost eight years of negotiations, and we were able to send a message to the world that we will continue to promote free trade. The RCEP agreement improves market access and establishes rules in a wide range of areas such as intellectual property and e-commerce among countries at stages of development and with different systems, to promote regional trade and investment and improve supply chain efficiency. The total GDP, total trade value, and population of the 15 RCEP member countries, including Japan and China, account for about 30% of global value and will lead to further growth in the region, a growth center of the world.

Although India did not participate in the signing of the RCEP, we recognize that India has steadily achieved economic growth in recent years and is making progress toward becoming an economic power in the Indo-Pacific region. We believe that India's participation in the RCEP is significant. The Agreement stipulates that it is open for India's accession from the date of entry into force, and Japan seeks to continue to play a leading role from within the RCEP toward India's return to the agreement.

For Japan, the value of trade with RCEP member countries amounts to nearly 50% of Japan's total value of trade. Within this context, China is Japan's biggest trading partner, and the RCEP agreement will be the first economic partnership agreement

between Japan and China. Market access between Japan and China will significantly improve from the conventional tariff rates under the WTO agreement. In terms of rules, this is the first time we have made specific stipulations with China regarding the prohibition of technology transfer requirements and royalty regulations, the provision authorizing the authorities to reject and cancel trademark applications filed in bad faith, the prohibition of imposing restrictions on cross-border transfer of information, and the prohibition of requiring to locate computing-related facilities.

From now on, it will be important to work toward an early entry into force and steady implementation of the agreement and for India's return in the future. We strongly expect that all RCEP member countries, including China, will firmly comply with the protection of intellectual property, prohibition of imposing restrictions on cross-border transfer of information, and prohibition of technology transfer requirements, which are stipulated in the RCEP agreement, thereby improving the business environment in the region as a whole, and continue to urge India to return to the agreement.

7 Business Environment

Following China's reform and opening-up, many Japanese companies expanded their business into China, and there are currently around 33,000 Japanese companies in China. For these Japanese companies to conduct business with a sense of security, we expect the early entry into force and steady implementation of the RCEP agreement and efforts under the WTO, and we expect that China will further establish the rule of law according to international rules. In January 2020, the Foreign Investment Law and the Business Environment Improvement Ordinance came into effect in China. These include provisions that are useful for foreign companies doing business in China, and we recognize China's effort to develop its business environment. In the future, we expect that operations in areas such as government procurement, protection of trade secrets, prohibition of forced technology transfer, and free overseas remittances, are done even more appropriately following the purpose of the system, at all levels of government including local government. It is also expected that the new mechanism to deal with complaints by foreign companies, which began in October last year, to be firmly implemented.

Recently, there have been concerns that Japanese companies might leave China. According to a JETRO survey conducted in August 2020, only 1% of companies were considering relocating or withdrawing from China to a third country, while 92.2% were either expanding or maintaining their future business in China. In labor-intensive industries, there are cases where companies have moved their bases to other countries to avoid wage increases. On the other hand, however, China's middle class has been steadily growing due to rising wages, and China's presence as a growing mega-market will not change. In addition to its huge market, which has recovered quickly after being impacted by COVID-19, China also has a high level of technology

and a multi-layered supply chain, making the Chinese market especially important for global companies.

Thus, many companies are paying close attention to trends in China's business environment, but there are also concerns over China's legal system. In recent years, in addition to cyber-related laws, China has been preparing a data security bill and personal information protection bill, but the relationship between laws and regulations is complex, the definition of individual regulations is ambiguous, and there are many unwritten rules, which makes it difficult to assess their operational predictability. We strongly request that the free flow of data on a global level be ensured since digital data is an important source of added value for companies. Under the current legal system, Japanese companies are concerned that they will not be able to freely exchange information even between their headquarters in Japan and companies residing in China. It is required that China firmly address such concerns.

In China, following the release of the Cryptography Law, which came into effect last January, relevant regulations are being revised. However, there are voices of concern over the arbitrary implementation of the law since the definition of terms, screening requirements and the subject of regulations are unclear. For the intellectual property of foreign companies, including Japanese companies, to be protected adequately and for foreign companies to operate their businesses comfortably, it is essential to thoroughly ban the disclosure requirement of not only the source code, as stipulated in the cryptographic law, but also the algorithms. Similarly, we urge that the use of cryptographic technology based on international standards be allowed when complying with relevant standards.

In the area of exports from China and investments in China, beginning last year, a series of laws and reforms were released including an amendment to the "Prohibited Export and Restricted Technologies List" and the release of the Unreliable Entity List Provisions, the Export Control Law, the Measures for the Security Review of Foreign Investment, and the Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation, raising concerns among Japanese companies over their transparency and operational predictability. If the uncertainty in the business environment increases, it will affect corporate management decisions. We urge the Chinese government to take into consideration international frameworks and limit the scope of these regulations, clarify regulations, and implement them transparently.

7.1 Market Openness

We welcome the fact that China has been gradually expanding its openness to foreign investment in recent years by working to reduce the Negative List for Foreign Investment, the Free Trade Zone Negative List, and the Negative List for Market Access. We expect that China will continue to further open its markets to ensure fair competition and to upgrade its industries. In the financial sector in particular, we hope that Japanese financial institutions, such as Japanese securities firms, will gain greater

market access and that Japanese banks will be granted bond underwriting licenses (class A lead manager, manager) sooner rather than later.

Regarding the negative list of foreign investment, we expect further limitations on particular items, such as restrictions on investment in value-added telecommunications services including online content distribution, data centers, and cloud services, and investment bans on movie production and distribution to be related. By taking these measures, Japanese companies will be able to further expand their economic activity in China and build stronger economic relations between Japan and China.

8 Import Restrictions on Japanese Agricultural, Forestry, and Fishery Products and Food Products

Finally, I wish to touch on import restrictions imposed by China on Japanese agricultural, forestry, and fishery products and food products in the wake of the Great East Japan Earthquake, which occurred ten years ago. Out of 54 countries and regions that imposed restrictions on Japanese agricultural, forestry, fishery products, and food products following the Great East Japan Earthquake, China is the only country that still restricts the import of a wide range of products from all 47 prefectures. Not only are imports of all agricultural, forestry, and fishery products and food products from ten prefectures (with the exception of rice from Niigata) banned, exports of vegetables, fruits, dairy products, tea, etc., from all of Japan's prefectures, including Hokkaido and Okinawa, are subject to strict Chinese restrictions. The Japan–China trade volume ratio of agricultural products is now 1:8.

Japan has some of the world's most rigorous food safety standards and has established a regime in which food products that does not meet safety standards after rigorous inspection cannot be distributed in the market. Major countries and international organizations have concluded that, scientifically speaking, the safety of Japanese food is without question. In fact, prior to the COVID-19 outbreak, many Chinese tourists visited Japan and were enjoying Japanese food. An expansion of agricultural trade between Japan and China benefits both countries as it will diversify China's import sources and contribute to an increase in the sophistication of more affluent Chinese consumers. We strongly expect China to make judgments from an objective and scientific point of view.

9 Conclusion

As protectionism and inward-looking tendencies spread worldwide, Japan has demonstrated its leadership as a flagbearer of free trade, starting from the TPP11 and building up to the Japan-EU Economic Partnership Agreement (EPA), the Japan-US Trade Agreement, the Japan-UK EPA, and RCEP among others. Last year, China

also expressed its determination to further promote opening-up by reaching agreements on the Phase One US-China Economic and Trade Agreement, the signing of the RCEP Agreement, and reaching agreements in principle on the EU-China Comprehensive Investment Agreement. Next year will be a memorable year as it marks the fiftieth anniversary of the normalization of diplomatic relations between Japan and China. I sincerely hope that Japan and China will work together side by side to build a free and fair economic order and rules-based system.



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The Challenges of Diplomacy in a Changing International Order



José Augusto Duarte

In 2020, when celebrating the International Day of Multilateralism and Diplomacy for Peace, United Nations Secretary General António Guterres said that “*it is not enough to proclaim the virtues of multilateralism; we must continue to show its added value*”.

In a globalized and interconnected world, these words are a testimony to our common responsibility. More than words, we need action. And, that action needs to be geared towards protecting an international order that has allowed so many to be lifted out of poverty, that has established dialogue and cooperation as preferential means to handle and ideally solve disputes, and that has created the tools, institutions and rules to deal with such pressing global challenges as climate change.

Diplomacy, through words, and above all deeds, plays an essential part in protecting and developing that acquis and, most importantly, in taking forward concrete initiatives that aim at tackling common challenges that require joint and global action. To do so, it must balance reality and perception, be firm on universal values and principles, and uphold the rules and norms that shape the international system.

1 The Importance of Reality and Perception

As foreign policy is not conducted in a vacuum, it must not ignore the importance of context. A well-intentioned action may be perceived by others as something different. There lies one of the main tasks of a diplomat: understanding first and then explaining, thereby reducing the gap between reality and perception; a difficult task by any standard. One that was certainly made more challenging by the evolving nature of the international system.

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Fifty states signed the United Nations Charter in 1945. The organization now has 193 Member States. This extraordinary evolution has only increased the importance of dialogue, mutual understanding and cooperation.

When analysing today's world, one must not forget that while globalization has done much to reduce distances and increase connectivity, differences, sometimes substantial, still remain. Not only in political culture, but also in economic models and social norms. The temptation that may exist to use one single lens to analyse different realities is, therefore, short-sighted. To be aware of this complexity can be both alluring, as it challenges us to learn more about the other, and daunting.

One of the main challenges we face in today's world is, therefore, to know the other; to listen, observe and understand—not necessarily to agree, but to be able to comprehend.

If this is true for someone who, as a diplomat, is posted in a foreign land, it is also the obligation of any country that desires to play a part in today's world. Taking action without contemplating its consequences or expecting others to fully understand a given deed without considering the existence of different viewpoints may be counterproductive at best or reckless at most. None of these serves foreign policy correctly.

Narrowing the gap between reality and perception, making sure the latter is as close as possible to the former, is, therefore, essential for all international actors, so that they are fully understood, correctly analysed and properly assessed. To achieve this, a joint effort is required. The observer needs to fight off its potential pre-conceived ideas or bias. The observed party needs to be aware that those might still exist.

World history is full of examples that illustrate the complexity of this exercise. Moreover, today's international stage is a powerful reminder of how difficult this task is.

2 The Centrality of Values and Principles

There is, however, a common ground that allows all to share a joint perspective and where the risk of misperception can be greatly reduced: the values and principles we share.

Since at least 1945, the notion that there are universal principles common to all of humanity has been deeply integrated into the international system. These do not imply a notion of superiority, but rather of union. They do not aim to impose, but rather to share. And, they are not a power tool, but rather a tool for empowerment.

The fact that these values and principles are widely shared should, therefore, be seen as a conquest and a victory, as it represents a common ground on which we can build. A discourse based on these values does not need to be seen as a lecture, as different views on how to achieve some of them do not need to be taken as deviations from its importance.

As the current international set of shared values and principles demonstrates, there is always room for debate and improvement. Some of those that are taken for granted today were the result of strong debates some decades ago.

With this evolution, there came great responsibility. What may be viewed by some as interference may be thought of by others as a direct consequence of transparency, information and joint accountability to values and principles enshrined in international documents signed by all. What others may think of as a tool to diminish certain feats and conquests should be taken up by others as an opportunity to showcase the implementation of a commitment to development in all of its dimensions.

3 The Relevance of Rules and Norms

All of this is made possible because ours is a rules-based international order. International law, the end of secret pacts or treaties, the ability to jointly define norms and patterns through dialogue, cooperation and an open exchange of views are some of the world's most important achievements.

Though sometimes discarded by some as a sign of weakness and viewed by others as a tool to be used only when that is deemed useful, the notion that the world has a set of rules and norms that is shared by all and that can be jointly shaped, defined and, therefore, understood is a development that cannot be underestimated.

The United Nations plays a central role in this common and shared architecture. An organization where all countries are equal, despite of their size, economic weight or geographic location; an organization where all issues—big or small—are jointly discussed and analysed; an organization that shapes our daily lives.

Whether telecommunications, global health or trade, the United Nations has, through its various specialized agencies, created a more unified and connected world. Unity and connection equal stability, and stability means predictability, for states, but also for businesses and individual citizens.

All of this has made globalization possible. It enabled trade to flourish, barriers to be taken down and knowledge to be shared. It brought countries and peoples closer. Its benefits in terms of economic development, poverty alleviation or technological advancements are beyond anything the world that had ever seen before. And, all of this was made possible because there were common rules and a shared desire to develop others when and where needed. The World Trade Organization is a perfect example of this. Its creation represented a fundamental stepping stone for the current rules-based international order. And, the current debate on its reform signifies that there is joint understanding that this track record needs to be kept and updated to fit into today's world.

Temptations to deviate from this shared rule book or to drive some out of this joint undertaking are, therefore, detrimental to the whole world, for they stand in contrast with what enabled us to reach this far: a stage where trade is both free and fair; one where commitments are made and respected and where development needs

are understood, but do not stand in the way of progress and respect for common values.

4 The Example of Portugal

Portugal is an example of the benefits brought about by this approach. A tripod based on an open and frank dialogue with all, a firm defence of shared values and a strong belief in the benefits of a rules-based international order, has been the hallmark of Portuguese foreign policy for decades. It is based on a widely shared political consensus at home and has served us well when navigating an increasingly complex international environment.

As a firmly pro-European country, Portugal has found in the European Union a perfect example of the benefits of this approach. Having joined in 1986, alongside Spain and thereby elevating the number of Member States of the then-European Community to twelve, Portugal is now a proud member of a family that brings together 27 countries; an organization where the pooling of sovereignty is not seen as a loss, but as a gain; where dialogue and compromise have replaced confrontation; where, despite the qualified majority rules in a vast array of areas, member states still try their best to reach a common position with which all can be comfortable. These achievements were not without its costs. They were made possible by a conscious decision to favour law instead of might and to listen before deciding rather than to impose.

This focus on dialogue and understanding is also what Portugal brings to the table when honouring its centuries-old relationship with many countries around the globe. Ours is a history of discovery and adventure; a journey made with people of different origins and backgrounds; a path paved with diversity and openness.

All of this makes Portugal acutely aware of the need to listen and to talk. It is what we do while at the helm of Presidency of the Council of the European Union, attempting to bring countries together and rally behind solutions and compromises that benefit the common good. It is how we act when interacting with countries and regions whose history, traditions and cultures are not the same as ours. It is the way we are.

This open identity is what makes us acutely aware of the need to engage with African countries and build a true partnership of equals, to maintain solid relations with Asian countries, whose importance for the world will only increase in the next few decades, and to defend the vitality and central importance for Europe of the transatlantic links—with both North and with Central and South America.

5 Global Challenges

The current rules-based international order—where debate is possible and encouraged, norms are openly discussed and updated when necessary and international law is the glue that binds countries together—has been instrumental to the world’s development and will be equally central when addressing the many challenges humanity is facing.

Climate change is the most evident and pressing of these. As there is only one planet and no “Plan B”, there can be no other approach to deal with the effects of climate change other than a cooperative and multilateral one. With the Paris Agreement at the core and a common understanding of what needs to be done, namely achieving carbon neutrality, the world must invest in new and green technologies, phase out old and polluting ones, and thereby reap the social and economic benefits that will undoubtedly arise from a green transition.

In an age where countries are faced with the erosion of their coast lines, the desertification of their land or a loss of biodiversity that threatens agriculture and biological balance, climate change is a challenge that summons us all. It is, therefore, one where nationalism plays no part, as the gains of the one will be the gains of all, and the loss of the few will be felt throughout the globe.

The same applies to international cooperation on health issues, as the current pandemic so acutely demonstrates. In an age where no one will be safe until everyone is safe, international cooperation is fundamental to overcome a problem that has affected us all. While some may have more tools to deal with it, no instrument will be powerful enough to protect one given country or region from a problem that is global in nature which is why multilateralism, dialogue and cooperation are so important, particularly in defending a science-based approach or in the sharing of data and information in a transparent and verifiable way, as the development of vaccines has so clearly illustrated. Let us not forget that the majority of vaccine research and development was only made possible by multinational alliances between different countries and institutions, and even those which did not rely on such partnerships were only successful because science and the sharing of knowledge know there are no boundaries or limits.

6 Conclusion

Building a post-pandemic world will, therefore, require that all these lessons are correctly understood and incorporated into the way countries speak and act on the international stage. If cooperation and dialogue are essential in overcoming the challenges faced by all, shouldn’t they also be the hallmark of the way we approach areas where understanding and common solutions are lacking?

Different countries with different cultures will probably always see and interpret certain facts in a different way. That does not mean that there is not a common ground

uniting us all: the values we share, enshrined in international treaties, declarations and resolutions; the architecture jointly built by all, where the United Nations and international law play a central and fundamental role; and the common responsibility to talk and listen.

Certain countries, due to their size, population or economic weight, have a particular responsibility in driving this approach forwards, which is why the behaviour of some is more closely scrutinized than others. As with great power, there comes great responsibility, which should not come as a surprise, but rather as an incentive to do more and to do better for the benefit of all.

Diversity is one of the world's most enriching qualities, one that defines and challenges us, but also one which must not lead to forced isolation or forceful imposition. If we live in a global and interconnected world, the actions of one may and sometimes do impact others, which is why we must all—diplomats, politicians, civil society, academia—make an effort to think how one's actions may impact the view of others. This is why, the need to care and foster for our common values should not be seen as interference, but rather as a platform for dialogue and common improvement; why dialogue should never be cast aside; and why cooperation should always be the preferred option over confrontation. As foreign policy begins at home, the challenges of economic recovery and of the green and digital transitions should be seen as a way to take this common approach forwards.



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Creating a Common Future

The Land of the Dragon and the Pharaohs: Egypt and China in the New Millennium



Mohamed Abd El-Sattar Elbadri

Separated by thousands of miles, a sea and two oceans, yet linked by civilization, history and the realities of world politics, both Egypt and China have embarked on a new trajectory of mutual cooperation as never before. This relationship has become a geostrategic, economic and political imperative rather than a luxury, which transcends ideology and distance. The two states have undergone major developments that have propelled them into the future. China has hyper-jumped into the international stage as a world power without having to go through traditional axioms of shifts in international power distribution and global turbulence, while Egypt underwent two revolutions culminating in a new trajectory of socio-economic and political development that is reestablishing its leadership role in the region and impelling it to resume playing a strong role as a regional and stable power in a rather turbulent region.

If we adopt Napoleon's maxim that "*the policies of states are inherent in their geography*," we can confidently claim that both China and Egypt, using Mackinder's phrase, are "geographic pivots"; the first on the world stage, and the second in its own region with geopolitical implications internationally. It is quite normal that geopolitical pivots interact and foster relationships conducive to their interests. This is further strengthened by many factors which include inter-alia:

- Firstly, the adoption of Egypt's doctrine of diversification of its foreign policy. This opened the road for it to strengthen its strategic relationship with all states equally without prejudice, thereby paving the road to further outreach globally, especially with major powers.
- Second, the joint belief of both Cairo and Beijing, that such relations are to be conducted within a framework of mutual interest, respect of international law, and further strengthened by common visions regarding many of the issues of both world and regional politics.

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- Third, being geopolitical pivots has opened ways for cooperation, especially with the launching of Beijing's Belt and Road Initiative, to which Egyptian President AbdelFattah El-Sisi has committed in terms of nearly all of its international frameworks. Egypt is an important anchor for this initiative, owing to the presence of the Suez Canal as well as other geopolitical considerations.
- Fourth, the firm belief of China's value-added role in Egypt's development has made it a very valuable partner based on a win-win scenario.

All these factors have contributed to put the Egyptian–Sino relationship on track with a mutual conviction to make it successful.

Egypt has played the role of an integral regional player throughout different eras and at historic turning points. It is a country situated in a strategic location at a vital crossroads between Africa, Asia and Europe, which has made it of special significance to the world as a hub for trade between the East and West for centuries. Being the heart of the political, cultural and economic life of the Middle East and North Africa throughout its millennia-long civilization most certainly did not escape the eyes of Chinese policy makers.

Likewise China, throughout its thousands of years of continuous history and as one of the world's most ancient civilizations, has played a crucial role in Asia and today in the world. Furthermore, its meteoric rise over the past four decades has made it the world's second largest economy and a crucial player on the regional and global scene, with an important presence in the international scene. This was internationally recognized worldwide and in Egypt as well. The potential of such a strategic partnership was ready to be tapped by both capitals for the best interest of both countries.

Fortunately, this new partnership did not have to begin from scratch and already had a solid base. This year marks the 65th anniversary of the establishment of diplomatic relations between Egypt and China. Egypt was the first Arab and African country to establish diplomatic ties with the People's Republic of China, and since then Egypt and China have maintained profound, strategic and solid relations. Both countries played a crucial role in the establishment of the Non-Alignment Movement, which also sees its 60-year anniversary this year, and have championed the causes of developing countries and regions to this day. They have also defended their right to achieve their own models of governance and development. Furthermore, they promoted and led South-South cooperation to realize the aspirations of their own peoples for just and equitable development. Together, both have advanced the interests of developing countries through their strong upholding of a multilateral rules-based system.

The current surge in the relationship between both parties intensified under the leadership of H.E. AbdelFattah El-Sisi, President of the Arab Republic of Egypt and H.E. President Xi Jinping, President of the People's Republic of China, elevating the relationship to the level of a "Comprehensive Strategic Partnership" in of 2014, which marked the democratic accession of President El-Sisi to the presidency. Additionally, both countries share common values and principles pertaining to stability, peace and combating terrorism, making it even more natural that such a strong strategic

relationship between both countries would come to fruition. A further decision by Beijing and Cairo to elevate the status of relations was made during the last visit of State Councilor and Minister of Foreign Affairs Wang Yi to Cairo in January 2020; both parties are developing the framework for this new strategic partnership.

Economic and trade relations between Egypt and China are a strong reflection of the indispensable ties between both countries. China is Egypt's largest trading partner, with bilateral trade reaching USD 14.5 billion despite the negative impact of the COVID-19 pandemic on the global economy. And, as with most states, the trade balance is lopsided, strongly in favor of China. This imbalance should be relatively improved by promoting tourism once the COVID-19 pandemic subsides, with Egypt pursuing a first year a target of one million Chinese tourists subject to further expansion. Additionally, both countries also succeeded in achieving positive economic growth during the COVID-19 pandemic, with China growing by 2.3% and Egypt by 3.5% in 2020.

It is important to note that China has played an indispensable role in Egypt's development endeavors, particularly in the field of infrastructure and manufacturing. China has been actively involved in several mega-projects, such as the development of a new administrative capital, where CSCEC is constructing the Financial and Business District. Furthermore, the China-Egypt TEDA Suez Economic and Trade Cooperation Zone has been an outstanding success and is the embodiment of the strong bilateral economic cooperation between both countries. Most of the investments in this area are export-oriented and have contributed to Egypt's vision of becoming an export-based manufacturing hub.

Egypt had previously suffered from chronic electricity shortages, but through the wise leadership of President El-Sisi, Egypt has now a significant power surplus, which has paved the way for Egypt to become a cross-regional energy hub. Currently, Egypt is working on expanding its electricity surplus to countries in Africa, West Asia as well as Europe. Furthermore, both Egypt and China have been committed to the promotion of sustainable development in a green and environmentally friendly manner to combat climate change. The Government of Egypt, through the Ministry of Electricity and Renewable Energy, issued its Integrated Sustainable Energy Strategy for the period between 2015 and 2035, in which Egypt is aiming to increase the supply of electricity from renewables from 20% in 2022 to 42% in 2035. Many Chinese companies, such as China Gezhouba Group (CGGC) and TBEA, are playing an integral role in this endeavor, actively participating in the Benban Solar Energy Park in Aswan province as well as other solar and wind parks being developed across the country to fulfill this ambitious target. Several companies are undergoing discussions to develop industrial complexes to produce solar panels to meet the demand in Egypt and the region.

Such projects and more could not have been undertaken without Egypt's ambitious and successful economic reform program that resulted in achieving very important targets, mainly in macroeconomic stability and market confidence, resulting in continued growth and improved fiscal accounts. Egypt is now focusing on sustaining this stable trajectory and is pursuing sustained and inclusive economic growth. The development of infrastructure in a sustainable and environmentally friendly manner

ensures closer cooperation with China and is a means to bridge geographic gaps and distances. To achieve these aims, there it is necessary to remain dedicated to developing intercontinental economic integration and spur sustainable economic development, progress and prosperity. For Egypt to achieve its goals, it is essential to create a framework to catalyze the involvement of private sector capital alongside the public sector, allowing it to develop major projects that encourage cross-border connectivity and develop the necessary foundations to create infrastructure and fill the huge infrastructure financing gap across our respective regions. Here China is playing an important role, which will be subject to further diversification and intensity in the future.

Egypt and China have also been in close cooperation in several important multilateral development initiatives such as the visionary Belt and Road Initiative, proposed by H.E. President Xi Jinping. Egypt's support for the initiative stems from its belief in the core mandate in the goal of the Belt and Road Initiative, which aims to enhance cooperation between different continents and is evidence of our nations' desire to spur globalization and connectivity. Here, Egypt, with its strategic location and position as a signatory of multiple Free Trade Agreements with several major economic blocks and regions, is a natural supporter of this important initiative. This represents a real opportunity for Chinese firms to invest and export their product directly to these blocs and regions without any barriers, provided they acquire the required minimum local value content in Egypt. What is of significant importance is the fact that because of its geographic position along the Suez Canal maritime route, a significant cut in transport cost is projected. Thereby offering a tremendous opportunity and advantage to captains of industry in China.

Egypt has also joined in Chinese international initiatives including being a founding member, the first from the African continent, of the Asian Infrastructure Investment Bank, which has gone on to become a world-class multilateral development bank as well as a multilateral cooperation center for development finance.

On the political level, the relationship between Egypt and China has become increasingly stronger. This is based on many facts, including the six visits of President El-Sisi to China during the last seven years and the historic visit of President Xi Jinping to Egypt in 2016. Close consultations among the two presidents were a common phenomenon, and both leaders had an extended conversation on February 22nd of this year. This strong relationship between both leaders in itself has created a solid framework for fostering relations between the two states. Perhaps a further illustration of this strong political tie has been the communication during the COVID-19 pandemic. At the outset, during the most difficult time of the pandemic in China, Egypt did not hesitate to send immediate medical assistance to China, and President El-Sisi instructed the Minister of Health to take further medical supplies during his visit to Beijing in March 2020 to show solidarity with the Chinese government and people in their battle against COVID-19. This was the first visit by any foreign official during the most serious period of the pandemic crisis in China. Another very symbolic gesture from the Egyptian president was to project the Chinese flag on some Egyptian monuments in a sign of solidarity between the people of Egypt and China.

When COVID-19 reached Egypt, China was the first to stand by Egypt. Several very valuable and urgently needed shipments of medical supplies, including ventilators, masks and suits were gifted to Egypt and dispatched immediately. In addition, when they were most scarce, China helped Egypt purchase much needed medical supplies. Most recently, two shipments of three hundred thousand vaccines have already been sent, and further negotiations are underway to purchase more vaccines, which are much needed in Egypt. The COVID-19 pandemic may be a disaster that has affected all of humanity, but it also served as an opportunity for a mutual expression of friendship and solidarity between Egypt and China.

Having undergone a tremendous leap forward, the relationship between the two countries are poised for further development in the years to come. The joint convictions of both leaders point in this direction. This is also strongly complimented by what the two states can offer one another. It is true that one can focus on the historical legacy of their relationship to predict the future, but that would be an incomplete vision. History can but offer a limited vision into the future of their bilateral relations, which must be set within the framework of mutual benefit, common vision and a broad range of complementary aspects, all of which are found in abundance in this bilateral relationship. All practical indicators seem to point to the fact that the lands of the Dragon and the Pharaohs are destined to bend geographic distance through strong convictions and practical benefits—a classic win-win formula.



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Linking Infrastructure Across Africa and Asia: Practical Links Between SADC Corridors and the BRI Silk Road



Mbelwa Kairuki

During the opening ceremony of the 2018 FOCAC Summit in Beijing, President Xi Jinping stated that China was ready to implement the Belt and Road Initiative (BRI) as a new platform for international cooperation and China's contribution to the shared future of mankind. That statement, which was given on behalf of the People's Republic of China, was unanimously supported by the African leaders participating in the Summit. This provides the backdrop for the perspectives shared hereinafter on the important role of China as the emerging global economic prime mover, particularly in terms of the technological requirements and financial resources needed to fund the development initiatives of African countries in the context of the changing global political environment and global megatrends in the post-COVID-19 global economic reset.

China is currently poised to play a key role of responsibility in global leadership, being the only major economy to grow more than 2% in 2021 at a time when other major OECD economies continued stagnate. Further than that and going forward, China is on track to start implementing its 14th Five-Year Development Plan with clarity of purpose and strategic direction concerning its socio-economic objectives in the domestic arena. Projections for the rebound indicate steady growth that will exceed 4% year on year throughout the five-year plan implementation period.

Tanzania embraces the principles of FOCAC to underpin its multifaceted relationship with China and, in that regard, we hope that the bilateral economic cooperation between China and Tanzania can establish a solid foundation and to provide the scaffolding for building physical structures as strategic cooperation platforms for industry, logistics and trade development that dovetail into the regional market integration initiatives under the development context of East Africa Community (EAC) and the Southern African Development Community (SADC). Since China has already begun to implement the BRI as a new platform of international

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21ST CENTURY MARITIME SILK ROAD (BRIs) LINK TO SADC DEVELOPMENT CORRIDOR (SDIs)

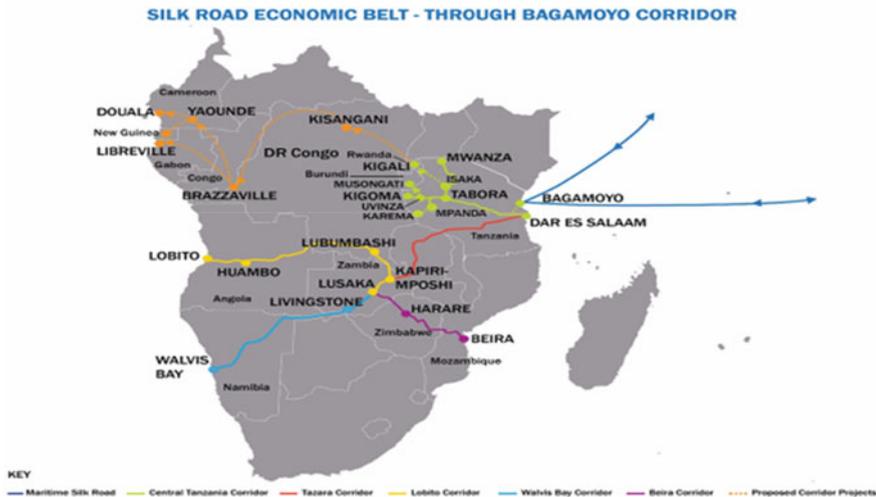


Fig. 1 Railway Corridors in Southern Africa

cooperation, Tanzania invites China to consider engagement to collaborate and participate specifically in the trans-border railway infrastructure development and services integration initiative which has been proposed by Angola and well received by Tanzania, calling for the development of seamless operation of the Benguela and TAZARA lines. The integrated railway line would become the backbone of transport infrastructure running through the regions endowed with the richest natural resources in Angola, Congo (“DRC”), Tanzania and Zambia with a westward-facing international gateway for trade via the Atlantic Ocean at Lobito and an eastward-facing international gateway for trade via the Indian Ocean through Dar Es Salaam and Bagamoyo (Fig. 1).

The strategic concept and design of the SADC Development Corridors are similar to the China Belt and Road Initiative (“BRI”). The illustrative map above indicates how the BRI could be linked to four strategic SADC Development Corridors via the TAZARA Corridor. Efficacy of the SADC Development Corridor and SDI socio-economic transformation model is premised on synchronized investments in infrastructure for economic services and the exploitation of natural resources, linked to associated industry and logistics platforms. This holistic development model is designed to achieve comprehensive socio-economic transformation to promote SADC regional trade and enhance participation in world trade in value-added products via multi-modal transport terminals in related Development Corridors and SDIs. In that regard, railway transport connectivity is critical to providing the requisite carrying capacity to move large quantities of raw materials from primary production centres to industrial platforms and ultimately deliver intermediate and finished products to respective markets (Fig. 2).

SDis AND SADC REGIONAL INTEGRATION



Fig. 2 Illustration of SADC Development Corridors and SDIs

The youthful demography of Sub-Saharan Africa will translate into a growing consumer market and labour pool that can be gainfully employed, allowing for relocation of part of the excess industrial production from China to the combined Benguela-TAZARA Corridor with a view to exploit the available abundant raw materials in the SADC region and transport finished goods or components more efficiently to global export markets via Lobito, Dar Es Salaam and Mtwara. The development of the Benguela-TAZARA Corridor will provide an impetus for the development of the Beira Corridor as well as the Walvis Bay Corridor from Lusaka as a hub for logistics services and traffic interchange (Fig. 3).

The active leading role of China in collaborating with international development initiatives through the BRI appears for now to be Eurocentric with a focus on reviving and modernizing the traditional Eurasian Silk Road. The conceptual Twenty-First-Century Maritime Silk Road, plying the Indian Ocean, skirts around the eastern seaboard of Africa and needles through Bab el-Mandeb into the Red Sea towards Mediterranean Africa. There is no roadway into the heartland of Sub-Saharan Africa where the TAZARA railway line made its first inroads, a lasting mark of the leadership

China's Belt & Road Initiatives: Prime Opportunity for China-Africa Industrial Capacity Collaboration

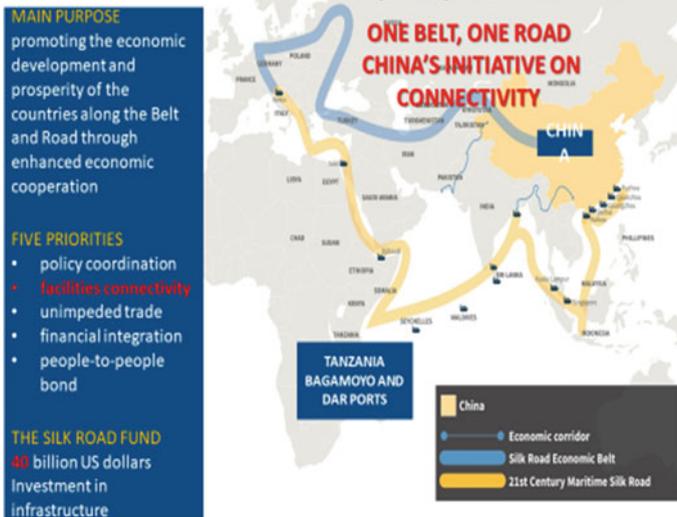


Fig. 3 Illustration of China BRI Configuration in Relation to Africa

and solidarity of the people of China, Tanzania and Zambia in both the armed struggle for liberation as well as the economic sphere. Now is an opportune time for the present leaders and people of China, Angola, the DRC, Tanzania and Zambia to rediscover that same spirit in economic solidarity and join hands to link the BRI with SADC Development Corridors and SDIs for our mutual benefit.

Clearly, there is an opportunity to create a symbiotic partnership between China's BRI and the SADC initiatives of trans-border regional "Development Corridors" and "Spatial Development Initiatives" (SDI) via the envisaged Twenty-First-Century Maritime Silk Road. In collaboration, China and participating SADC members could reach agreements to develop a regional implementation plan that links the Twenty-First-Century Maritime Silk Road to the mutually agreed infrastructure projects and economic production programmes that have been approved under the Regional Indicative Strategic Development Plan (RISDP) of the SADC.

With regard to Sino-Tanzania relations, there is potential to develop manifold economic production projects in infrastructure, agriculture, industry and mining, which would have a strategic fit and catalytic impact in the development of the SADC coast-to-coast Benguela-TAZARA Corridor, as well as the development of supply chains for the EAC markets and ultimately feed the markets of the African Continental Free Trade Area ("ACFTA").

The rationale to develop multipurpose and multi-product Sino-Tanzania supply chain platforms in the form of industrial parks, as well as trade and logistics centres, is evident in considering the unique geolocation of Tanzania on the eastern seaboard

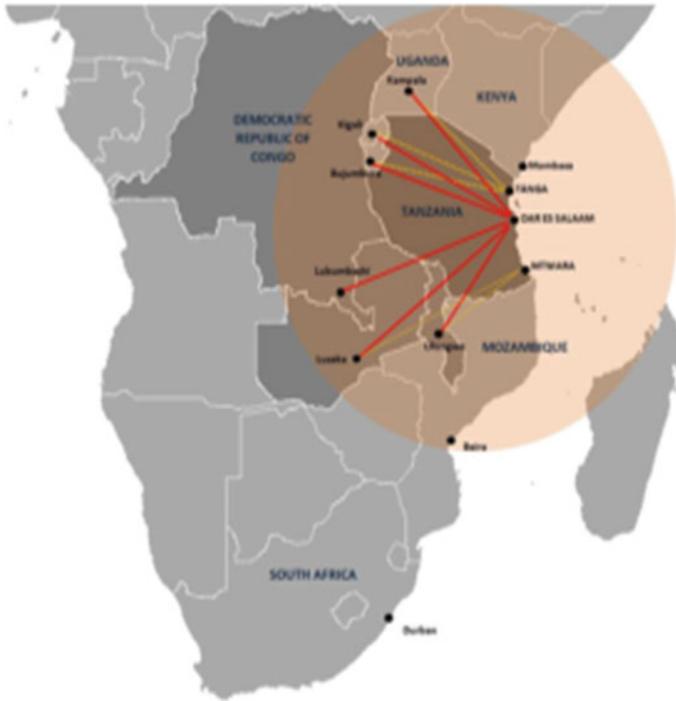


Fig. 4 Trade Impact Area of Tanzania as Bridge Economy Linking EAC and SADC Markets

of Sub-Saharan Africa, which faces the open trading highways to Asia and China via the waters of the Indian Ocean. One of the key industries that could be developed, with the potential for long-term growth within Africa and globally, is the production of electric power storage batteries that are manufactured using nickel, cobalt, vanadium and graphite. Tanzania could become one of the regional manufacturing and exporting centres for EVs, energy storage batteries and other equipment or components that will be designed to meet the requirements of the coming foreseeable industrial world, equipped with an ever-increasing number of machines, plants, equipment and transportation vehicles that will be powered by non-fossil fuel resources (Fig. 4).

In considering the matter of identifying specific areas of opportunities for immediate collaboration in the context of Sino-Tanzania economic relations with full political support, a fruitful approach would be first to synchronize areas of mutual interest with reference to China’s 14th Five-Year Development Plan and the Five-Year Development Plan of Tanzania. Nevertheless, it can be safely surmised that our priority is food production to keep the cost of food low relative to industrial wages, because food inflation will always drive production costs to levels that can force industrial enterprises to close or migrate elsewhere.

Looking forward, the time is right to move from the vision of the potential of SADC Development Corridors and SDIs, into action within the auspices of FOCAC to link

with the Twenty-First-Century Maritime Silk Road of China's BRI. A well-structured integration of these two initiatives will create opportunities to produce tangible and measurable outcomes in terms of investments in natural resource exploitation to meet the industrialization goals of the SADC, the need for infrastructure, the delivery of social services as well as trade development objectives that will be mutually beneficial.



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Cuba and China, a Paradigmatic Partnership in a Changing World Context



Carlos Miguel Pereira Hernández

1 A Relationship with 60 Years of History

On September, 28, 2020, Cuba and China celebrated the 60th anniversary of the establishment of diplomatic relations, an event that transcends the ties between Cuba and China, since it also represents the beginning of relations between China and the Latin American and Caribbean region. This year also marks a landmark event, the 100th Anniversary of the Communist Party of China, a testament to its will and determination to lead China forward.

On September 2, 1960, an unprecedented event occurred in international relations: José Martí Revolution Square, the Cuban equivalent of Tiananmen Square, thousands of people gathered listening to the leader of the revolution, who suddenly announced the breakdown of relations with the regime in Taiwan (Cuba had a small Taiwanese embassy), and recognition of the People's Republic of China.

The entire population gathered and approved it, inserting it into a document called "First Declaration of Havana," and from there, links between the two revolutions were established. In November 1960, an official government economic delegation led by revolutionary leader Ernesto "Che" Guevara visited China, where he was received by Chairman Mao Zedong and other Chinese leaders. The governments of the two countries signed their first economic and technological cooperation agreement. In December, Guo Moruo, Vice President of the Standing Committee of the National People's Assembly (APN), led a delegation of friendship to participate in the celebration activities on the second anniversary of the victory of the Cuban revolution. In September 1961, then-Cuban President, Osvaldo Dorticós, undertook a visit to China. Ernesto "Che" Guevara visited China again in 1965 where he was received by the country's top authorities and visited several Chinese provinces.

It must be said that the meeting between the Cuban and Chinese revolutions was a totally natural and logical process: They were two popular, radical revolutions, led

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in China by its Communist Party, and in Cuba by the “July 26 Movement,” both with the support of different social strata of the population. The two victories were twinned in time, and in history, to those two radical processes, which at their peak had two leaders of the stature of Fidel Castro and Mao Zedong.

Fidel Castro’s first visit to China in 1995 was historic. He visited several places that allowed him to see China’s industrial, urban and rural development. He held exchanges with then-President Jiang Zemin and Li Peng, then-Prime Minister. Fidel was very impressed with the development he had seen in the country over 20 years, which had been one of the poorest countries in the world. Fidel’s confidence in the development of Chinese socialism would also be reflected in his second visit in 2003. I must say that Fidel was key in the design of Cuba’s relations with China and its vision for the future, allowing cooperation to be established on strategic issues, including medical services, biotechnology, tourism, educational exchange, among other topics.

The exchanges of high-level visits and the consolidation of strategic political dialog have been fundamental foundations of relations over the 60 years. Regular exchange has taken place between the leaders of the two parties, with the previous Army General, First Secretary of the Communist Party of Cuba, visiting China three times—1997, 2005 and 2012—while President Miguel Díaz-Canel Bermúdez first visited China in 2013, then as Vice President, and in 2018 as President. Visits to Cuba were made by Presidents Jiang Zemin, in 1993 and 2001, by Hu Jintao, in 2004 and 2008 and Xi Jinping in 2011, then as Vice President and in 2014 as President, as well as other top Chinese leaders.

The union between the revolutions of Cuba and China was something perfectly logical in the historical development of the life of both countries, because they were two revolutions that understand each other in many areas, including the economic–commercial sphere, people–to–people exchanges, the ideological, the cultural, the educational, foreign policy, cooperation in science, technology, and the environment.

China continues to establish itself as our second-largest commercial partner, a fundamental source of financing under favorable conditions and the main technological supplier for the systematic execution of prioritized projects for the economic and social development of our country. Cuba, for its part, is also consolidating itself as a stable supplier of sugar, nickel, lobster, rum, and tobacco for the Chinese market and in an incipient way of highly effective and innovative biotechnological products.

Many Chinese companies are involved in priority projects in Cuba, and many of these linked to the construction and modernization of infrastructure, telecommunications, renewable energies, the tourism sector, and so on, in every important sphere in the life of the country.

Cuba values the extension of the Belt and Road Initiative to our region, its new dimensions, the strengthening of the China-CELAC Cooperation Forum, which was born from the agreements adopted at the Second CELAC Summit held in Havana. These are all spaces that represent unique opportunities for our countries for the development of infrastructure, the improvement of regional connectivity, and the construction of control and prevention mechanisms in the field of health.

The COVID-19 pandemic has not only brought our countries closer together with the common objective of bringing welfare and health to our people, but also expanded trade ties that have led to gratifying results. Bilateral cooperation in the biotechnology sector has reached unprecedented levels, which we are determined to continue expanding, for the benefit of both people.

2 Cooperation between Cuba and China in Biotechnology and Pharmaceuticals

The bilateral relationship in the biotechnology and pharmaceutical sector between the People's Republic of China and Cuba has seen steady development over the past 16 years with remarkable results.

On November 22, 2004, the governments of both countries, recognizing the progress of collaboration in this area, signed a Memorandum of Understanding (MOU) in the presence of the historic leader Commander in Chief Fidel Castro and the Honorable Mr. Hu Jintao, then-President of The People's Republic of China. This Memorandum was renewed in 2009 and extended during the successful visit to Cuba by President of China, Mr. Xi Jinping in July 2014, as well as in the Proceedings of the seventh, eighth, ninth, and tenth meetings of the Joint Group for Biotechnological Cooperation Cuba-China.

This MOU established the general framework of cooperation in the biopharmaceutical sector, allowing both countries to advance and consolidate their relationship.

BioCubaFarma promotes cooperation and business with Chinese companies and institutions in the field of biotechnology and pharma industry in China under different cooperation models. The relationship is formed to advance product development and ultimately gain faster registration approvals for the products in China. Cooperation in the biotechnology sector shows outstanding results today. Three Chinese/Cuban joint ventures with important contributions to human health and agriculture have been established: (1) Biotech Pharmaceutical Co., Ltd in Beijing, (2) Changchun Heber Biological Technology Co., Ltd in Jilin province, and (3) Shandong Lukang Heber Co., Ltd in Shandong province.

The Centers of Cuban Biotechnology have been incorporated into these companies, all established in the People's Republic of China, innovative products for the treatment of diseases of high incidence like cancer and hepatitis, among others, transferring a total of ten technologies to China thus far.

So far, BioCubaFarma has four products registered in China: (1) Nimotuzumab: a humanized monoclonal antibody for the treatment of nasopharyngeal cancer and other types of tumors from Biotech Pharmaceutical that has led to the treatment of more than 50,000 Chinese patients and is now seeking approval for two other tumor indications (head and neck and esophagus); (2) human recombinant interferon alpha 2b for the treatment of Hepatitis B and C from Changchun Heber Biological

Technology; (3) Ateromixol (PPG) for hypercholesterolemia from Hubei China-Cuba Biopharmaceutical Co., Ltd; and (4) Aikexian, a biofertilizer from JV Shandong Lukang Heber Biotechnology Co., Ltd.

There is also a Cuba-China industrial complex for the production of PPG and other natural products in the New East Lake High-tech Zone in Wuhan. Likewise, in Cuba, plants manufacturing soft capsules for important natural products, with the assistance and support of Hubei China-Cuba Biopharmaceutical Co., Ltd, and a plant producing biosensors with technology from Changsha Sinocare Inc., have been constructed.

BioCubaFarma is also working with local Chinese governments in Chengdu, Yongzhou, Shanghai, and Changchun, as well as universities and institutes (University of Science and Technology of Shanghai, Institute of Materia Medica of Shanghai, Institute of Neurosciences of Shanghai, and University of Science and Electronic Technology of Chengdu) to foster innovation in the biotech field by setting up R&D centers and joint laboratories to introduce and jointly develop Cuban proprietary technologies for the Chinese market. Of particular interest are the China–Cuba Biotechnology Joint Innovation Center, a research base jointly established by the Yongzhou Municipal Government and BioCubaFarma in the Yongzhou Economic and Technological Development Zone, and the Collaboratory for Neuroscience and the Brain Mapping Project Development between the University of Science and Electronic Technology (UESTC) from the Tianfu New Area, Chengdu, and the Cuban National Center for Neurosciences (CNEURO), all of the utmost priority for bilateral cooperation in the sector.

Cooperation between Cuba and China in the biopharmaceutical sector has reached a new stage, where new challenges should be addressed. These challenges include maintaining and increasing the sales of biotech products already sold in China and registering of BioCubaFarma's products currently produced in China for new indications. In addition, clinical studies for products positioned in the medium term should be accelerated to get into the Chinese market, such as the new indications of Nimotuzumab for cancer treatment, Heberprot-P for the treatment of diabetic foot ulcers, the therapeutic vaccine CIMAVAX against lung cancer, therapeutic vaccines for the treatment of Hepatitis B (HeberNasvac), and Heberkinasa (Proctokinasa) for the treatment of acute hemorrhoids.

BioCubaFarma is confident to continue growing the cooperation for development of joint projects in light of the possibilities offered by Cuba for foreign investment with the updating of its economic model.

3 Cuban–Chinese Cooperation in Science, Technology, and the Environment

Cuba and China have a long-standing cooperative relationship in areas of common interest. The Agreement of the Scientific and Technical Cooperation between the

Governments of the Republic of Cuba and the People's Republic of China, signed in Beijing in 1989, laid the foundation for the establishment of a Joint Commission for Scientific and Technical Cooperation in order to assess and coordinate the compliance with cooperation programs.

To date, there have been eleven meetings of the Joint Committee on Intergovernmental Cooperation in Science and Technology in China and Cuba, respectively. The last one took place in 2019, and was chaired by Deputy Ministers from CITMA and MOST correspondingly. It was an opportunity for both sides to review achievements in biomedicine, brain science, and other fields of cooperation. As a relevant outcome of the meeting was signed, with final minutes included the main areas on future cooperation to boost and conduct in-depth exchanges on topics such as science park cooperation, personnel exchanges, and support for joint research.

Both sides agreed to promote practical cooperation in such fields as Biotechnology, Biomedicine and Neurosciences; Nanotechnology and Nanosciences; Climate Change, Natural Resources and Environment; Scientific and Technological Parks; Agricultural Science and Technology; and Young Talent Program, among others.

In the first quarter of 2020, the Cuba–China Joint Call for the development of Research Projects in Life Sciences, Nanotechnology and Nanosciences, and Agricultural Science and Technology (including Hybrid Rice) within institutions, scientific centers and enterprises from both nations was launched.

In the field of neurosciences, the Brain Mapping Project being carried out by Cuba, China and Canada stands out, which, due to its groundbreaking results, has been extended for three more years. Among other goals, the project “Precision Brain Health” aims to research early detection and management of pathological brain aging and identify the most effective treatments. In this effort, a successful triangular collaboration has been achieved among centers, universities, and institutions from the three countries.

Another significant accomplishment to highlight is the project of the Joint Cuba–China Laboratory for Frontier Research in Translational Neuroethology at the University of Science and Electronic Technology of China (UESTC) in Chengdu, where research is carried out on the early detection, intervention, and rehabilitation of multiple neurodegenerative diseases and mental disorders. Additionally, China and Cuba's jointly owned technological products and services are reviewed and developed, which contribute to the promotion and the transformation of the high-tech industries in the two countries.

Cooperation between Cuba and China in other fields has also produced concrete results, such as in the environment with the donation of Chinese technology and equipment for evaluating the air quality in Havana, as well as those for assessing earthquake data and the most damaged locations across the island. At the same time, it is quite relevant to underline the granting of scholarships to talented young Cuban scientists for their training in innovative environmental technologies.

China has been successful in the development of scientific and technological parks, as well as high technology zones. In this spirit, we are seeking the introduction of Chinese companies in the scientific parks of Cuba, as well as the development

of business by Cuban high-tech companies and their Chinese counterparts for the production and commercialization of innovative products.

The first Cuban science and technological park was opened in 2019, known as Havana Scientific-Technological Compound, and is located at the University for the Information Sciences (UCI). The name 3CE is an acronym related to the link between creation, growth, competitiveness, and companies. The country looks forward to extending this experience to other centers of higher education in different regions of the island. Havana Park is included in the Portfolio of Opportunities for Foreign Investment 2020–2021.

There is another Cuban sci-tech park at Matanzas, which has the unique model of being a trading company made up of five shareholders that have already signed their first export contract (a computerization project worth USD 200,000). Similar to Havana Park, the main specialty is the Information and Communications Technology (ICT), but it is looking to expand into other areas of knowledge taking advantage of the location at the campus of the university.

Such cooperation is also meant to share and enrich our experiences and knowledge in facing common challenges related to the economic, geographical, and cultural particularities of developing countries.

4 Cuba and China—Paradigmatic Relations in the Fight Against COVID-19

The new SARS-CoV-2 coronavirus, responsible for the current pneumonia outbreak named COVID-19, has been the main challenge to global development in 2020, creating an environment full of uncertainty and suffering for the international community. The devastating COVID-19 pandemic has demonstrated the significant need to overcome political and ideological differences and seek common solutions to global challenges through cooperation and solidarity.

In the context of these exceptional circumstances in which humanity has had to face a totally unknown, unexpected, and devastating disease, Cuba and China, two socialist nations, have shown a high degree of political generosity and commitment by confronting the pandemic with solidarity, discipline, and sacrifice. Based in strong political willingness, both countries have succeeded in strengthening mutual cooperation and strategic communication, thus ratifying an essential principle of bilateral relations in terms of mutual support during the most difficult times.

Against the backdrop of the celebration of the sixtieth anniversary of bilateral relations in 2020, the joint fight against COVID-19 has been the best symbol of the unique nature of Sino-Cuban relations. Comrade Raúl Castro Ruz, First Secretary of the Central Committee of the Communist Party of Cuba, and Comrade Miguel Díaz-Canel Bermudez, President of the Republic of Cuba, sent messages of solidarity to Comrade Xi Jinping, Secretary General of the Central Committee of the Communist Party of China and President of the People's Republic of China in January when China

became the first country affected by COVID-19. Soon after, the presidents of both countries held a telephone conversation to re-affirm their solidarity and willingness to strengthen mutual support in the context of the health crisis.

Under the firm leadership of their respective Communist Parties, and in accordance with their specific realities, Cuba and China have launched, respectively, decisive battles to prevent and control the spread of COVID-19, with the priority and undeniable premise of safeguarding the lives of their people. The idea that people's lives come first and are above economic prejudices has been a common and fundamental policy of both countries and is very different from what was done in other nations with different political systems.

In the context of the global fight against COVID-19, Cuba and China have cooperated, making the highest priority saving human life. I would like to take this opportunity to reiterate once again my deep gratitude to the Chinese Party, Government, and business community, for their valuable help in confronting the pandemic, which has allowed Cuba to receive important supplies, medicines, and medical equipment, despite the strong obstacles imposed by US government's blockade policy against Cuba and its extraterritorial impact, whose effects have been accentuated during last year.

For Cuba, the effectiveness of the fight against COVID-19 is mainly due to our solid health system and the strengths of our scientific potential. For instance, the application of 22 innovative Cuban biotechnology products in different clinical research protocols is to prevent infection in a high-risk populations and to treat and control severe and critical patients with COVID-19.

The human recombinant interferon alpha 2b, manufactured by the Sino-Cuban company Changchun Heber Biological Technology Co., Ltd. with Cuban technology, at the request of China's National Health Commission, was successfully used to fight the virus in 11 Chinese provinces, another good example of cooperation between Cuba and China to tackle the COVID-19 outbreak. Cuban interferon alpha 2b has also been requested by other countries to curb SARS-CoV-2 amid the pandemic.

Other innovative products from BioCubaFarma, which have been successfully used in the Cuban outbreak, can also be offered to China and other countries to fight COVID-19. Among them, Biomoduline T (a natural biological drug as immunomodulatory of the immune system) was used in 8,000 elderly people with a reduction of more than 40% in acute respiratory infections and a decrease in hospital admissions and mortality; Heberferon (combination of recombinant human interferon alpha 2b with recombinant human gamma interferon in a single vial) is a potent antiviral drug for the treatment of SARS-CoV-2 positive patients with certain comorbidities. On the fourth and seventh days after using Heberferon, 37% and 78% of patients were free of the virus according to PCR tests.

The survival rate in critical patients using Jusvinza (a HSP60-derived immunoregulatory peptide for the treatment of cytokine storms on patients positive to SARS-CoV-2) was 73.7%, while in severe patients it was 91.3%, with an overall survival rate of 86%. The product was approved by the Cuban regulatory entity CECMED for extensive compassionate use in severe COVID-19 patients with hyper-inflammation. Itolizumab (an anti-CD6 humanized monoclonal antibody) reduces circulating levels

of IL-6 in severe and critical patients positive for SARS-CoV-2. The rate of improvement of respiratory distress in critical patients using Itolizumab was 70%, while in severe patients, it was 90%, with an overall survival rate of 80%.

Cuba has achieved all this despite the fact that the US government has drastically escalated the blockade against the small island, taking advantage of the terrible circumstances of COVID-19. The blockade has always been criminal, an act of genocide and economic warfare against the Cuban people, but the cruelty of its application during a pandemic is unprecedented.

Finally, I should mention the work of Cuban and Chinese doctors and all supportive health workers. Health personnel have worked as true heroes. They have been essential to saving people's lives in the face of this pandemic and have been bridges of solidarity to different latitudes beyond national borders. China, for its part, has provided assistance to more than 150 countries, regions, and international organizations during the pandemic. Cuba, despite its limited resources, has sent more than 40 medical teams to more than 30 countries to fight COVID-19. At the same time, some Cuban and Chinese medical teams have maintained coordination in third countries and contributed jointly to the fight against COVID-19. Even in the context of this act of solidarity with Cuba's international medical cooperation, the USA has sought to discredit and undermine, with an immoral position in circumstances where the world needs more cooperation and joint efforts to overcome this pandemic.

Cuba and China have great potential to strengthen public health cooperation, promoting health services and the production and trade of medicines, and other health supplies. Both countries have offered mutual solidarity and support, turning the joint fight against COVID-19 into a new symbol of friendship and an example of both bilateral and global cooperation. This kind of paradigmatic relationship is what humanity requires to successfully defeat this pandemic.

The high-level bilateral political relationship and the unwavering friendship between the two communist parties, governments and people, allow us to continue to strengthen a strategic alliance and a special relationship. As socialist countries that are, in addition to good friends, brothers and comrades, Cuba and China have unlimited potential, which both sides must take advantage of for the benefit of our people and humanity.



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Indonesia–China Strategic Partnership Transformation: Building Cooperation, Synergy, and Solidarity



Djauhari Oratmangun

Only a few months after Chairman Mao solemnly proclaimed the founding of the People's Republic of China atop the Gate of Heavenly Peace, famously known as Tiananmen Gate, on Saturday, October 1, 1949, Indonesia officially opened diplomatic relations with China on April 13, 1950, as political recognition and a gesture of friendship of both countries. However, the root of friendship between Indonesia and China can be traced back nearly a millennium when a Buddhist monk from China came to Nusantara in the fourteenth century when the great Admiral Zheng He, sent by the third Ming Emperor of China, led a diplomatic mission and visited Nusantara.¹

Under the Presidency of Sukarno, Indonesia was among the first countries to establish political relations with China in 1950 and enjoyed close relations with the Beijing. The relations of both countries have become more profound, broader, and more robust since the administration of Indonesian President Abdurrahman Wahid (1999–2001, President Megawati Soekarnoputri (200–2004), President Susilo Bambang Yudhoyono (2004–2009, 2009–2014), and President Joko Widodo (2014–2019, 2019–present). The bilateral relations of Indonesia and China were also strengthened by signing the Joint Declaration on Strategic Partnership on April 25, 2005, and Future Direction of Indonesia–China Comprehensive Strategic Partnership on October 2, 2013.

Between April 13, 2020, and April 12, 2021, Indonesia and China commemorated the 70th anniversary of diplomatic relations and five years of the establishment of a Comprehensive Strategic Partnership. Hence, the year 2020/2021 provided momentum as both countries' partnership entered a "Platinum Jubilee" year. The seventieth year of collaboration in the context of state relationships is not a short

¹ Nusantara is an Indonesian word that refers to the Indonesian archipelago (<https://kbbi.kemdikbud.go.id/entri/nusantara>).

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time. Many obstacles and challenges have arisen, but working together has been the key to overcoming them. As members of the G20, and large countries in Asia, despite differences in their socio-cultural and political systems, Indonesia and China have shown the world the importance of cooperation, synergy, and solidarity among nations.

1 Mutual Trust

During the past 70 years of diplomatic relations, a great deal has been accomplished in numerous sectors such as politics, economy, trade, socio-culture, and investment. Particularly today, in the middle of the COVID-19 pandemic, Indonesia and China's partnership has been elevated to an even higher level. This strong relationship, especially under the current administration of President Joko Widodo, is mainly driven by political outlook, mutual trust, respect, and understanding between one another. Both leaders consistently engage in communicative dialog based on a principle of non-interference, instead of confrontation, ahead of everything.

For Indonesia, the principles underlying its "independent and active" foreign policy, which were expounded first time by the first Vice President of the Republic of Indonesia, Muhammad Hatta, on September 2, 1948, have been the foundation for establishing relations with other countries, including China. The policy, designed to serve the national interest and achieve world peace, is adaptable and has survived global changes, answering challenges and continuously contributing to solving world problems by putting forth a win-win solution for all. Strategic concerns are a significant part for both governments—Jakarta and Beijing—in strengthening bilateral relations.

Indonesia, with its 270 million people, and China, with its 1.4 billion people, need to collaborate and cooperate, both regionally in ASEAN and the Asia Pacific as well as globally. This cooperation is based on market factors, geopolitics, and geostrategy in the region.

Immense communication channels between leaders and high-level officers of both countries have been built by exchanging visits, telephone conversations, and letters. The visit of the Minister of Foreign Affairs of Indonesia and the Minister of State-owned Enterprises of Indonesia to China last August 2020 was the first visit of high-level foreign officials to China during the pandemic and showed mutual support in overcoming world crises. This support was strengthened by a subsequent visit to China by the Coordinating Minister of Maritime and Investment Affairs and the Minister of Health of Indonesia in October 2020. On the other side, China's Minister of Defense visited Indonesia in October 2020, and the State Councilor/Minister of Foreign Affairs of China also visited Indonesia in early 2021. These forms of communicative approaches have consolidated the foundation of the Indonesia–China strategic partnership in all areas of cooperation.

2 Trade and Investment Partners

The partnership between Indonesia and China has transformed significantly and is developing very fast from the government-to-government level to people-to-people contact through cooperation in bilateral trade, investment, socio-cultural exchange, and tourism.

On the issue of trade, amid the COVID-19 pandemic that struck the entire world in 2020, Indonesia and China took trade cooperation to a higher level, with China remaining the leading trading partner of Indonesia. In 2020, the total trade volume of Indonesia and China reached USD 78.5 billion. From January to December 2020, the total export value of Indonesia to China reached USD 37.4 billion, an increase of 10.10 percent compared to the same period in 2019. This resulted in Indonesia moving to fourth, from fifth in 2019, among the largest exporters to China among ASEAN countries.

However, the total import value of goods from Indonesia to China in the period of January–December 2020 reached USD 41 billion, a decrease of 10.13% compared to the same period in 2019. In this period, Indonesia was able to balance its trade deficit with China of 68.96%, with a deficit of USD 3.6 billion, compared to the same period in 2019, which saw a deficit of USD 11.7 billion.

In the investment sector, China's investment in Indonesia has increased steadily since 2016. For the last three years, China has been the second largest foreign investor in Indonesia. From January to December 2019, China's investment was valued at USD 4.7 billion, up 95.6% compared to investment in 2018. In this period, amid the challenges of the COVID-19 pandemic, China remained the second largest foreign investor in Indonesia after Singapore, with total investment value of USD 4.8 billion, up to 2.1% from the same period in 2019, while Hong Kong was the third biggest foreign investor in Indonesia, valued at USD 3.5 billion, an increase of 20.7% year-on-year.

In terms of investment in connectivity projects, the Jakarta-Bandung high-speed railway, a National Strategic Project for Indonesia, is a landmark project of Indonesia–China infrastructure cooperation as well as a flagship project of the Comprehensive Strategic Partnership of both countries. Indonesia is also the only country that has succeeded in synergizing the Chinese's Belt and Road Initiative (BRI) with Indonesia's Global Maritime Fulcrum (GMF) through the signing of Memorandum of Understanding on Jointly Promoting Cooperation within the Framework of the Global Maritime Fulcrum Vision and the Silk Road Economic Belt and the twenty-first-Century Maritime Silk Road Initiative in 2018. Under the framework of the BRI and GMF, four economic corridors have been developed in Indonesia, namely: North Sumatra, which is being developed as an "Economic and Business Hub for ASEAN"; North Kalimantan as an "Energy and Mineral Hub"; Bali as a "High-tech and Creative Economy Hub"; and North Sulawesi as a "Pacific Rim Economic Hub". Areas of cooperation include the development of technoparks, industrial parks, waste treatment projects, power plants, e-commerce, transportation, ports, special

economic zones, 5G, sister ports, and fisheries. Specific projects include the Jakarta-Bandung high-speed railway project; center of technology digital development in Turtle Island of Bali (Pulau Kura-Kura Bali); Karawang and Tangerang Industrial Park; Kuala Tanjung Port; Car Industrial Park; Morowali Industrial Park; and many more.

In addition to the synergy between the BRI and GMF, both Indonesia and China are the signatories to the Regional Comprehensive Economic Partnership (RCEP) Agreement. The agreement will undoubtedly speed up domestic and global economic recovery, health cooperation in the field of medicines and vaccines, green cooperation, and sustainable development with a spirit of inclusivity, openness, transparency, and multilateralism.

In the tourism sector and people-to-people contact, Indonesia has become the fourth largest tourist destination for Chinese tourists among ASEAN countries. Meanwhile, China is the second largest source of overseas tourists in Indonesia, with 2.1 million visits in 2019. With the hope that the COVID-19 pandemic will be over soon, Indonesia is preparing to welcome the Chinese tourist to work from Bali and the “Ten New Balis”, namely Lombok Mandalika, Borobudur in Central Java, Lake Toba in North Sumatra, Tanjung Lesung in Banten, The Thousand Island in Jakarta, Tanjung Kelayang Beach in Bangka Belitung Islands, Mount Bromo in East Java, Labuan Bajo in East Nusa Tenggara, Wakatobi in South Sulawesi, and Morotai Island in North Maluku.

3 Digital Economy

The COVID-19 pandemic has brought tremendous changes and transformed many aspects of the current business arena. On one hand, the pandemic has devastated the global economy, with many countries still struggling to recover. On the other hand, the pandemic accelerated the digital adoption rate within society. People have been forced to do everything from online shopping, and online learning to online consulting, which eventually will become a habit. Moreover, the pandemic catapulted the digital transformation to the top of the priority list for practically every business and industry in the world. Operating business remotely online has become an unavoidable new normal. Since everything is connected, digital media has taken a significant part in promoting trade and investment. As a response to the crisis and the move toward the new normal where working from home is expected, the need for digital infrastructure is extremely essential and timely. Hence, unanimously acknowledging that the pandemic has dramatically accelerated the pace of digital transformation is truly an essential business requirement, as it has become what people around the globe are in need of today.

In this sense, to keep up with trends in technology and digitalization and encourage digital literacy in Indonesia, the current Minister of Education and Culture of Indonesia, who has established one unicorn in Indonesia, has suggested coding and programming be compulsory in education curricula, stating that the combination of

these subjects is critical and a worthy investment for Indonesian human capital for the economy of the future.

In Indonesia, over 530,000 schools have closed amid the pandemic, affecting 68 million students from pre-primary through tertiary levels, making the need for effective Education Technology (EdTech) extremely urgent. The situation is forcing a very fast and broad increase in the country's use of EdTech, which is expected to have lasting effects on the market. Responding to this issue, Indonesia, under the administration of President Joko Widodo, has urged for a more robust digital transformation in education and distance learning in particular. The Indonesian government had allocated a whopping IDR 1.9 trillion or around USD 128.4 million for cellular data subsidies by cellular operators for students and teachers and another IDR 7.21 trillion or around USD 510 million in subsidies to provide free mobile Internet access for students across Indonesia. The number will also be increased accordingly to meet the need for the whole country's online classes.

However, digital transformation was a line item on many business agendas long before COVID-19 came along. In this regard, Indonesia has a great deal of potential in digitalization. Indonesia now has five unicorns and one decacorn, and 197 million Internet users as of 2020, with penetration hitting 74%, up to 8.9% from last year. It also has high smartphone penetration, a young Internet-savvy population, and a growing middle-class.

Total e-commerce transactions in 2020 were valued at USD 44 billion and accounted for 72% of the entire Indonesian digital economy, an increase of 44% compared to 2019, valued at USD 21 billion. Along with the growing ecosystem, this figure is expected to reach USD 124 billion in 2025. According to e-Conomy SEA 2020 report by Google, Temasek, Bain and Company, Indonesia's digital consumer base surged 37% during the pandemic. This number is predicted to grow more in the coming year considering Indonesia's economic growth is supported by domestic consumption, and more retailers and consumers are being forced to explore e-commerce options. Before the COVID-19 pandemic, online travel transactions reached USD 10 billion in 2019. In terms of online payment, it is predicted that there will be more and more collaboration between e-commerce platforms with the e-wallet platform, which number has been rising since 2019.

In the financial sector, excellent connectivity opens more immense opportunities in the financial technology market and increases banking penetration. Indonesia is the world's tenth largest economy, but Indonesia also has the fourth largest unbanked population in the world. The change in people's behavior adapting to the new normal brought by the COVID-19 pandemic makes everything, including the banking sector and business, go digital. Currently, Indonesia is on its way to becoming a cashless society. The development of digital financing is growing significantly with the increase of e-wallet top-ups, mobile banking, and e-commerce transactions. Hence, despite the COVID-19 pandemic and global uncertainties today, Indonesia is home to 322 fintech (financial technology) companies.

The Indonesian government is now working on the telecommunication infrastructure to close the technology gap, including connecting 9,113 villages with 4G networks by 2022. In 2019, Indonesia launched the Palapa Ring Project in Tanimbar.

The project aims to provide access to 4G Internet service to more than 500 regencies across the country with features more than 35,000 km (21,747 miles) of land and sea cables, stretching from the westernmost city in Indonesia, Sabang, to the easternmost town, Merauke, from the northernmost island Mianagas to the southernmost island, Rote. For the economic sector, the improvement in Internet connectivity will significantly impact industries across the countries and encourage economic development. However, it is also essential to mitigate the risk and challenges that arise in the digital era, namely cybercrime and data security.

To further support the development of information and communication technology (ICT) in 2021, President Jokowi Widodo announced a budget of IDR 30.5 trillion (around USD 2 billion), which will target accelerating digital government transformation, ensuring effective and efficient public services, particularly in the education, health, and government sectors; consolidating and optimizing shared infrastructure and services; and ensuring public participation in priority development areas; and promoting equality with other Internet access in approximately 4,000 villages and sub-districts in 3T (frontier, outermost, and underdeveloped) regions.

Indonesia is still in the early stages of building a digital economy. Nonetheless, it has a solid foundation. Looking back from a decade ago, e-commerce and ride-hailing services have become the industrial locomotive to expand digital-savvy coverage in Indonesia. Since then, a new digital business model has become easier to accept. In 2025, Indonesia's digital economy is projected at USD 130 billion which makes Indonesia the most significant economic digital player in ASEAN. The number contributes 22% of Indonesia's gross domestic income in 2020. Indonesia is also the regional hub for investment by venture capitalists, including several big investors from China, who are already investing in Indonesia, including Alibaba Ant Financial, Baidu, Tencent, and Meituan.

As the second largest digital economy in the world and the home of 162 unicorns, China's digital economy is predicted to reach USD 4.2 trillion in 2025. Given its eye for the digital sector, China has launched a massive Digital Maritime Silk Road project that aims to develop digital connectivity and infrastructure in the region. One of the factors that has supported China's economy in the middle of COVID-19 pandemic pressure is China's development in the digital economy sector.

In the development of the digital economy, Indonesia and China have established several areas of cooperation, including the establishment of the Turtle Island project (Pulau Kura-Kura Bali) under the cooperation of Bandung Institute and Tsinghua University as a center for IT R&D, collaboration in coding education, and training at the Wekode School, launching of InaMall, virtual payment, IT education, vocational training, building e-commerce, fintech, and digital infrastructure.

To boost cooperation in the area of e-commerce, fintech, and digital infrastructure, as mentioned above, Indonesia has initiated cooperation with a number of outstanding companies in China, namely ByteDance, Meituan Inc, Alibaba Ant Financial, Jumore, JD.com, Baidu Inc, and Tencent Holdings Ltd. With the pandemic still present, it is essential to adapt the trend and emerge to be the winner within the crisis, and digitalization is the answer to the demand in order to survive. There are

still plenty of opportunities for cooperation in this sector. Early this year, the Indonesian Minister of Trade launched IDNStore. This platform aims to support Indonesian SMEs to enter China’s market and boost Indonesian exports to China.

4 Future Cooperation

In conclusion, reflecting on the 70 years of relations between Indonesia and China reveals big opportunities, particularly for Indonesia to further cooperate closely in partnership with China. The Strategic Partnership and Comprehensive Strategic Partnership have become an important instrument for this opportunity. In response to the issue of the COVID-19 pandemic, the Indonesian government established the COVID-19 Mitigation and the National Economic Recovery Committee on July 20, 2020, to replace the Task Force to accelerate the mitigation of the COVID-19 pandemic.

Furthermore, in 2020, in an effort to continuously attract and streamline business processes, President Joko Widodo’s administration launched a new law called the “Omnibus Law” as a way to secure development and economic sustainability. The law mainly aims to revise several prevailing laws to settle fundamental issues that are curtailing business competitiveness in Indonesia. Through this law, investors now enjoy several benefits, such as more certainty in business, streamlined regulations, fiscal incentives, non-fiscal relief such as ease of licensing, more accessible investment locations or sites, and provisions by the government of certain infrastructure for investment locations or areas, and many more.

Looking into the digital potential of both countries, there is ample room for further cooperation and plenty of untapped opportunities ready to unfold. Indonesia and China are blessed with the same connectivity concepts with the GMF and the BRI, large populations, and great market volume. In this regard, both countries should walk together and work in tandem to mutually explore cooperation in the digital economy.

“Strategic, long term, and prosperous” are three keywords that represent the future bilateral ties of Indonesia and China. The only challenges ahead are common challenges in facing the pandemic and addressing the socio-economic recovery of the people of both nations. There are different perspectives on specific issues, but the key is to always keep communication open and to keep tension low should differences arise by mitigating public sentiment and voices that may affect smooth processes in strategic cooperation and ongoing joint efforts between our two countries. Therefore, as two great Asian nations with their own influence in ASEAN and the Asia Pacific region, Indonesia and China must synergize and coordinate their power to manage geopolitical, geostrategic, and security challenges in the Asia–Pacific region as well as to ensure global peace and security.



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Global Context of the Polish–Chinese Relations



Wojciech Zajączkowski

Thanks to the reforms initiated in late 1970s, China was able to join in and benefit from the subsequent waves of globalization. Decades of rapid economic growth made it possible to increase China's role in the world economy and international relations in a relatively short period of time. Its impact on, by now essentially all other countries, is multidimensional and stems not only from the sheer size of the Chinese economy and related trade links, but ever more from qualitative factors like its technological sophistication and zeal for innovation. In this article, I would like to share some thoughts and observations on the role China plays in globalization, international trade and fighting climate change. I will do so from the Polish perspective.

1 Globalization, Trade and Climate

China's growing economic and political importance can be observed using different indicators, but an overall assessment would probably stress the vital role played by China in globalization. With its crucial position in international production chains, China has vastly expanded trade relations and put itself in central position in world transport links. Foreign investment expansion, combined with growing presence in financial markets, has allowed many Chinese enterprises to build their presence on all continents and become part of everyday life of many. As China aims to become a global centre for innovation and technology, its perception in many parts of the world is already as that of a developed country.

With its ambitious Belt and Road Initiative, China has also started to seriously reflect on infrastructure needs worldwide. Such boldness, supported by the above-mentioned processes and achievements, has unsurprisingly created high expectations in many countries. However, global needs far exceed what one country, even China,

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can achieve on its own. What is needed, whether in bilateral or multilateral cooperation, is mutual trust built upon sustainability and predictability. As lower than expected returns can create hurdles not only in the realization of particular projects, an overall atmosphere of cooperation is essential to take into consideration interests of wide variety of stakeholders.

Cooperation on climate protection is one of the fields in which the international community simply cannot risk failure, as the challenges brought with the deterioration of natural environment affect every country, and cause significant damage. At the same time, to achieve success we need to build a strong international framework to overcome the economic and political constraints that currently put limits on actions of single countries. Related issues are of a complex nature, and therefore need a set of solutions, and what seems equally important are ways to verify this progress.

China, as the world's largest emitter of greenhouse gases, is an essential partner in any meaningful action to mitigate the impact of climate change. We have already seen big investments in this regard on the Chinese side, and commitments such as the declaration of carbon neutrality by 2060, which further demonstrate the will of the leadership of China. Moreover, being a leader in green technologies and renewable energy, China could also support other countries efforts in improving their situation. This can be a good foundation for successful multilateral efforts, provided we manage our cooperation in a way that keeps all participants in.

2 COVID-19

The COVID-19 pandemic has reminded us of our vulnerabilities and pressed for re-evaluation of risks we face in different areas, including international economic relations. Since the pandemic is still taking its toll around most of the world, and governments are still mostly focused on the public health dimension, it is too early to draw final conclusions and recommendations for the future. Nevertheless, some preliminary observations based mostly on the developments during the early phase of the pandemic are already quite clear. Most important, not everything worked ideally in 2020.

The speed and scale of the spread of this then largely unknown disease made many governments draw back not only from multilateral methods, but even from bilateral ones, as decisions began to be made unilaterally and often in an uncoordinated way. Limitations on international travel, particularly flight cancellations, have frozen a significant part of international exchange. The resulting paralysis of transport networks only added difficulty to the scarcity of medical protection materials. With time, some challenges have been addressed, but many issues still remain to be solved.

The unprecedented speed of the development of vaccines against COVID-19 brought hope, while at the same time also once again drawing our attention to production and distribution challenges that were faced regarding protective gear. The future of the virus itself, especially characteristics of its mutations, mean that disruptions might be unavoidable. This, added to the differences among nations in implementing

vaccination programmes, means that global economic recovery is likely to be slower than expected and might enhance regional economic integration rather than recovery at a global level.

China appears to have recovered quicker than other countries, mostly thanks to rapid elimination of the public health risks related to the spread of the virus itself. Since we need connectivity for trade and investment, at one point the world might need a thorough re-evaluation of risks faced with direct people-to-people contact, as opposed to the need of economic development. Effective and widely used vaccines would help governments in making this difficult assessment. While the pandemic has strained multilateralism, international coordination looks inevitable.

3 Poland–China Relations

Poland is open to cooperation with China in all of the above-mentioned areas, as our role in international efforts for global economic recovery requires us to engage China as well. While the spread of COVID-19 has, because of travel restrictions and social distancing rules, greatly impacted the normal conduct of international relations, in my opinion Poland and China have been successful in overcoming this negative impact as we have managed to continue intensive political and economic contacts. Poland's President Andrzej Duda had phone conversations with President Xi Jinping, while Prime Minister Mateusz Morawiecki spoke with Prime Minister Li Keqiang. Ministers of Foreign Affairs held phone conversations as well. In 2020, China was one of the largest sources of medical equipment and protective gear for us. While Poland perceives bilateral relations with China and the EU–China relations as a priority, “17 + 1” is part of our broad cooperation agenda with China. The organization of the Beijing summit in February 2021 confirmed that COVID-19 pandemic did not stop us from seeking ways of pragmatic cooperation.

The global pandemic has required us all to intensively explore ways of supporting economic recovery, and multilateral cooperation is definitely one of the areas that has great potential. Poland actively participated in preparations for the China–EU Comprehensive Agreement on Investment (CAI), as well as the Strategic Agenda for Cooperation 2025. This shows the vast spectrum of opportunities Poland, together with other EU countries, present to China and simultaneously share with China. With this in mind, there are a number of areas Poland and China can enhance cooperation, ranging from logistics to green technologies.

Taking a broader approach, it has to be noted first that while in the period after the transformation in 1989, and before entering the EU in 2004, we had been more focused on domestic issues, but over the past ten years, Poland has come back to East Asia. One of the symbols of this process was the establishment of a strategic partnership with China in 2011, which was further elevated to the status of a comprehensive strategic partnership in 2016. With this, we have seen a steady development of pragmatic and result-oriented Polish–Chinese cooperation in a number of areas.

These range from trade and economy, science and education, to culture and people-to-people exchanges. Nowadays, we are interconnected with China in many different ways, with industrial production chains stretching from East Asia to Europe; therefore, we should closely work on creating an economic environment that would bring sustainable growth to all interested parties.

One of the most promising areas of cooperation from the Polish point of view is in connectivity. At the time of writing 85–90% of containers transported by rail from China to the EU passed through Malaszewicze on the Poland–Belarus border (the external border of the EU) and in 2020, we saw a significant rise of the number of containers, from 97,000 in 2019 to 155,000 in 2020. We regard this very positively. Since major European transport corridors intersect in Poland, both on the East–West and North–South axis, we already possess a strong position in the European transportation and logistics sector. From this perspective, transporting goods from China to Europe, and from Europe to China, can increase our competitiveness. This could be done not only by cargo trains, but also by maritime transport—the Baltic Sea’s second-largest container port in Gdańsk already has direct lines to Chinese ports, or by air transport to Polish airports. In our opinion, we should seek synergies with networks beyond Europe and its neighbourhood. Having this in mind, Poland is willing to work with China on enhancing connectivity between Europe and Asia.

At this point, probably the biggest change rests in mindsets. For several centuries, maritime transportation has been the dominant method of transporting goods from Europe to Asia. Train connections, like the one from Chengdu to Lodz, have proven that overland connections between Europe and Asia are not only technically possible, but that there are also customers looking for such services. But to make full use of their potential requires exploring different business opportunities, as well as upgrading existing railway and logistics infrastructure.

With the growing popularity of China–Europe trains, the Polish government has already made significant investments in railway infrastructure in the Malaszewicze area, and preparation for further development is already very advanced as well. The same can be said about other places like Slawkow, which has the largest rail cargo terminal in the EU that uses broad-gauge railway lines (as used in Russia, Belarus and Kazakhstan), reducing the time normally needed to change to a different gauge. All of this is funded by the Polish state and companies and in some cases supported with the EU funds. At this point, we have not observed significant Chinese investments directly related to rail connections, but we could see the first signs of interest from Chinese companies related to logistics. We welcome this and encourage Chinese partners to take a closer look at Poland not only in terms of bilateral trade and investment but also with broader considerations, in which Poland could be a base for economic activities on a much wider, European scale.

But to fully leverage the potential of the above-mentioned rail connections, we should make them sustainable in the long term, and Poland should not only be the first stop for trains connecting China with Europe, but also the last stop for trains on their way to China carrying European, including Polish, goods to China. In this way,

China–Europe trains can fully supplement air and sea cargo, as a reliable and cost-effective means of transport. President Andrzej Duda and President Xi Jinping have been correct in attaching high value to connectivity, which is evident in his assessment expressed during the “17 + 1” summit that the development of the China–Europe Railway Express is needed to unlock the full potential of our cooperation.

Since early 2020, the world has been occupied with the COVID-19 pandemic. While this public health crisis has on its own brought challenges unseen for decades, it also made more visible, and in some cases accelerated trends that have already been developing for some time. A reverse in globalization and bottlenecks in international trade, both marked by a trend of greater self-reliance in some countries, as well as pressing needs coming from the climate change, are profound examples of such processes. They also demonstrate the need for upholding a rules-based multilateral system to deal effectively with global problems. To address all of the aforementioned challenges, the world needs China, just as much as China needs the world. This seems especially poignant when thinking about the economic recovery from the pandemic and the post-pandemic world order.

The threat of COVID-19 made governments all over the world unilaterally impose various measures aimed at protecting the life and health of their citizens. However, while helping to overcome the public health crisis, these measures had a negative impact on domestic economic growth, as well as international economic cooperation. Fortunately, with time we gained more understanding of the situation and could adjust some of the policies accordingly. What is crucial, though, is that we should ensure that the economic recovery will be both fast and based on long-lasting foundations; otherwise, the benefits will only be short-lived and could even bring more difficulties in the future.



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China, Thailand and Globalization



Arthayudh Srisamoot

Globalization literature underscores the flows of people, information, technologies, capital and ideas across national borders.¹ Globalization contains both “good” and “bad” influences, but in general creates positive impacts and greater prosperity to all involved. Globalization increases the production of goods and services, creating a bigger “pie” for shared prosperity.

However, “change” remains one of the common denominators of globalization, a “constant” in a never-ending tide of transformation in the global environment.

An early version of globalization already took place when man emerged from their caves and started interacting with peoples from other caves. In the last few centuries, globalization has accelerated tremendously, at a scale unfathomable to “Moore’s Law” or any supercomputer.

The year 2020–2021 however has seen a marked slowdown in the forces of globalization. The pace of change evident during the last few centuries of globalization has slowed down to a relative trickle over the past year. What felt like riding in a jet plane has now slowed down to the equivalent of riding in a prop plane.

In this short period, the world has witnessed not only economic slowdown, but also increasing uncertainty. This has a global phenomenon, touching all peoples, all countries, all continents and emerging as the new normal in our world. This increasing uncertainty has fed the fears and anxiety of the peoples of many countries, and this new normal of increasing uncertainty will remain with us for the foreseeable future.

Our challenge is how to navigate Asia in the midst of this volatility.

¹ Appadurai (1996).

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1 The Rise of Asia

The rise of Asia has happened before. Ancient China was the Middle Kingdom, abundant in resources and population and a rich civilization that was the envy of the world. After World War II, Japan rose to become an economic superpower and started the first wave of Asian economic growth in the modern era, helping to fuel industrial output and economic growth in many other countries in Asia, including Thailand. Fueled by stable government and strong economic policies, and partly due to the influx of Japanese investment in the automotive sector, electronics and infrastructure, Thailand was the world's fastest-growing economy in the decade 1985–1994 according to the World Bank. Real gross domestic product (GDP) per capita increased at an average rate of 8.2% each year during this period.² Foreign direct investment poured into the country.

Not much earlier, in the late 1970s, China began to open up, and Thailand was one of the first foreign countries to expand into the Chinese market. The CP Group began investing in China under Chia Tai Co., Ltd. in Shenzhen as the first foreign investor in China, giving the company the registration number “0001”.³ According to the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), there were approximately 3,129 Thai investment projects in China during the period from 1978 to 2002 with a contractual value of USD 5.6 billion.⁴

The second wave of Asian economic growth began in the 1990s led by the Four Tigers—South Korea, Taiwan, Hong Kong and Singapore. By the early 2000s, these countries had developed into highly industrialized and high-income economies.

Following the opening up of China in 1979 and the combination of strong leadership, liberal policies and influx of foreign investment into the country over the last four decades, China has led a third wave of economic growth in Asia, which began in the late 2000s. With its “win–win” doctrine and inclusive policies, the “Belt and Road Initiative,” the AIIB and other supportive measures, China now carries the mantle of a driver of growth in other countries.

2 “*Zhong-Tai Yi Jia Qin*” (China and Thailand are One Family)

Historically, it would not be incorrect to say that cross-border migration and exploration of economic opportunities between Thailand and China are one of the main factors that has created strong ties and firm connections between the Thai and Chinese peoples. The discovery of “Ban Chiang” pottery found in northeast Thailand, which dates from 1,800–5,000 years ago, may have originated from central China during

² Phongpaichit (1996).

³ Milestones, CP Group.

⁴ Manarungsan, Thailand–China Cooperation in Trade, Investment and Official Development Assistance.

the Song period.⁵ There are also official records of trade missions between the Yuan Dynasty and the Sukhothai Kingdom from the thirteenth century.⁶

On the regional front, 2021 marks the 30th Anniversary of the ASEAN-China dialog process, which started in 1991, evolving into a strategic and comprehensive partnership covering all sectors of cooperation and fostering an intensive network of cooperation between the countries of Southeast Asia and China. This has ultimately resulted in ASEAN and China becoming each other's largest trading partner and travel destination.

As a founding member of ASEAN in 1967, Thailand is proud to have contributed to the development of this partnership. When I served as Director-General for ASEAN Affairs during Thailand's coordinatorship with China in the years 2012–2015, I can recall the highlights of this relationship such as the inaugural meeting at the ASEAN-China Centre in Beijing in 2012, the opening of the Permanent Mission of China to ASEAN in 2012, the celebrations for the 10th Anniversary of the ASEAN-China Strategic Partnership in 2013 as well as the start of the Consultations for the Code of Conduct in the South China Sea that year, the emphasis on connectivity through the “One-Belt-One-Road” (later to be renamed “Belt and Road Initiative”) in 2013, setting up of the Asian Infrastructure Investment Bank (AIIB) in 2015 to fund infrastructure and connectivity projects in Asia and beyond and the inauguration of the Lancang-Mekong Cooperation (LMC) in 2015 to foster closer cooperation among the 330 million people in riparian countries along the Mekong River.

3 Regional Cooperation Economic Partnership or RCEP

More recently, Thailand has made tremendous efforts during its chairmanship of ASEAN in 2019 to finalize the RCEP, often hosting monthly trade negotiation meetings to accelerate the conclusion of the RCEP, an idea initially conceived in 2011. Finally, on November 4, 2019, at the conclusion of the 35th ASEAN Summit in Bangkok, the leaders were witness to the conclusion of the substantive negotiations of the RCEP. The official RCEP Agreement was signed at a virtual summit hosted by Vietnam on November 15, 2020, and will come into force 60 days after it has been ratified by at least six ASEAN and three non-ASEAN signatories.

The 15-member RCEP countries account for about 30% of the world's population, or 2.2 billion people and 30% of global GDP as of 2020, the biggest trade bloc in history. Through the ASEAN Free Trade Area proposed by Thailand in 1992 and subsequently formed, ASEAN GDP increased from USD 600 billion in 2000 to USD 1.9 trillion in 2010 to USD 3.2 trillion in 2020.

⁵ “Patterned Pottery from the Earliest Agricultural Communities of Thailand.” Edited by The British Museum.

⁶ Donnapee, Sineeporn, et al. “The Regulation of Chinese Medicine in Thailand,” 2021.

For the last ten plus years, the ASEAN market has been the largest trading partner for every ASEAN country, as well as China's largest trading partner. It is hard to imagine the potential of the larger single market will be for its membership.

Rather than a new conception, the RCEP is a culmination of preexisting bilateral FTAs between its members. Nevertheless, it is an upgraded version, containing new areas of agreement covering not only trade, investment and services, but new sectors such as standards and technology, technical cooperation, intellectual property and e-commerce, among others. RCEP signatories not only feature the largest population combined and the highest combined GDP, they also represent the most diversified membership structure, with different economic models used among signatory states. The agreement is intended to help unify supply chains and standards and reduce export costs and non-trade barriers.

The region is not only rich in natural resources, it is also a manufacturing powerhouse. The group accounts for 50% of global manufacturing output, 50% of global automobile production and as much as 70% of electronics production.

On investments, the RCEP accounts for 16% of global FDI stock, more than 24% of flows and has shown a consistent upward trend until last year. More importantly, under the RCEP, tariffs on around 92% of goods will be eliminated within 20 years, and non-tariff barriers will be reduced. This will allow member nations to gain preferential market access with each other, which will further maximize the potential of connectivity initiatives in the region, including China's Belt and Road Initiative, in strengthening regional supply chains in the post-pandemic recovery period.

It is fair to say that the RCEP will also be relevant to all sectors, not only for businesses, but also for consumers, farmers, bankers and particularly future generations. The RCEP comes at a time of major economic upheaval. The COVID-19 pandemic has led to a 30–40% drop in FDI in 2020. With the RCEP in force, more investment will come from outside the region, even against the backdrop of global pandemic, which will help reduce the impact of COVID-19 on economies in the region. The RCEP can be a source economic recovery post-COVID, which will help to ensure the opening of markets as well as uninterrupted supply chains.

In fact, the RCEP seems like a combination of the first, second and third waves of Asian economic growth and is sure to have a progressive effect in this era of stagnant globalization.

4 Not Limited to Trade

The change in global economic order is not limited to trade. BREXIT has sent a strong message that globalization is reversible. The growth of the European Union from the humble European Coal and Steel Community was once glorified as a model of regional integration. But, after a decade of debt crisis, lax monetary policies, unstable politics and migration issues, the future outlook of a prosperous unified EU is hanging in the balance.

In addition to the uncertainties in the world of trade and finance, we have also witnessed increasing impacts of modern technology. A decade ago, terms such as artificial intelligence (AI), Internet of Things (IoT) and Fintech would have been regarded more as novel ideas, rather than the reality that they have become. Today, these technologies are experiencing exponential growth. More importantly, they are replacing traditional employment with technically and digitally intensive jobs that require complete rebuilding of fundamental work skills. Professor Klaus Schwab, Founder and Executive Chairman of World Economic Forum, refers to these phenomena as the Fourth Industrial Revolution. The German government calls it “Industrie 4.0,” we call it “Thailand 4.0,” and the Japanese call it “Society 5.0”. But no matter what you call it, we share the common apprehension that the replacement of “low-skill/low-pay” workers with “high-skill/high-pay” workers will inevitably increase social tensions. It is precisely this delicate situation that populism feeds upon. The success of nationalist and Rust Belt politics in the Western world clearly demonstrate how much anxiety and distrust in technology and globalism now exist among the general public.

Globalism is indeed at a crossroads between inclusiveness and inequality. The book “The Great Escape” by Professor Angus Deaton,⁷ winner of the 2015 Nobel Prize in economics, demonstrates how innovation and sustained growth that occurred a few centuries ago in today’s developed nations led to global inequality. The non-inclusive nature of this growth has caused the inequality gap between the rich and the poor to widen. Today, innovation and technology are again driving global inequality. But this time, we should learn from history. Asia must embrace research, development and innovation and ensure that the workforce adapts well to the changing global environment.

5 Thailand’s Policies

Developing countries like Thailand, after having experienced many decades of rapid growth, are now experiencing stagnating or declining economic growth, and the main challenge is how to revitalize growth and overcome the middle-income trap. With declining birth rates and a rapidly aging workforce, the Thai Government has embarked on a renovation of the Thai economy by upgrading the entire infrastructure and transport network, including the provision of high-speed train lines and expanded sea ports, reforming our educational system and renewing our production system to modernize our country into Thailand 4.0. The heart of this mission is the Eastern Economic Corridor or EEC, in which the Thai Government will invest USD 40 billion over the next five years.

Asia needs to also focus on human capital development. To be able to grow in a fast moving and highly uncertain geopolitical context, Asia needs a workforce well

⁷ Deaton (2015).

adapted to this changing environment. At the time when the market is highly responsive to modern digital technology, our countries will increasingly require greater application of science, technology and innovation in production lines. In fact, one may argue that there will be a significant paradigm shift in how we work and operate. The regional workforce will require a fundamental shift in skill sets. As a result, skills development, vocational training, promotion of STEM education and digital literacy are urgently needed to improve and transform productivity and competitiveness to match the technology of the future. In particular, the focus will be to create an integrated value chain by creating human resource development centers to build an ecosystem for the development of highly skilled personnel among SMEs and start-ups, through the creation and use of innovation.

Under this backdrop, Thailand intends to play its part by working with Northeast Asian countries to develop a single chain of production within mainland Southeast Asia, consisting of Cambodia, Laos, Myanmar Vietnam and Thailand or CLMVT. History has shown that modern technology can help revitalize subregional production in the region. Strengthening CLMVT connectivity will greatly enhance ASEAN integration and merge mainland ASEAN into a single market and production base. The CLMVT markets have been growing at the rate of 7–8% per year over the last decade. With closer internal connectivity and enhanced linkage to ASEAN and the Asia-Pacific markets, CLMVT will contribute to and complement the global supply chain and the future of globalization. During Thailand's chairmanship of a similar subregional framework, the Ayeyarady-Chao Phraya-Mekong Economic Cooperation Strategy or ACMECS, in 2018, the first ACMECS Masterplan was adopted for the period of 2019–2023 with the objective of building stronger, more inclusive CLMVT subregional cooperation in the context of the rapidly changing globalization and regional geopolitics. The Masterplan seeks to stimulate the development of necessary infrastructure, physical and digital, to support the foundation of a modern mainland ASEAN economy. Developments of projects under the Masterplan will complement the ASEAN Master Plan on Connectivity 2025 and will transform mainland ASEAN into a de facto "land bridge" between the Indian and the Pacific Oceans, linking the two biggest economies, namely India and China. Through cooperation with external development partners, ACMECS aims to make the CLMVT region a building block for inclusive growth and globalization with a human face.

In the face of global uncertainty, Asia must strengthen cooperation to build regional resilience and assume increasing responsibility to be the principal engine for the revival of the Asian economy. A revived Asian economy would rekindle the global economy. Then, with the growing global economy, the polarization within each country and between countries between globalism and neo-nationalism would fade away. We in Asia, therefore, carry within us the hope of ushering in a new era of peace and prosperity for both Asia and the world. To make this hope a reality, China, as an industrial and technological powerhouse, is an indispensable catalyst.

6 Eastern Economic Corridor (EEC)

Thailand has pushed forward new innovative industries in the Eastern Economic Corridor (EEC) in order to attract partners, including China, to invest in what we call five keys S-curve and five new S-curve sectors.

Thailand's Eastern Economic Corridor (EEC) is an area-based development initiative under the Thailand 4.0 economic model. With an area-based development initiative, leveraging what has been Thailand's main industrial hub since 1980s, investors will experience a rewarding investment journey. The EEC is an important industrial base where the existing infrastructure of the Eastern Seaboard will be upgraded and expanded to attract a new wave of investments in high-tech industries, innovation and logistics.

Thailand's strategic geographical advantage will be further strengthened by EEC development. A large-scale investment to upgrade infrastructure in the area is underway. A high-speed rail link between Bangkok and the EEC area is being built and will be completed by 2025. It is one of the important linkage points through China's Belt and Road Initiative and will connect the Greater Bay Area (GBA) with ASEAN countries. As a prime gateway, the EEC will serve not only as a center for connection within ASEAN, but also as South East Asia's gateway to South Asia, the Middle East and Europe, through the integration of China's Belt and Road Initiative. A major focus of the EEC is to improve existing connectivity and foster manufacturing and innovation. The Royal Thai Government envisions that the EEC will become a regional logistics and transport hub providing a competitive edge in trade and supply chain management for a number of industries.

The EEC is an investment destination for Chinese investors. According to Thailand's Board of Investment (BOI) data, Chinese companies invested more than USD 1 billion in EEC area in 2019, an increase of 87% compared to 2018. The BOI also predicted that China will remain at the top of Thailand's five biggest foreign investment values over the coming years. This potentially reflects a crucial role of the EEC as a part of the regional supply chain for Chinese investors.

7 Bio-Circular-and-Green (BCG) Economic Model

While trends in investment are promising for the success of the Eastern Seaboard project, Thailand does not overlook the social and environmental impact on local communities. To "build back better" post-COVID-19, Thailand seeks to ensure the region's long-term inclusive and sustainable growth by promoting a green and innovation-based economy, building on our rich biodiversity and natural resources. Thailand has adopted the "Bio-Circular-and-Green Economy Model" or "BCG Model" as our post-COVID-19 recovery strategy. The BCG Economic Model uses science, technology and innovation (STI) to increase the capacity and competitiveness of players throughout the value chain, both upstream and downstream, and

support the transformation toward an environment-oriented economy by striking a balance between conserving natural resources and value creation. BCG is an integration of bioeconomics, circular economics and green economics, which seeks to capitalize on Thailand's biodiversity throughout the supply chain, by strengthening the capacity of local communities and optimizing the use of new technologies. At the same time, higher up the supply chain, science agencies are transforming the manufacturing and service sectors through modern scientific methods and technology, as well as homegrown innovation. The vision is to simultaneously drive forward the bio-, circular- and green economy. In short, Thailand plans to be innovative and go greener for better gains.

BCG builds on the principles of His Majesty King Bhumibol Adulyadej The Great's Sufficiency Economy Philosophy (SEP), whose notion of moderation is particularly relevant. Economic development should begin with producing from existing resources and strengthening local foundations toward creating balanced, stable growth and a self-sufficient economy. The BCG model will enable Sustainable Development Goals (SDGs) through the promotion of sustainable agriculture, clean energy and responsible consumption and production, ensuring the conservation and sustainable utilization of biodiversity and protecting environments and ecosystems. Thailand's four strategic areas for the BCG model are based on her economic foundations and strengths, namely (1) food and agriculture; (2) medical and wellness; (3) energy, material and biochemicals and (4) tourism and creative economy. Focusing on these, Thailand hopes to achieve comprehensive security in key areas of food, health, energy, employment and sustainable natural resources and environment.

By promoting balanced development that does not exceed environmental capacity, the EEC supports industries that correspond with the BCG, such as food for the future, medicine and agriculture and biotechnology. The BCG investments in the EEC will enjoy revised regulations in their favor. For instance, with regard to the circular economy, regulations have been revised so that industrial waste can be transported directly to processing plants across provinces, thereby minimizing the environmental risk to localities. A concrete example is the Thai Eastern Industrial Zone in Chonburi, set up in October 2020, the first bio-industrial zone that can generate an annual economic value of over USD 3.2 billion. Part of the EEC has been helping farmers develop quality products to feed the bio-industry and creating stable incomes and jobs for 8,000 locals over three years.

8 Thai Cuisine: A Process of Transnational Interaction

Thai cuisine has been a product of transnational interactions for centuries. What is known as Thai food today is in fact a combination of indigenous foods and the influences of Indian and Chinese culinary traditions. Thai food consists of variety of ingredients and herbs that come from a combination of Eastern and Western traditions. In fact, China has had substantive influence on Thai food. Its impact can

be seen in several aspects, from cooking methods to raw ingredients.⁸ As of 2003, there were 6,875 Thai restaurants overseas; 49% of them were in the USA and Canada; 20% were in Europe, 15% in Australia and New Zealand, 14% in Asia and 2% in other countries.⁹

It is not simply because of its geographical position as a tropical country that Thailand produces so many different kinds of high-quality fruits. Thai food and fruit have become globally popular as a result of its unique characteristics and its rich flavors, derived from a huge variety of ingredients. According to a survey on cuisine perception conducted by the Kellogg School of Management and the Sasin Institute, Thai food was ranked number four—after Italian, French and Chinese—when respondents were asked to name the first “ethnic cuisines” that came to mind. It was ranked number six behind Italian, French, Japanese, Chinese and Indian when people were asked “What is your favorite cuisine?”¹⁰ In promoting Thai cuisine internationally, the Royal Thai Government prioritizes standardization and quality. For more than ten years, the Royal Thai Government has implemented a project called “Kitchen of the World,” which further enhanced the globalization of Thai cuisine. The internationalization of Thai cuisine demonstrates cultural and economic globalization that bring Thailand closer to people worldwide, including Chinese people.

9 Culture and Tourism

Globalization and tourism are interconnected. Globalization exists not only in the supply side of tourism, but it also defines the increasingly interconnected demand for tourism around the world.¹¹ In other words, it has become nearly impossible to talk about connectivity between Thai and Chinese people without recognizing the contribution of tourism. In recent decades, people-to-people ties between Thailand and China have been greatly strengthened. Before COVID-19, there were more than 2,700 flights traveling weekly between Thailand and China—approximately 2 million seats every month. Chinese tourists have been at the top of Thailand’s list of most frequent visitors for several years.”¹² In 2019, 10.99 million Chinese traveled to Thailand, a nearly fourfold increase from 2012. Meanwhile, approximately 870,000 Thai tourists traveled to China, which was a 4.6% increase from 2018.¹³ Thailand is also a top destination for medical and health services. In fact, the medical tourism industry is among Thailand’s fastest-growing industries. According to the Global Wellness Institute’s figures in 2017, Thailand ranked fourth in the list of the top ten wellness tourism markets in the Asia-Pacific and thirteenth on the list of the top

⁸ “Why Thai Food Has Become So Popular Worldwide” (2018).

⁹ Sunanta (2005).

¹⁰ Ibid.

¹¹ Song et al. (2017).

¹² Published by Toutiao (2018).

¹³ Lookwe (2019).

twenty wellness tourism markets worldwide.¹⁴ As of 2019, Thailand had 66 hospitals and clinics that were accredited by the Joint Commission International with the JCI world-class standard, the highest number in Asia and ranking fourth in the world.

Cultural communication is also one of the key aspects underlying cross-cultural exchanges that strengthen bonds between the Thai and Chinese peoples. It is estimated that approximately 11–14% of the Thai population are ethnically Chinese. With such close interaction between the peoples and their geographical proximity, especially through the ASEAN Master Plan on Connectivity and the Belt and Road Initiative, it is hoped that this partnership will continue to strive for new heights. In 2021, China continues to be Thailand's largest trade partner and its largest investor nation. Thailand is China's third biggest trading partner in ASEAN and thirteenth in the world. Certainly, there is still more room for Thai and Chinese investors to cooperate and enjoy mutual benefit for our shared prosperity.

China and Thailand have maintained friendly relations for hundreds of years. With the growing development of the Internet, Thai dramas have also gained popularity in China in recent years. Research from 2015 showed that more than 51% of the Chinese tourists in Thailand had watched Thai TV dramas.¹⁵ The rapid development of online video platforms has made it easier for Chinese audiences to access more diverse Thai dramas. Likewise, Chinese dramas and TV series are also becoming more popular among young audiences in Thailand. These digital platforms have been a vehicle to promote Thai and Chinese culture and arts, naturally enhancing the integration and exchanges of cultures.

Today, China and Thailand are comprehensive strategic partners. Looking ahead, there is room for our relations to grow and deepen in many areas particularly in trade and investment, science, technology and innovation, industrial linkages, poverty eradication, public health, education as well as connectivity through regional linkage and the Belt and Road Initiative. While we strive to implement our respective national development strategies, cooperation, respect and mutual understanding remain the foundation upon which our peoples will grow together.

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China and the World in a Changing Context—A Brazilian Perspective



Paulo Estivallet de Mesquita

China's breathtaking transformation has seen its GDP increase from less than two percent of the world total in 1979 to close to 17% in 2020, while its share of world trade has grown from less than one percent to more than 13% in the last 40 years. It became the world's largest economy in terms of purchasing-power parity (PPP) at least five years ago and will soon be the largest in nominal terms. The rescue of hundreds of millions of people from poverty is also a remarkable achievement. Health, longevity, education, and income: The Chinese people enjoy life today in a way that would have been hard to imagine a few decades ago. This is a tectonic development, unprecedented in scale and speed, which is having a profound impact in the world.

China's development must be applauded, and not just by its own people. Its capacity to supply large volumes of goods at low prices has allowed millions of consumers to adopt new technologies more quickly than ever before. World economic growth is higher because of Chinese consumption, investment, and savings. It is estimated that a third of world economic growth in the coming years will still come from China.

However, even though Chinese development has mostly been a force for good, it has also been disruptive. Chinese competition in manufactures has exerted considerable pressure on other countries, leading to considerable dislocation. Brazil and other developing countries suffered the first impact; as China moved up the value-added ladder, developed countries also have had to deal with this challenge, sometimes through old-fashioned protectionism.

The sheer magnitude of China's economy and its rate of economic growth also have an outsized impact on the environment. This is a matter of concern to all, though the answer obviously does not lie in denying it the right to development. China's per capita GDP is still slightly below the world average, and it understandably aspires to levels of welfare similar to more developed countries. The recent emphasis on energy efficiency and on combating pollution is welcome. China's size may also help find

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the solutions to some of the problems caused by its economic growth. For instance, its scale of production has brought forward a reduction in the cost of renewable energy equipment much faster than initially forecast, to the point that solar and wind energy have become competitive with fossil fuels much earlier than foreseen until recently.

China has become an inescapable fixture of the international system. Everybody pays attention to what it does. It will have to engage further, and on more issues, than ever before. With time, the international order will gradually incorporate more elements and features that reflect China's culture, interests, and actions. This will inevitably generate some friction. There are many possible outcomes, which range from positive-sum to negative-sum. It is unrealistic to expect China to quietly fulfill the expectations and desires of others. It is just as unrealistic to expect the world simply to give way to China. The world and China have to engage in a spirit of compromise, with a genuine commitment to bridging the gap in mutual knowledge and understanding, and seeking to understand each other's perspectives and aspirations.

An old football saying tells us that one should not make changes to a winning team, and China has certainly been doing very well. However, there are also countless examples of champions that failed precisely for lack of change; players get older, and adversaries learn how to counter their moves. Past performance is no guarantee of future results. China knows this well, as demonstrated by the evolution of its development strategies over the years. Adapting foreign policy is also necessary, though arguably more difficult, among other things because of the need to take into account the reactions and perceptions of others. Besides, China may also argue that it is not the only one that has to make changes.

A crucial area for engagement is international organizations. We cannot solve pressing issues like climate change or transnational crime within the confines of the jurisdiction of each nation state; even the largest ones. The number of issues that require, or at least would benefit from, concerted international efforts is certain to increase. A good example is COVID-19. The world would be in a much better place if information had flowed more smoothly, without politicization, and if there had been better international coordination for the development of vaccines. It would have made sense to pool resources to jointly finance R&D and production of vaccines, irrespective of nationality. That this idea barely made it out of academic circles says much about the state of multilateral cooperation.

Multilateral rule making had its heyday in the 1990s. Back then, the belief in the possibility of a harmonious international system was at the origin of a long series of world conferences to address some of the most pressing issues faced by the international community: the environment, human rights, hunger, gender issues, population, human settlements, and natural disasters. That tide ebbed at the turn of the century; since then, multilateral diplomacy has faced challenges across many fronts. There has been a resurgence in conflicts of perception about the international order, which are harder to manage than mere conflicts of interest because of a lack of common understanding about the premises of the debate.

The rise of China and other Asian countries with different political traditions has made the functioning of the international system more complex. It is not the only factor, though. There is an important political current, across many countries, which believes that the rise of trans-border phenomena, with the corresponding loss of sovereign control over domestic policies, is simply the result of political choices, not technological, sociological, or demographic change.

It is interesting to note today's contrasting approaches to multilateral organizations. Usually, the rising power is the revisionist, while the established power is averse to change. Yet China has become very conservative with regard to multilateral reform. In contrast, the United States, which played the largest role in shaping international organizations and regimes, has been the most vocal proponent of change, sometimes to the point of disrupting their functioning, or even withdrawing from some of them.

It is unfair to expect China to remain a rule-taker, while at the same time accepting responsibilities in line with its current standing and capabilities. China is not the root cause of the ills of multilateralism. Progress was scarce, and results proved elusive well before China had become so prominent. The Doha Round of WTO negotiations, for instance, stalled at a time when the Chinese economy was much smaller than it is today, and China was still implementing the commitments agreed in its Protocol of Accession.

There may be arrangements and groupings that exclude China, but China has become a large part of everything, including the problems, and it has to be part of the solutions. For instance, well over half the world's countries have China as their largest trading partner; it is difficult to imagine an international trade regime without it. China registers the largest number of patents every year. It has the capacity and the resources to act as a stabilizer of financial and supply shocks. Besides, like-mindedness is not sufficient for agreement.

On the other hand, China cannot just sit back and treat multilateralism as a given, or something to pick and choose. Even if existing multilateral rules were agreed to at some point, the passage of time and changes in circumstances alter the perceived balance of rights and obligations. It does not matter whether the cause was hard work, technological breakthroughs, misfortune, or plain luck. International commitments have to be perceived as legitimate, but legitimacy is subjective and shifting. Countries comply with international agreements because they feel it is in their interest to accept limitations to their policy space in exchange for limitations to the policy space of others. If the rules start working less well, countries are confronted, as Hirschman describes it, with the choice of "exit"—i.e., withdrawal—and "voice"—i.e., attempts to improve the system. When the road for improvement is closed, there is a corresponding increase in pressures to withdraw, partly or completely.

China views itself as a developing country and believes that it should not be penalized for its hard-earned success. Indeed, it still faces many challenges of development, including poverty. Its GDP per capita, after all, is still below the world average. It is, however, the world's largest trader, and it will soon become the largest economy in nominal terms. It is a developing country, but the concept of special and differential treatment (S&D) is no longer fully suitable when applied to such a large player. S&D provides exceptions to general rules; if those rules do not apply to the

largest players, they are no longer “general”. In fact, S&D has mostly worked as an exemption for countries that had, at the same time, difficulty complying with and benefiting from the basic rules. It is a nod to the needs of developing countries, not a meaningful unilateral concession, and definitely not a free lunch.

Ultimately, it all comes back to the balance of rights and obligations. This is not to say that China’s needs and circumstances will not be taken into account. On the contrary, international agreements are full of detailed provisions tailored to the specific needs and interests of developed countries. In the course of negotiations, China is entitled to, and capable of, obtaining the same benefits.

As in so many instances, there may well be a cultural issue here. It is not uncommon to see in the West the use of the preamble to laws and international agreements for symbolic messages that are not entirely in line with the actual content and direction of the rules. They are often used for “virtue signaling”. That is why Westerners are sometimes baffled by the lack of specificity in China’s policy guidelines. China could benefit, in its own interest, from learning to play a different game, paying less attention to the preamble and focusing more on the operational clauses. This is what developed countries have done throughout history: load the preambles with symbolic messages, and drive a hard bargain for the operational clauses.

China may feel no sense of urgency about reform because it has done so well under the current system. It may also have reasons to be skeptical about revisionist proposals, which it may feel are aimed at it. It is easier to be conservative and to beat the drum of respect for existing rules. Nevertheless, China will also suffer from a loss of confidence in multilateralism. Its skepticism may be self-fulfilling, and conservatism may lead to the long-term decline of multilateralism.

If we are to succeed, however, we should also be clear about large differences in perception and institutions. Multilateral regimes do not imply harmonization, but there must be mutual recognition that rules operate in a roughly equivalent manner.

The manner in which China deals with information, compounded by cultural differences, often makes it difficult for foreigners to know that rules will be applied in a consistent and timely manner. This is another instance where there have been shortcomings in communication and understanding between China and its partners. This is a recurrent problem for trade and investment. Although most business is conducted smoothly, there are many cases where operations are delayed due to the lack of a license from unspecified authorities. Reviews are undertaken by “ad hoc” committees, created in an “ad hoc” manner. It is difficult to quantify the impact of these occurrences, but they are frequent enough to generate a feeling of unpredictability and lack of transparency, which in turn feeds the narrative about imbalances in the WTO, for example.

There is also room for improvement with regard to transparency in the application of law. International rules should be predictable and applied as consistently as possible. China has made many advances in recent years, especially on commercial issues and intellectual property. The concept of “rule by law”, however, is sufficiently different from the “rule of law” to be an issue in international law. Other countries do not always feel confident that rule by law will not undermine international commitments or give rise to discrimination. Of course, China is entitled to decide how it

governs itself. It is important, however, that its partners understand clearly the content and extent of Chinese commitments under international agreements.

The Chinese system and its approach to transparency also have implications for multilateral rule making. Until now, China has not always been as proactive as it could in multilateral negotiations, although it has shown a sense of responsibility and made very substantial commitments, including on environmental issues. The decision to make the Chinese economy carbon neutral by 2060, for instance, is a major contribution to combat climate change. It is even more striking in light of the role of coal in the Chinese energy matrix. However, these decisions are often made unilaterally, and Chinese authorities make a point of stressing that they are not made because of international pressure. This preference for waiting to see what others will do before committing itself reduces China's influence, because it cannot use its own offers as leverage to improve the level of overall commitments. Staying on the sidelines, working to reduce its mandatory commitments, will not be compensated by unilateral, larger contributions at a later stage.

This may be a reflection of how Chinese decision-making works and of the domestic need to avoid the perception of bowing to international impositions. The workings of the Chinese government are often inscrutable to foreigners, and once decisions are made, they are difficult to change. China does not have to conform to the expectations of other countries, but it could do more to explain its vision of multilateral diplomacy. A collation of unilateral commitments from different countries, no matter how well intended, will lead to sub-optimal results.

As mentioned above, China is not the source of all of the problems in multilateralism, and it cannot solve those problems alone. Indeed, China might well ask what it would get in return for making changes to how it operates in order to improve its interaction with multilateral institutions and the world at large.

Historically, the best moments of multilateral cooperation have arisen after major conflicts, when the prospect of disaster helped to focus attention on what is essential. We now need a resurgence of multilateralism at a time when there are many more actors and less tolerance for hegemonism. It will not be easy, but transnational issues cannot be swept under the rug. We must all hope and work for a revival of multilateralism; if it happens, China will inevitably be a key part of it.

Multilateralism, at its best, produces the most efficient results. Multilateral rule making, however, is inefficient, because it relies on consensus. While working to improve multilateral cooperation, we must also move forward wherever and whenever possible. Brazil will continue to work with China to strengthen and diversify our bilateral relationship. We have already reaped excellent results, especially in the last two decades. We have the advantage of a lot of mutual interest and sympathy to start with, and no historical baggage to drag us down.

Bilateral trade started in the 1970s with Chinese oil exports to Brazil. China's rapid growth and the discovery of vast oil deposits in Brazil later caused a reversal in that trade. In 2020, Brazil was the fourth largest supplier of oil to China. Brazil is one of the world's largest agricultural exporters and has the largest potential for sustainable expansion of production. It is a reliable supplier of large volumes of high quality, competitively priced food products. China's impact on commodity prices

since the beginning of this century has had a positive impact on Brazil's external accounts and has enabled major investments in transportation infrastructure in Brazil. Chinese demand has been a driver of Brazilian agricultural competitiveness, which in turn contributes to China's food security. In 2020, Brazil was China's main supplier of agricultural goods. A reduction of international trade tensions might cause some adjustments, but are unlikely to lead to a reversal. On the contrary, there will likely be an increase in the number of products and in the value added of Brazilian agricultural exports to China.

Brazil has also benefited from large Chinese investments in recent years. In addition to investment in infrastructure, closely related to the commodities trade, Chinese manufacturing and services companies have also found a large and promising market in Brazil.

There is, however, a marked disparity between trade and investment relations, based on complementarity, and more modest results in other areas, such as science and technology, cultural exchanges, and tourism. There are promising initiatives and results in some areas, but we still have a long journey ahead of us. In order to develop the full potential of bilateral relations, and in order to move from a complementary to an encompassing relationship, it is necessary to promote a considerable expansion of mutual exchanges involving the private sector, think tanks, academia, students, and tourists. There are many more students of Mandarin in Brazil and Portuguese in China than just a few years ago, but the numbers will have to increase substantially in the coming years. This will help counter the natural tendency to try to fit others into simplified categories. Unless we develop a much wider interface, our mutual perceptions will be based on stereotypes, often fashioned by third parties. We need to reach a much higher level of interaction, with more intense and diversified people-to-people contacts. This should not be controversial, but it will take time and will require determination and support from public institutions.

Better communication will also improve what is already working, like trade and investment. In the past, trade and finance required intermediaries; direct links have made our links much easier and more profitable. The pace of development is unremitting; new opportunities arise all the time, just as some traditional industries lose momentum. Our bilateral economic relationship has reached a level that would have been difficult to imagine two decades ago. We know it will grow larger, but it would be foolhardy to predict what it will look like in detail. We must offer the conditions for both societies to get closer to each other and to benefit from the relationship for their own national development.

Brazil and China are both large, diverse and complex countries, with many disparities, challenges, and achievements. Neither country is perfect, but both have much to offer and to gain from closer and broader contacts. Our people want to enjoy healthy, meaningful, happy lives. Their goals, aspirations and experiences are reflected in myriad cultural expressions—music, dance, literature, and popular festivals. Contrary to what Tolstoy said, we can be happy in different ways. We can learn from each other's fight against the causes of unhappiness, such as poverty. Learning how other people search for their own happiness helps us understand their humanity and thereby promote peace and understanding.

Brazil and China have a mature relationship and a solid friendship. We have many good stories to tell each other. We have to work together to find the way to make those stories available and accessible to more Brazilians and Chinese.



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Appendix

A Collection of Speeches by Ambassadors at CCG Events

Reflections on Youth and Leadership in the Twenty-First Century

H.E. Mr. Dominic Barton, Ambassador of Canada to the People's Republic of China.

I'd like to focus for the next few minutes on talking about what leadership is. I think we've had wonderful overviews of the need for leadership given all the changes that are going on in the world. When I was in the business world, I had a rule which was to meet two leaders a day. I did that for nine years while I was the CEO of my organization and those leaders I met were in the public sector the private sector and the social sector. And today I try and continue that discussion as well because there are many leaders here amongst us.

And what I would ask those leaders is two sets of questions. One is what are the three things that excite you the most? And then the most important question was what would you teach your younger self or what would you teach your 21-year-old self if you could do it again? And that's the basis of what I would like to cover in this discussion. I also want to assert that there is a very big difference between management and leadership. Leadership means that you push the boundaries. You challenge the orthodoxies, you get people to follow a direction and it means that you're going to be doing some uncomfortable things to be able to improve things.

When I think about the three things that I heard leaders most often talk about when they were reflecting on themselves as younger people, it was all related to people. They would have removed people faster in their organizations than they did. It doesn't sound like a very nice thing to say, but they would remove people faster. They would have brought younger people up faster into the organization and they would have spent more time with people. Because people is where it all happens. You cannot be a leader if you don't have people and followers that want to to work

with you. And then if I try and unpack what it means to spend time with people and what you focus on there's a further three things that I'd like to say.

Those three things are really around habits, experiences and apprenticeship. I think at least from what I found, because I'm a student of leadership, when I look at leaders is that they typically have a set of clear habits or an operating model in terms of how to get things done. And these are very basic, but many of us forget them.

They come down to things like planning your week ahead and not in terms of looking at your calendar, but looking at your priorities. What is it that you are trying to get done in your organization over the next five years? If you have more than five that's probably too many, but what is it you're trying to get done and how does the following set of activities in the week fit that? Because most leaders can get drowned in issues and activities and then there's no time to drive their agenda forward. So in thinking about your operating model, how you organize yourself for the week, how you get time for yourself to be able to think and reflect and move as opposed to just react, is a critical element of effective leadership.

Related to that is frankly being an interesting person. Most of the most impressive leaders I've met are actually interesting people. They don't work all the time—they're involved in their community. They have hobbies. They're interesting. If all you do is work, you're not going to be very interesting and people are not going to want to work with you.

One also needs to think about your ability to manage your energy. I think when you're a leader, it's not about time management, it's about energy management. There's just never enough time. So thinking about the course of the week, are there things that are giving you energy and what is draining you on the energy side?

When I think about experiences, those leaders that have grown the fastest typically have had multiple different leadership experiences. You don't all of a sudden become a leader overnight. You do not become a leader when you're "appointed" CEO or leader of your organization. You're building that up all the way through. And so looking for experiences where you can actually take something, own it and be able to deliver it working with other people, no matter how small of a group that is, is critical in what you're doing.

Getting international experience is fundamental. From a personal point of view, I learned the most whenever I moved somewhere and my mentors have mainly been Asian leaders—Korean bankers, Korean government leaders, Shanghai mayors, Chinese party secretaries, Singaporean leaders—these are people that when you work with them, you're going to learn a whole different view of how they see the world and how it works. And getting those international experiences as early as possible is critical.

So, in closing, I want to say that leadership is critical. How you do leadership is a pretty fundamental challenge and I think I would urge all of us to study that so that we can all be the most effective leaders that we can be.

Adapted from a transcript from the Global Young Leaders Dialogue Program Launch (December 2020).

The Need to Incentivize Chinese Businesses to Invest in Africa

H.E. Mr. Teshome Toga Chanaka, Ambassador of the Federal Democratic Republic of Ethiopia to the People's Republic of China.

Discussions and engagements like these are extremely important in the current environment, because we're talking about partnerships between China and Africa. Now in the China-Africa partnership, the statistics clearly show that China is Africa's major trading partner and major source of FDI, and of course China has taken over in terms of offering training programs and scholarships to other countries.

Now the problem with this is that many outside Africa and China are setting the narrative for our partnership and we have been bogged down by their narrative. I think it's time that we set a new narrative ourselves for our partnership. We have to set our own agenda. We will not ignore those who are trying to distract us, but I think it is important that we focus on setting our own agenda. The reality is that Africa stood with China when COVID-19 broke out in Wuhan. Furthermore, when COVID-19 cases were reported in Africa, China stood with Africa and has continued to support Africa.

Next, I would like to touch on two major issues. One is humanitarian work. I agree that we need to contain COVID-19 in Africa. Otherwise, there is a missing link because, as was already mentioned, when the situation was better in Africa, we couldn't come to China. Now that China has contained the virus, Africa is in the middle of the fight, so we need to really fill that missing link. Secondly, apart from humanitarian issues, for us, in terms of long-term recovery and sustainable development, if we are going to look at a major country who will partner with Africa after COVID-19 in recovery, it is China! I have no doubt in my mind many other regions and countries are looking inward, and China is the only major economy partner that can really work with Africa in terms of elevating the current economic challenges.

Finally, I would like to put forward several concrete proposals. First, the issue of debt relief is good. It is easing our current pain. But as has been mentioned, clearly, it is a drop in ocean and I fully agree with that. We are negotiating with China within the framework of the G20 debt relief mechanism, but it's not sufficient. It's not enough and what we need is more capital injections and more stimulus packages, because many of our economies have been not producing at their full capacity and most Chinese enterprises in our countries have not been producing at their full capacity. So they really need support in terms of capital, and African economies, including my own country, need a stimulation package. The second is easy access to market in China for our commodities and trade. Of course, when it comes to trade we have two important problems. One was mentioned by previous speakers that we have what we call a structural problem from the supply side. But at the same time the issue of value addition is very critical for African commodities. That said, easy market access during COVID and post-COVID is extremely important for Africa.

So how can we really encourage more Chinese enterprises to do business in Africa and invest in Africa? The creation of job opportunities for young people will only

come through investment and increased business cooperation. So how can we work together with China to get more investment from China? What we see today is that countries are taking unilateral measures and then we have these problems so the need for coordination not only between China and Africa, but between China and the rest of the world is extremely important. Many of us are still using traditional methods of selling and buying our goods. So using technology, transferring technology is extremely vital and important. How can we work with China again to transfer technology?

The final point I wish to make is about training and education of African students in China. As of now I know that about 15,000 scholarships have been promised. The key factor for our development is human capital and human resource development. So we would like to encourage the training of our students in science, technology, engineering, and technical and vocational training. China has the capacity and can help us again by giving more scholarships to African students and I think this is also in the best interest of China as well. China has a stake in Africa. I believe we can work together and overcome this challenge because China has also become a source of inspiration for us not only in terms of transformation, but also overcoming COVID-19.

Adapted from the transcript of a speech presented at the Sino-Africa Dialogue on Challenges and Cooperation in Pandemic Times (August 2020).

On the Need of China to Now ‘Walk the Talk’ in Global Trade

H.E. Mr. Nicolas Chapuis, Ambassador, Head of Delegation of the European Union to the People’s Republic of China.

I want to stress that I really appreciate, as I’ve seen this morning, the quality of the reports, the contribution you make to the debate on the economy in this country, especially under presents circumstances. We understand that our decisions have to be made in the next few weeks and months, while debating the 14th Five-Year Plan and I was surprised not to hear so much about that 14th Five-Year Plan yet. But this is capital for us to know where China will make its choices. I like something that someone said earlier this morning, that the only thing that benefits China in the mid and long term is reform. And if it benefits China, then it benefits Europe because 30% of global growth will come from China. So we need a strong China to have a strong recovery elsewhere, because when you recharge your phone, if there is no electricity, you have no more phone. We need China’s power to continue to drive global growth.

First we had the EU and China, and now we need to add ASEAN, because ASEAN has overcome this year. The EU is China’s number one trading partner, but the EU plus ASEAN equals 2/3 of China’s strength. We are major trade and investment partners and we want to push that relationship forward. We need the juice, but right

now there's not much juice, because the orange is not ripe. So, how do we do that? The news today is about the opening up of services and the free trade zone in Beijing.

What we see when we look at the figures is that we are falling short of what we are doing worldwide. Trade and services in China are not at the level of what is done elsewhere in the world and this is the reality of a closed market. So, services, as President Xi has said, should be open. We want to be a service trade country, especially in the technologies of tomorrow, but in five years we need to see our trade service figures multiplied by two because that's outstanding in the world. We are fighting the virus together, but where is the share of EU pharmaceutical and bio tech companies of investment and trade in China. Nowhere. Why? Because it's closed. There is a negative list and no foreign investment in what matters most. How can you say that you want global cooperation with the WHO and we are all global partners to fight the virus and not allow investment, especially EU investment, in genetics and pharmaceuticals. Now you're seeing all the European countries debating very seriously how to repatriate the pharmaceutical industry to Europe. We have to fill the gap between reality and promises as soon as possible.

This is also true in digital. Why does Huawei have a 40% market share in Europe? And why do Ericsson and Nokia, two European 5G companies, only have a total 11% market share in China? Sometimes you say Huawei's products are better, but I need proof. Qualcomm would have some ideas about that which products are better. We are more expensive, yes, but there is a reason for that. We just hope that China acknowledges that the European Union is a mature service economy, and at a time when it decides to make big strides in service industries, that we are welcome. But that means we should have more cooperation between the EU and China in services. Opening the service sector to European companies to contribute our expertise and know-how would help in this respect. We should have a trade services environment where we're all at the starting line and we all run and compete in good faith with the best possible products. In services, we just signed a very important free trade agreement with Singapore a few months back. It is one of the most developed agreements, especially on services, because Singapore is an incredible logistical platform in Asia.

We are currently finalizing the negotiations of an investment agreement with China, but it's difficult. In that agreement, we have three chapters that clearly describe what I just say. The first chapter is about a level playing field and no discrimination between companies whatever nationality these companies are. The second chapter is about market access. We understand that China wants to protect some sectors, but it should allow more access now, because this access was promised in President Xi's speech in Davos four years ago. Now is the time to walk the talk. And the third chapter is about labor laws and labor regulation, because it is becoming a very important topic worldwide. It is a pity that China, as it becomes one of the major economies today, has not yet reached the level of obligations of the International Labor Organization. This is going to become a problem for multinationals in China. Disney's, new movie *Mulan* is being attacked worldwide, because people are asking about the filming conditions in Xinjiang. There will be more and more questions on labor laws, forced labor, child labor, and respect of norms and standards under the ILO framework.

To conclude, we are seeking improvement in China's market, not only for our own sake, but for the sake of globalization, because the alternative, I want you to think about for a few minutes, is “*zi li geng sheng*”(自力更生)—self reliance. But the reality is that if there is a disaster in China, there will be a disaster in the world, including in Europe.

Adapted from the transcript of a speech presented at the 7th China Inbound-Outbound Forum (September 2020).

Deepening Bilateral and Multi-lateral Trade Through Expanded FTAs

H.E. Mr. Graham Fletcher, Ambassador of the Commonwealth of Australia to the People's Republic of China.

I'm going to talk about bilateral and multi-lateral negotiations in this region. China has been very active in developing an extensive web of trade agreements within the Asia Pacific region. Most important perhaps is the FTA that China has with the ASEAN economies, which has been in place for more than a decade. And China is also very active in negotiating new agreements, including the RCEP, which Australia, ASEAN, New Zealand, Japan and Korea are also involved in. This agreement is nearly finished and we look forward to it being concluded in November this year. It will facilitate regional production chains by creating common rules for trading goods among participating countries. And that will send an important signal of support for liberalization and rules-based arrangements at a time of significant global tensions.

For Australia, we have an FTA with China, which entered into force at the end of 2015. The China-Australia Free Trade Agreement or ChAFTA, as we call it, has been very successful in promoting trade between our two countries. It has been in force for five years and during that period the total two way trade volume has risen 66%. Since the beginning of 2019, every Chinese product enters the Australian market tariff-free and almost all Australian products are also imported into China tariff-free.

My main suggestion this afternoon is for China to deepen as well as to widen its FTA commitments. Australia's experience is that we've benefited from pursuing ambitious FTAs that are comprehensive. They don't just address tariffs, but also non-tariff measures and other behind the border measures that impact trade. Australian businesses here often tell us about some of the non-tariff measures that affect their trade with China, including delays in approving import licenses, delays in registering meat export establishments and also customs clearance delays. We hear that once investors have come into China, they can encounter other impediments that make operating their businesses difficult, including regulatory barriers and lengthy licensing and approval time frames, intrusive and unclear regulation of information systems, such as the most recent cyber security law, and also the lack of a level playing field with domestic rivals, most notably state-owned enterprises.

There are number of pathways through which we think China could seek to deepen its FTA commitments to address these non-tariff measures. Firstly, to raise its ambition in its FTA negotiations. China could negotiate a negative list for services and investment in its FTAs given that its foreign investment legislation is now structured as a negative list. Secondly, existing FTAs could be upgraded. We know that China upgraded its FTA with New Zealand last year to include some trade facilitating measures, but these haven't yet been implemented. We ourselves, under the China and Australia Free Trade Agreement, have a mechanism for us to review the Agreement and potentially upgrade it, and we look forward to being able to do that. We haven't yet been able to schedule a time with the Ministry of Commerce to begin that process.

And finally, when advances are made with one country, we hope that these can be extended to other trading partners. For example, China has committed to liberalisation in a number of areas in the Phase One deal with the United States, especially for agriculture exports and we would very much welcome those changes being extended to other trading partners such as Australia and everyone else represented here. While much media attention is focused on whether the purchase targets are being met (or not) under that deal, a matter of greater interest to us and other foreign exporters is achieving parity with the United States.

Finally, while the pandemic situation, of course, is a very big priority for every government at the moment, but we do not want to lose sight of our other objectives in terms of trade, and the ways in which we can move forward to advance our common prosperity through negotiating better FTAs.

Adapted from the transcript of a speech presented at the 7th China Inbound-Outbound Forum (September 2020).

International Dialogue, Personal Exchanges, and Reciprocity Essential for Maintaining Rules-Based Multilateral Trading System

H.E. Mr. Wim Geerts, Ambassador of the Kingdom of the Netherlands to the People's Republic of China.

Ladies and gentlemen, distinguished guests. Thank you for inviting me to this roundtable discussion.

The importance of these kind of discussions and the exchange of ideas in times of challenging circumstances such as the pandemic and continued trade tensions cannot be underestimated.

Let me start with some comments on the 12th Ministerial Conference of the World Trade Organisation (WTO). At the CCG's China and Globalization Forum a little over a month ago, I mentioned the Netherlands remains firmly committed to a rules-based multilateral trading system. This system, unfortunately, is under pressure. The

enforceability of its rules is hampered, and some argue it does not lead to equitable outcomes.

I believe we need to defend it, to ensure conflicts can be solved in a fair and transparent manner within the framework of the WTO. It requires a genuine effort from all trading blocs to ensure that trade is not politicized and unpredictability for businesses is reduced.

We have to ensure the system functions properly and do not feel compelled to resort to protectionist measures, because they feel they are losing out from the current order. I am, however, not an unquestioning defender of the WTO. While defending it, we also need to improve and modernize the multilateral system. If anything, the pandemic has shown the value, increased importance of and dependence on trade in services, notably digital services.

China's thriving e-commerce sector is a clear example of that. Where would we have been without it to deliver our food and other retail needs? In spite of this, there are no specific international rules for trade in the digital economy. There is no international agreement to ensure we have transparent, predictable, and qualitative procedures. This results in varying qualification requirements, technical standards, and licensing.

For now, the digital economy operates in a multilateral vacuum. Because this international agreement is not there, we are—justifiably—developing our own, parallel sets of rules. This creates unwanted trade barriers and limits the potential of this sector. I have said it before: it is important for the WTO to remain 'on top off the ball.'

As the leading organization on global trade, it cannot miss these developments. Addressing this is crucial in order to safeguard a level playing field for all, which is beneficial for both our successful service sectors.

I started my speech by stressing the importance of international discussion and exchange. Also in our economic thinking, we truly believe in and rely on openness, notably of the European market. However, our openness has to be reciprocated by China. Establishing free trade zones is a positive example of such steps.

I am proud to say the Netherlands is an excellent gateway to Europe for the services sector, including the financial sector. And as you may know, the Netherlands is a hotspot for finance and fintech in Europe. The Netherlands ranks second among the biggest fintech nations of the EU. Over the past years, China has already made considerable steps to open up its financial sector. However, foreign companies still do experience barriers to entry, especially in obtaining licenses and in terms of cross-border capital flows. Addressing these concerns will be important to the success of economic zones such as Beijing's two zones.

Finally, the fact is that trade in services is heavily dependent on interpersonal contact, for which international travel is indispensable. We see this in the data. Preliminary figures for 2020 trade in services showed a sharp decline, as opposed to trade in goods. Imports of services from China to the Netherlands dropped by about 30%, and exports dropped by about 20%.

Thus, as it becomes feasible from a public health perspective, the relaxation of travel restrictions may be an important driver of further growth of trade in services.

Once again, thank you for the discussion and I look forward to the other contributions.

A speech delivered during the 8th China Inbound-Outbound Forum (September 2021).

The Importance of Sino-African Agro-Trade in Economic Recovery

H.E. Mr. Mbelwa Kairuki, Ambassador of the United Republic of Tanzania to the People's Republic of China.

This dialog on Sino-Africa cooperation is taking place at the right time, when we are preparing to celebrate the 20th anniversary of Sino-Africa cooperation. As you all remember, it was way back in October 2000 when China and Africa initiated this wonderful FOCAC relationship. And we're hoping to start taking stock of the achievement and moving forward. Under the current environment of COVID-19, this dialogue will provide input in our exercise.

As we all know we're meeting at a time when the shock of the COVID-19 pandemic has disrupted industrial supply chains and caused contraction in international trade and investment and vulnerability in commodity markets. The impact of the COVID-19 pandemic will certainly redefine the new world order and surely there is a need for China and African countries to safeguard their common interests in the face of adversity. Now, more than ever, there is a need to boost Sino-Africa economic and trade cooperation in order to overcome the economic challenges of COVID-19.

We need to strengthen trade cooperation between China and Africa and we are happy that during FOCAC, as mentioned by the Ambassador of Ethiopia, one of the eight initiatives was trade facilitation initiative, which was announced by China. And our wish is to see that China through this initiative takes deliberate action to open its market to African products. At the moment, to be honest, China-Africa trade cooperation is minimal. For example, agriculture is the backbone of our economies and the majority of our exports depend on agriculture. The statistics show that Africa's share of China's imports of agro-products is only 2.5%. Out of a continent of 54 countries, the share of trade with China is only enjoyed by six countries, and out of those six countries, one country enjoys 23% of all trade. This is Zimbabwe, because they sell a lot of tobacco to the Chinese market. So really, a deliberate effort has to be made to increase this trade and I would like to conclude by recommending five steps that ought to be considered.

First, under the FOCAC structure, investment and technical assistance should be strengthened to address the challenges of local activity and supply side constraints. Second, we need to encourage Chinese and African enterprises to create joint ventures for the production and processing of agricultural goods. Third, we need to provide more information on available agricultural product markets. China is big and I know when you speak of China, a lot of provinces have different needs and requirements.

But Africa itself is also big and each country has their own unique strengths. Fourth, we need to fast track agricultural product quality assessment and certification. It takes long time to access the Chinese market through the quality and certification process. And lastly, our countries ought to have a bilateral agricultural product display and promotion. I've seen some of the areas like Shanghai, Jiangsu, Nanjing and now Tianjin that have introduced these kinds of mechanisms. I think we ought to encourage other provinces to follow suit to make it easier for Chinese markets to get information on African products.

Adapted from the transcript of a speech presented at the Sino-Africa Dialogue on Challenges and Cooperation in Pandemic Times (August 2020).

Doubling-Down on Globalization

H.E. Mr. Lui Tuck Yew, Ambassador of the Republic of Singapore to the People's Republic of China.

The COVID-19 pandemic has impacted all countries, economies, and sectors, especially businesses that rely on in-person interaction and cross-border travel. Coupled with the impact of the unilateral tendencies and geopolitical tensions that we see today, this dilemma that we face has dangerously expanded.

To overcome this, Singapore is a firm believer that countries need to double down on interdependence and globalization. We are a firm believer in the rules-based international order and the multilateral trading system, which has brought immense benefits, not least of all to China. We believe that upholding trade and supply chain connectivity is crucial. So in March of 2020, Singapore and New Zealand initiated a Joint Ministerial Statement to affirm our shared commitment to maintaining open supply chains. It is heartening to know that in the last six months, a number of countries, including China, has come on board to join this initiative.

Another way to demonstrate our commitment to multilateralism and free trade is by pursuing high quality free trade and investment agreements. This will benefit our economies and raise the standards of our service sectors. Let me give an example of the hunger for good investment destinations and high-quality investment opportunities. In the first four months of 2020, Singapore exceeded our target for inbound investments for the whole year. In those four months the pledged investments into Singapore exceeded annual targets of the six years from 2013 to 2018. This gives us confidence that, as we gradually recover, there will be a slew of good, high value jobs and companies that have and will continue to embed themselves further into the Singapore economy.

We are also heartened that the RCEP, the free trade agreement between the ten ASEAN countries and our six most important dialogue partners in Asia, is on track to be signed by the end of the year. We also welcome Premier Li Keqiang's remarks that China has a positive and open attitude to joining the CPTPP. There will be no clearer signal to demonstrate China's continuing commitment to its reform and opening up journey than taking these concrete steps.

I want to expand on what the Ambassador from Canada had said. He shared about the importance of healthcare, financial education, the service sector, and opening up and reform. I just want to quickly mention insurance, whether it be natural catastrophe insurance, healthcare insurance, or unemployment insurance. And I say this because I think building the right level of social safety nets here in China is crucial. If the plan is to shift towards domestic consumption as a key driver of the economy going forward, people can spend with confidence only when there are sufficient social safety nets. Otherwise, the natural tendency is to save for a rainy day and we know that our natural instinct is to do so. Policymakers will need to look at how the government, employers, businesses, individuals, employees, families, and the wider community can work together to build up social safety nets. We have heard a lot about China's Dual Circulation Strategy and how domestic circulation and international circulation can complement each other. We certainly look forward to exploring how all of us can contribute to as well as benefit from this new strategy.

Finally, I want to say that it is important to rebuild strategic trust between countries and also to strengthen trust between commercial entities and governments. It is not uncommon to hear lingering concerns from foreign companies over whether there is a level playing field in China or whether there is fair market access. We recognize and welcome the fact that China has made huge strides in this regard over the past few decades, but we know that much more can and need to be done in the years to come. When businesses are sure that China is serious about addressing their concerns, and that any policy shifts or rule changes are in the direction of creating a more pro-business operating environment, then I think the investment climate here in China will become even more positive. If you can expand this reservoir of trust between countries and with businesses, it will be a major step forward in expanding economic exchanges, investment and trade flows that will ultimately benefit our peoples. This will help us overcome COVID-19, the most serious economic and social crisis that we have faced in the past 100 years.

Adapted from the transcript of a speech presented at the 7th China Inbound-Outbound Forum (September 2020).

Opportunity from Crisis—the WTO Must Be Reformed in a Post-COVID World

H.E. Mr. Rafael Dezcallar de Mazarredo, Ambassador of the Kingdom of Spain to the People's Republic of China.

Globalization has had many positive effects, but it has been particularly good for China. When China joined the World Trade Organization in 2001, it represented five percent of the world's GDP today it represents 16%. At the same time globalization has had not so good consequences for other countries in terms of the offshoring of companies, unemployment and social problems.

So we need to review some of the rules of the game, which have which have ruled globalization in the last few decades, especially in the fields of trade and investment, in order to create a level playing field. This is what we are trying to do in the European Union with the Comprehensive Agreement on Investment to which some of my colleagues have referred previously. And I know the Chinese government is also very interested in pursuing this negotiation. We do not believe that decoupling is a good idea and in many sectors actually it is impossible. Better regulation of areas where we have detected problems is a much better solution than decoupling. Specifically we have to fight against the danger of protectionism, which in history has had very negative effects, especially when coupled with nationalism.

Crisis, as has been said, creates new opportunities and now we have the opportunity, after COVID-19, to try to establish a better pattern of growth, which is based on green economy, digital transformation, strengthening of health systems, social issues, and which has to be inclusive. We have to remember that the pandemic has had a very negative economic impact on the developing world, so we need to mobilize resources to resume positive trends from previous years in developing countries, which include the eradication of poverty and widening of the middle class, particularly in Latin America. In order to do that, we have to reform the World Trade Organization; we have to work to reform the World Health Organization, we have to work on the G20 and all that opens a very wide array of opportunities for good cooperation between China and the European Union.

Adapted from the transcript of a speech presented at the 6th China and Globalization Forum (November 2020).

Young Leaders Are the Present, not the Future

H.E. Mr. Luis Diego Monsalve, Ambassador of the Republic of Colombia to the People's Republic of China.

Young leaders are not the future anymore. Each day they embody the present and, accordingly, their voices need to be heard. They have been demonstrating their leadership capacity worldwide where you can find nowadays many of the most influential

leaders to be under 45. For instance, the President of Colombia Iván Duque Márquez, who is 44, is one of those young leaders who is transforming the realities of our people and has been overcoming challenging and turbulent moments. Since his inauguration, his government has been devoted to young people and the transformation of our society. For example, the average of more than 30 deputy ministers is 37 years old and of these ministers, the youngest is around 33 years old. Colombia is a young society in which 73% of people are under 45. Most of them are committed to entrepreneurship, creativity and innovation, and are tech-oriented and looking for development and progress. In this framework, one of the flagship programs of President Duke is the “orange economy”, which represents 3.4% of the total GDP. The principles of his government are legality, entrepreneurship and equity, over a solid base of sustainability and innovation. He has embraced this new concept in which young people are at the core. His ambitious plan is that the success of our economy consists of investing in the talent of our citizens and taking advantage of the entrepreneurial potential of the country’s youth in the context of the Fourth Industrial Revolution. However, this is not unique to Colombia. Instead, it is a trend in which the world is embracing new ideas and realities that will define the future.

2020 is the proof and breaking point of what we are discussing today. Nature and our planet shook up our system and showed us of the need of change. Nowadays we are all wondering what the world will be like in the post-pandemic era. COVID-19 is more than a health crisis and is restructuring our knowledge and understanding of everything. It is actually changing the world economic and social order in an unprecedented way, creating new challenges for humanity. How the world faces this crisis and how young people view, think and respond to global issues and challenges will determine the face of the future of the world.

In this context please let me talk to the young leaders and to the world about my views on how we need to work jointly on this matter, and I hope of course this will be useful for the Global Young Leaders Dialogue. First, government advisors, academics, companies and international organizations should be conscious of the need of empowering young people. This means allowing them to use their talent to be agents of change and letting them be part of the discussions of the major worldwide challenges in decision making positions including the formulation and implementation of public policies. Second, to identify together with young people the major issues we need to face as humankind. For example, climate change inequality, sustainable development, universal access to education, among others, in order to define common strategies, because they need to begin exercising their leadership in the present to do it in the future. Finally, last but not least, there is no one more capable than young leaders, who were born and raised in this era, to understand the technological revolution. They should be at the core of entrepreneurship and innovation programs to generate new solutions to the upcoming challenges. As I mentioned, young leaders are the present too and we should rise to the occasion. It is in our hands as leaders to be up to the task and to meet the difficult challenge to ensuring a smooth transition for them.

Adapted from the transcript of a speech presented at the Global Young Leaders Dialogue Program Launch (December 2020).

Collaboration Among Nations During Pandemic

H.E. Ms. Sarah Serem, Ambassador of the Republic of Kenya to the People's Republic of China.

If COVID has taught us anything, it's that no country is strong enough to withstand a pandemic; no country is indispensable and none has the ability to stand alone. The world has truly become a global village and collaboration among nations to face existing and emerging challenges is not an option, but a must-have survival tool.

The need to network and collaborate among colleagues from across the world has been underscored more than ever before during the COVID-19 pandemic. This has clearly brought out the humanness in us and the need for one another that supersedes our individual prejudices, nationalities, culture, religion, colour or even language. I am glad that through this whole mix of challenges caused by the pandemic, we have been able to connect with people of different nationalities in different forums and not only get networked but also came up with objective solutions to situation at hand together.

Amidst the gloom caused by sickness and death during the pandemic, there have been some positives registered among the diplomatic corps. These include the need to share information with all concerned parties in real time, striving for unity of purpose, being on a first-dial basis with authorities and above all being human and seeking to save lives. COVID-19 has shown us how vulnerable humanity is. We talk about imagined boundaries, but the virus has confirmed this is only in the mind; the first and reliable first line of defence is collaboration and unity.

In responding to the pandemic, China's reaction has been exemplary. China has not only collaborated with countries, but has shown its generosity through interventions in providing expert knowledge, provision and donation of testing kit and also personal protective equipment (PPE). We witnessed this generosity from the first month of the crisis when the default reaction was to evacuate our nationals from China. The support and assurance we received from China enabled us to make decisions including not to evacuate our nationals. I am glad none of our nationals were infected or lost life while here in China. I was extremely proud when the Kenyans that needed to travel back home did so after being formally cleared following the required 14-day quarantine.

I am persuaded that the only thing that we can do to benefit optimally from China in whatever area of interest is to work together in what has come to be known as win-win collaboration. It is only through collaboration that we can advance measures and strategies that can create a positive impact. In trade for example, the Chinese market is ripe and open to African products, but we cannot deal singly as Kenya and create

the desired impact. Through the unity of African countries, and more so with the launching of Africa Continental Free Trade Area (AfCFTA), we hope the incessant trade deficits will be addressed. I think the ball is in Africa's court, to come together and build synergies to meet the Chinese market demands. China too has a critical role to help the African side prepare products to the standard demanded by its market.

On education, the number of scholarships have been increasing. I have a number of students that would love to come to China. One of the strengths in China's university education is the fact that once the studies are scheduled, successful completion is more or less guaranteed. Except for the interference with COVID, the rate of completion of studies by our students on scholarship has been 100 per cent. Students focused on their studies, and who seek stability, find it in China. So everybody literally would want to come and study in China because they are assured of completing their programs. I think my suggestion going forward would be besides the scholarship programs, if China can organize these students to have practical experiences, so that when they go back home, they are ready with both knowledge and practical experience. This practical experience will also help Chinese companies in our countries engage employees that are well versed with China's working culture, ethics and language. The bottom line in all these experiences during the COVID pandemic is the central place of collaboration for win-win engagements.

Adapted from the transcript of a speech presented at the Sino-Africa Dialogue on Challenges and Cooperation in Pandemic Times (August 2020).

Expectations for Trade and the WTO Under a Biden Administration

H.E. Mr. Jarno Syrjälä, Ambassador of the Republic of Finland to the People's Republic of China.

Finland a highly industrialized country and our economy relies heavily on foreign trade as well. So, all these issues related to globalization and global trade are very relevant to us. And of course today all eyes are on Washington in this regard. So it seems that president-elect Biden will enter the White House with considerable good will from the international community and expectations are high. The tone from this new administration in waiting has already changed from the incumbents to one of working with allies to solve common problems. Expectations are especially high when it comes, for example, to climate issues. But issues like the WTO, which has been mentioned here, will be high on the agenda and optimistic commentators have already started looking forward to a new WTO Director General and resolution to the of the appellate body. But that relief should not blind us to the formidable challenges ahead. We would be wise to see this as a reprieve, but which could only easily be followed by a worse situation if we cannot solve the issues that led to current problems.

Global production and trade is dominated today by complex supply chains run by a private sector aiming to deliver high quality products at competitive prices to the consumers, which they are largely succeeding in doing. So this process is directly influenced by all sorts of government policies, for example in infrastructure skills, tariffs, but the effects of particular actions is far from clear. But it's therefore very relevant to observe what governments do in this sense.

Before 2016, we may have accepted many of these problems we have at the table now as normal tensions within global trade systems, but I think the politics have changed some of that. It is not only in the US where the public has been increasingly skeptical of trade. We have seen the same trend in Europe. Therefore I think it's important that we focus our attention also to the public opinion and do something together about that.

It's a fact that, above all, global trade politics need to be able to deliver results for politicians and some technocratic fixes at the WTO aren't going to be sufficient, not least of which is because they aren't addressing the underlying issues, just some of the symptoms. So, in this spirit, we are very much looking forward to close cooperation internationally on these issues and as I said so trade matters for us and also public opinion.

Adapted from the transcript of a speech presented at the 6th China and Globalization Forum (November 2020).

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