

INSIGHTS

Opinion

China's Crucial Role in Global Recovery

By Dr. Hassan Daud Butt

No other year has started with as many challenges as 2023 and no other world leader's new year speech has been heard more widely than that of Chinese President Xi Jinping who said that "Changes unseen in a century are unfolding at a faster pace, and the world is not yet a tranquil place. We cherish peace and development and value friends and partners as we have always done. We stand firmly on the right side of history and on the side of human civilization and progress."

The theme of the G20 meeting in Bali was also "Recover Together, Recover Stronger," which calls for coordinated actions to achieve an agenda for a strong, inclusive and resilient global recovery, by addressing and mitigating the risks.

The challenges that China and the rest of the world confront are wide-ranging from politics to demography and from economy to healthcare. All this requires pragmatic planning and new blueprints to reshape the economy.

As China sets its path towards a fully modern nation by about 2049, it also sets targets of "stable growth, stable employment by boosting domestic demand and promoting efforts to revive the economy. While IMF Managing Director Kristalina Georgieva has predicted 2023 to be "tougher than the year we leave behind", it is still hoped that after the optimization of its COVID-19 strategy, China's economic momentum is expected to grow in 2023.

Its partners in the Belt and Road Initiative (BRI) are also seeking a stable rise in Chinese outbound investments and firm commitments soon after the global economic rebound. Especially countries like Pakistan which is combating the devastation of climate change with shifting weather patterns and a resulting surge in poverty and unemployment.

As BRI celebrates its 10th year, in Pakistan, we move into the 10th year of China-Pak Economic corridor development where several infrastructural, industrial, educational, cultural, and ener-



Qingdao Port of Shandong province has opened three routes under the Belt and Road Initiative and RCEP since 2021. The photo shows one of the container terminal in Qingdao Port. (PHOTO: VCG)

gy projects were completed and bridged the gap towards a regionally integrated trading system. Pakistan is seeing the benefit of the cooperation under BRI with increased inflows of Chinese FDI in the past 10 years.

Still, the requirement for a continued path of development exists for which China has to take the leadership role. The growing China's strengths will help BRI partner countries to eradicate extreme poverty and accelerate technological development and high-quality growth.

Going forward, partner countries need to explore new avenues to address challenges and sign bilateral and multilateral trade agreements for larger global and regional cooperation in fields like agriculture, healthcare, manufacturing, infrastructure, and e-commerce. The next BRI leaders' meetup may also focus on building climate change resilience and capacity among partner countries that cannot afford it and help address the biodiversity and global warming risks.

On the political front, most analysts predict that though the U.S. will continue to provoke China on Taiwan, the two may make efforts to bring bilateral ties back on track benefiting from the opportunities like the APEC 2023 meeting and the G20 Summit to be held in India later this year, where the world is expecting China to play an even more important leadership role amid these multiple headwinds.

Despite all the low-hanging opportunities for peaceful coexistence, the U.S.-China rivalry has become a major concern. But for Chinese leaders, there is a wider consensus that the continuation and strengthening of the policy of non-interference and the defense of national sovereignty will remain a top priority. This would be achieved through continued economic growth and through regional and global trade linkages and financial integration through a truly sustainable global post-COVID economy.

While making predictions and building expectations, with COVID un-

certainties, geo-political risks, and surging inflation, are high-risk undertakings, it is still certain that moving ahead we need to review some of the game's rules which have managed globalization in the last few decades, especially in the fields of trade and investment, in order to create a level playing field through policy approaches away from conventional wisdom.

In this changing global scenario, a more inclusive model of globalization has to be developed. The process will be challenging and incremental, and this daunting task needs us to chart a clear and innovative path for regional and global economic success, as said by the late UN secretary-general Mr. Kofi Annan: "Arguing against globalization is like arguing against the laws of gravity."

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RCEP Offers Enticing Opportunities in 2023

Voice of the World

Edited by QI Liming

Considered one of the world's largest regional free trade agreements, the Regional Comprehensive Economic Partnership (RCEP) has attracted much attention since it took effect a year ago.

According to the World Bank, RCEP covers 2.3 billion people or 30 percent of the world's population, and contributes about 25.8 trillion USD to global GDP per annum.

Bridging gaps to extend beyond economic cooperation

According to the East Asia Forum, RCEP benefits extend beyond economic cooperation. The agreement epitomizes how its 15 participating countries with stark political, economic and social differences have managed to work together during seven years of negotiations before RCEP was set up.

Iman Pambagyo, the former chairman of the RCEP Trade Negotiation Committee, said that in a time of great uncertainty, the RCEP Agreement provides an opportunity to contain potential conflicts and focus instead on common goals to elevate the economic, political and social welfare of RCEP's citizens.

Former Indonesian Foreign Minister Marty Natalegawa used a new term, "dynamic equilibrium," to describe the agreement, which allows flexibility without compromising commitments and provides room for cooperation to narrow gaps that remain as the agreement was implemented. The effects of RCEP are impressive as it incentivizes supply chains across the region.

RCEP and BRI both benefit rapid regional growth

The RCEP and the Belt and Road Initiative (BRI) are contributors to regional and global economic recovery efforts, academics speaking in the 17th annual international conference of the Institute of China Studies at the Royal Academy of Cambodia.

The remarks were made by senior

economist Ky Sereyvath, director-general of the INSTITUTE. "The RCEP regional trade deal has helped create new business and employment opportunities, strengthen supply chains in the region, and promote the participation of micro, small and medium enterprises in the regional value chains and production hubs," he said.

Joseph Matthews, a senior professor at the BELTEI International University in Phnom Penh, said the BRI has played a crucial role in helping countries cushion the economic fallout. "The BRI will become the new engine of global economic growth," he said, adding that, "It will continue to boost regional and global cooperation in terms of hard and soft infrastructures, economy, trade, investment opportunities, cultural exchange, and people-to-people connectivity."

Foreseeable future of RCEP

According to S&P Global Market Intelligence, from a global trade perspective, the importance of the RCEP will grow. RCEP's share of global exports is forecast at 34 percent in 2040, three times the Canada-United States Free Trade Agreement (CUSFTA) and twice the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

To better illustrate the importance of the RCEP agreement, a gravity model was used to analyze the development of trade. The conducted research proves that the country size and distance matter. Countries with higher GDP or with a larger population usually have more trade, and in addition, trade intensity is also related to the geographical distance, because the further exports of goods are, the higher the transport costs and the larger the carbon footprint left behind.

The integration of supply chains within the region will be favored due to the fact that the system connects economies at very different levels of development, which will result in the transfer of labor-intensive production to less developed countries in Southeast Asia. At the same time, production and services related to advanced technologies will be concentrated in Japan, South Korea and China, thus boosting comprehensive development in a sound way.

Turning away Chinese Travelers Means Lost More

By TANG Zhexiao

Although international travel may not recover immediately to pre-pandemic levels, companies, industries and countries that rely on Chinese tourists will get a boost in 2023, according to the U.S. Cable News Network's report.

China was the world's most important source of international travelers.

Based on a report published by Indian daily *Business Standard*, China was the leading global spender in international travel until the end of 2019, with 155 million tourists spending more than a quarter of a trillion dollars overseas in 2019.

Data from Trip.com Group, a Chinese travel-booking company, suggested that outbound flight bookings have soared by more than 500 percent during the upcoming Spring Festival holiday (January 21-27), with average spending per booking up by 32 percent.

Steve Saxon, who leads McKinsey's travel practice in Asia, predicted that the recovery of China's outbound international travel and spending may reach half of its pre-pandemic level by the summer of 2023.

It is apparent that Chinese citizens outbound trips will boost the development of global tourism and stimulate economic recovery, as well as promote people-to-people exchanges.

But regrettably, a handful of countries including the U.S., Japan and South Korea have insisted on taking discriminatory entry restriction measures and vi-



Thailand is expected to welcome at least 300,000 Chinese tourists in the first quarter of 2023. Tourists visit at Wat Chedi Luang Temple. (PHOTO: VCG)

sa controls targeting Chinese citizens.

Besides limiting flights and requiring PCR tests for Chinese visitors, South Korea stopped issuing short-term tourist visas for arrivals coming from China on January 2, saying the country's decision was based on scientific evidence.

Are these precautionary travel measures really rooted in science and non-discriminatory?

According to the Health Minister of Singapore, imported cases from China accounted for less than five percent of Singapore's total imported infections in the four weeks running up to January 1, which was far lower than the proportions of imported infections from other

countries and regions.

WHO's Regional Director for Europe Dr. Hans Henri P. Kluge, also noted that China has been sharing virus sequencing information with the international community, and the variants circulating in China are those that have already been seen in Europe and elsewhere.

According to Kluge, the new XBB.1.5 recombinant virus has already been spreading rapidly across the U.S., and a threat could come from a new variant of concern, anywhere, anytime.

In contrast, more countries are unwilling to follow South Korea's lead. Some of them have expressed their warm welcome to China's policy of opti-

mized measures on cross-border travel.

On December 28, 2022, Germany said it saw no need to impose new travel restrictions, while Austria stressed the economic benefits of the prospects of seeing a return of Chinese tourists to Europe, according to Al Jazeera, an Arabic-language international radio and TV broadcaster.

The return of international tourists benefits employment and promotes the economy, said New Zealand tourism minister Stuart Nash, adding that tourism has directly employed more than 140,000 people in the year to March 2022.

According to financial service leader JPMorgan Chase, the return of international students from China will add about 0.4 percentage points to its GDP.

"This is one of the opportunities that we can accelerate [use to] economic recovery," said Thai Public Health Minister Anutin Charnvirakul, who welcomed Chinese tourists with flowers and gifts as they arrived at Suvarnabhumi International Airport in Samut Prakarn province, on January 9.

It is obvious that Chinese tourists have many options when it comes to outbound travel destinations.

COVID response measures should be fact-based, science-based and appropriate, but not discriminatory, especially, hindering normal cross-border travel and people-to-people exchanges and cooperation. Countries that turn away Chinese tourists on the pretext of pandemic prevention and control should rethink their actions.

Muon Imaging Tech Helps Cultural Relics Examination

Hi! Tech

By TANG Zhexiao

Developed by researchers from Lanzhou University, muon imaging technology has recently been applied in cultural relics of the Xi'an Circumvallation recently.

Built between 1370 and 1378 in Ming Dynasty, the Xi'an Circumvallation is one of the oldest, largest and best preserved Chinese city walls. After hundreds of years, the wall has partially collapsed and subsided, posing great challenges to archaeological examination techniques.

Conventional techniques sometimes could destroy the structure of the target object, which hampers conditions for internal detection of cultural relics and historic sites.

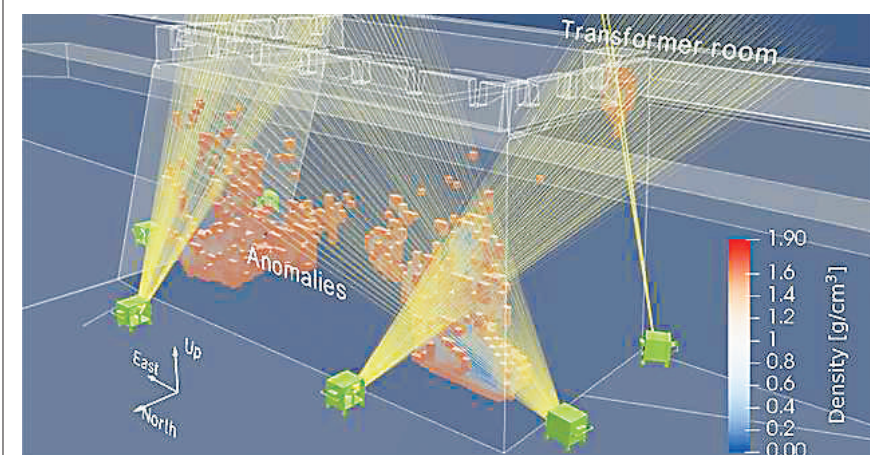
As an elementary particle similar

to the electron, the muon has extremely strong penetrating abilities, and can realize non-contact and non-destructive imaging of large targets, which is quite advantageous compared with conventional artificial ray devices, according to the researchers.

Based on muon imaging technology, the team developed a set of high-precision device, which can accurately and safely conduct internal detection and restoration of large-scale cultural relics and historical sites.

In the examination of the Xi'an Ming Circumvallation, the position, shape and size of the anomalies inside the wall have been clearly presented with the help of the device.

This technology also has broad application prospects in glacier scientific research, landslide monitoring and searching for smuggled nuclear materials at customs borders control.



Internal image of the Xi'an Circumvallation captured by the muon imaging detector. (PHOTO: JOURNAL OF APPLIED PHYSICS)