

Li stresses reforms as driver behind future development

(Global Times, 2013-9-11, By Li Qiaoyi in Dalian)

Chinese Premier Li Keqiang said reforms will bring the biggest benefits to China's future development on Tuesday, a day before the opening of the first Summer Davos Forum under the new leadership.

With the unleashing of benefits through reforms, the vitality of the market and the intrinsic dynamics of the economy will be activated so as to help the economy get through challenges it meets along the way, Li said Tuesday while meeting entrepreneurs attending the Annual Meeting of the New Champions 2013 in Dalian, also dubbed the Summer Davos Forum.

We have the power to achieve the long-term sustainable and healthy development of China's economy, Li said.

In a Monday meeting with World Economic Forum Chairman Klaus Schwab, Li also said China will continue to push forward the development of its economy and the improvement of people's livelihood, while joining other countries and regions to promote sustainable growth of the global economy.

Li's remarks came after his article carried by Monday's Financial Times, in which he said China will stay on the path of reform and opening-up.

Li Keqiang said that the key to economic reforms is to "balance well the roles of the government, the market and society," in response to questions raised by some of the 200 visiting business representatives.

The government should let the market carry out its roles in order to induce more vitality, Li said, adding that the government reformed its administrative approval system this year, scrapping or relegating more than 200 approval rights, which were previously held by the government.

The reforms have affected vested interests by removing the approval rights of many government departments, thus reducing the opportunities for corruption, Li said.

China will also create a fair environment for market competition, letting all kinds of

enterprises enjoy the same access to opportunities. Meanwhile, the government will continue to crack down on infringement of intellectual property rights and fraud, said the premier.

To ensure employment in the country, Li said proactive policies on employment will be tabled on the basis of promoting the growth of the service sector. "Meanwhile, vocational training will also be given a boost in accordance with the employment policy."

With a slew of policies and measures announced by the new leadership in a move to inject new vitality into the economy, China's economic recovery has been shown to be gaining momentum in recent months, Xu Hongcai, director of the Department of Information under the China Center for International Economic Exchanges, told the Global Times.

Recently released economic indicators for August including trade growth figures and inflation data give more confidence to the outlook, although a slowdown in the world's second-largest economy in years to come has become the consensus of the market.

"China's economy won't experience a hard landing," Xu said, noting that the government has taken the initiative in restructuring the economy, therefore "a slowdown should not be something to be feared, but instead bodes well for a brighter future."

The overall market sentiment is expected to further perk up after Li's keynote speech at the opening ceremony of the Summer Davos Forum on Wednesday, Xu believes, which "will send a strong signal of confidence."

Li also highlighted the necessity of pushing forward financial reforms as part of the nation's economic reforms, which China is firmly determined to push forward. "The marketization of interest rates and the establishment of a multi-layer capital market will be further promoted to satisfy the growing demand for financing in the market."

"Moreover, we will take solid steps toward opening-up the financial sector," Li pledged, noting that authorities will continue to realize the renminbi's convertibility on capital accounts as an extended alternative for current renminbi offshore centers.

Li added that the central government will also seriously consider a proposal from the financial circle in Switzerland hoping to develop offshore renminbi businesses and transform the country into an offshore renminbi center.

"Reform in this regard has to match China's economic strength, the maturity of the financial system, as well as supervision capability," Li noted.

Xinhua contributed to this story