

博鳌亚洲论坛 Boao Forum for Asia



The opening ceremony of the Boao Forum for Asia Annual Conference 2018 was held on the morning of April 10. Chinese President Xi Jinping attended the opening ceremony and delivered a keynote speech entitled *Openness for Greater Prosperity, Innovation for a Better Future*.

Summary of Xi Jinping's Keynote Speech

- China will remain committed to reform and opening-up and adopt major new initiatives to expand opening-up, and work together with other countries in the world to create a better tomorrow for Asia and the world.
- China decides to take a host of new major initiatives in expanding its opening-up.
- The Belt & Road Initiative may be China's idea, but its opportunities and outcomes are going to benefit the world.

China decides to adopt four new significant measures in expanding its opening-up

1, Significantly broaden market access.

Major measures to raise foreign equity caps in the banking, securities and insurance industries will be implemented. China will make more moves toward further opening-up, accelerate the opening-up of the insurance industry, ease restrictions on the establishment of foreign financial institutions in China and expand their business scope, and open up more areas of cooperation between Chinese and foreign financial markets. China will ease foreign equity restrictions in these industries such as automobile as soon as possible.

2, Create a more attractive investment environment.

China will enhance alignment with international economic and trading rules, increase transparency, strengthen property rights protection, uphold the rule of law, encourage competition and oppose monopoly. China will finish the revision of the negative list on foreign investment and implement across the board the management system based on preestablishment national treatment and negative list.

3, Strengthen protection of intellectual property rights (IPR).

China will re-organize the State Intellectual Property Office to strengthen the ranks of its officers, step up law enforcement, and significantly raise the cost for offenders. China protects the lawful IPR owned by foreign enterprises in China.

4, Take the initiative to expand imports.

China does not seek trade surplus, and has a genuine desire to increase imports and achieve greater balance of international payments under the current account. This year, China will significantly lower the import tariffs for automobiles and reduce import tariffs for some other products, and seek faster progress toward joining the WTO Government Procurement Agreement.

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The Chinese Central Bank Governor Yi Gang on measures for further financial sector opening-up:

To follow President Xi's remark that it is better to implement reform and opening-up measures sooner rather than later, the following measures for opening up financial sector will be implemented in the next few months this year:

1. Remove the foreign ownership cap for banks and asset management companies, treating domestic and foreign capital equally; allow foreign banks to set up branches and subsidiaries at the same time.
2. Lift the foreign ownership cap to 51% for securities companies, fund managers, futures companies, and life insurers, and remove the cap in three years.
3. No longer require joint-funded securities companies to have at least one local securities company as a shareholder.
4. To further improve the stock market connectivity of the Chinese mainland and Hong Kong, we will increase the daily quota by three times from May 1, after which the daily quota for Shanghai-bound and Shenzhen-bound investment will be increased from RMB 13 billion to RMB 52 billion, while that for Hong Kong-bound investment from RMB 10.5 billion to RMB 42 billion.
5. Allow eligible foreign investors to provide insurance agent and loss adjuster services in China.
6. Lift restrictions on the business scope of foreign-invested insurance brokerage companies, treating them as equals of domestic companies.

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In addition, the following measures will be rolled out within this year:

1. Encourage foreign ownership in trust, financial leasing, auto finance, currency brokerage and consumer finance.
2. Apply no cap to foreign ownership in financial asset investment companies and wealth management companies newly established by commercial banks.
3. Substantially expand the business scope of foreign banks.
4. Remove restrictions on the business scope of jointly-funded securities companies, treating domestic and foreign institutions equally.
5. Foreign insurance companies will no longer need to have a representative office in China for two consecutive years prior to establishing a fully-owned institution.

Besides, preparatory work for Shanghai-London Stock Connect is proceeding as desired. China aims for launching the Shanghai-London Connect this year.

China have lifted market access limit for bank card clearing institutions and non-bank payment institutions, eased restrictions on rating services provided by foreign financial service companies, and granted national treatment to foreign credit information companies.

Regarding monetary policy, Yi Gang pointed out that the two tracks of China's benchmark interest rate and the market rate will be combined in future to form a single marketised rate. According to Yi Gang, the Chinese central bank "must start to tighten" and will continue to implement stable monetary policies. China is steadily pushing forward the convertibility of RMB and will not devalue its currency to deal with U.S. trade disputes.

Link to the full text of Xi Jinping's Keynote Speech:

http://www.chinadaily.com.cn/a/201804/10/WS5acc515ca3105cdcf6517425_2.html