

China pushing border development

New measures promote trade, RMB globalization

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A recently issued guideline promoting the development of economic cooperation zones in border cities and cross-border zones is expected to help stabilize China's industrial and supply chains, stimulate the growth of trade in both goods and services, globalize the national currency and contribute to the growth of the economy, experts said.

Their comments were made as the Ministry of Commerce, together with 15 other ministerial level organs, issued a circular on March 17 introducing a raft of measures related to the creation of new development patterns in the zones.

The document stated that economic cooperation zones are a critical platform for cooperation with neighboring countries and regions, and in promoting the development of the Belt and Road Initiative. It also said the zones are an important fulcrum underpinning socioeconomic development for border regions and provinces, making them all the more crucial to growth.

The new measures include 15 policies in support of the zones.

Efforts will be made to improve their functions, and studies will be conducted to set up new zones, expand existing ones and enhance synergy between ports and commerce platforms.

International cooperation at the zones will also be prioritized. More incentives will be given to companies to improve cross-border logistics and capital flow.

The document also reiterated measures that support the implementation of the Regional Comprehensive Economic Partnership, including one that offers incentives and encourages border areas to participate in international trade.

In addition, the document called for incentives to support industrial innovation and to improve industrial supply chains and strategic planning for high-end and emerging industries.

By upgrading its industrial structure and aligning with international economic and trade rules, China will improve conditions to put foreign trade on firmer footing this year, said Zhao Ping, deputy head of the Academy of China Council for the Promotion of International Trade.

Tu Xinquan, dean of the China Institute for WTO Studies at the University of International Business and Economics in Beijing, said China has long placed importance on the development of border trade. However, he noted that the timing of the circular's release means that the country is now making it more of a priority.

"China's trade with bordering countries, particularly with Russia and members of the Association of Southeast Asian Nations, is robust and prosperous, but the central government is emphasizing the importance of border trade now to enhance trade cooperation with these countries to offset the challenges and risks of the evolving external environment," he said.

"Visibly, the importance of border trade has grown in recent years," he added, citing the recent boost to trade and economic ties between China and Russia as an example.

He said that as trade further develops, both physical and non-



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physical infrastructure needs to be improved.

Noting that the new document has placed emphasis on improving cross-border logistics and capital flow, and on implementing the RCEP agreement, Tu said that border trade transportation infrastructure was fraught with challenges, particularly railways and gas pipelines, for instance.

"Meanwhile, on the financial front, one thing to note is that border areas are also the main conduits of efforts to globalize the renminbi," he said. "In Southeast Asia, the degree of RMB globalization is already quite high."

He said that with support for border trade in the past, the new circu-

lar calls for more strategic moves, with improving capital flow as a particular point of note, and that given ongoing geopolitical tensions, "now is also a good time to promote RMB globalization, taking border trade as a fulcrum".

Tu added that China's relationship with other RCEP members is also a good reason to grow border trade.

"RCEP member countries share a rich history in terms of personnel exchange and trade," he said. "What needs to be improved are institutional arrangements like infrastructure connections. The new circular can help improve these arrangements to better align with the RCEP agreement."

As China shares borders with a number of countries, including Russia, Vietnam, Laos and Kazakhstan, promoting cross-border trade will not only inject vitality into the growth of the BRI, but will also address the imbalance in domestic regional development, said Li Hao, a researcher at the China-ASEAN Collaborative Innovation Center for Regional Development at Guangxi University in Nanning.

"It is also conducive to promoting the globalization of the renminbi, and to driving investment in the development of these border and cross-border economic and trade zones," Li said.

Zhong Nan contributed to this story.

Policy Digest

Telecommunications industry expanding

China's telecommunications sector expanded steadily in the first two months of this year as a result of the creation of new businesses and infrastructure, official data showed.

The combined business revenues of companies in the sector reached 280.3 billion yuan (\$40.8 billion) during the period, up 7.9 percent year-on-year, according to data from the Ministry of Industry and Information Technology.

Businesses focused on associated sectors such as internet data centers, cloud computing and the internet of things, saw revenues rise 25.7 percent year-on-year, leading to a 5 percentage point increase in telecom revenues.

The data also revealed the steady progress China has made in advancing new infrastructure. It had 2.38 million 5G base stations by the end of February, 72,100 more than at the end of last year.

Agencies to help rural disabled find jobs

Authorities will increase efforts to help disabled people in rural areas gain access to employment, according to a notice published on March 21.

The notice, issued by the China Disabled Persons' Federation and seven other government agencies, said the move was part of efforts to achieve the previously set goal of creating 1 million new jobs for people with disabilities in rural and urban areas between 2022 and 2024.

According to the notice, specific measures include helping disabled rural landowners to earn income through productive labor and providing free technical e-commerce training to households with disabled members.

Guideline defines sexual harassment

For the first time, the Ministry of Human Resources and Social Security and five other central government departments have issued a guideline that defines and explains sexual harassment in the workplace to protect women's rights and interests.

The guideline, which was issued on March 8 — International Women's Day — clearly states what sexual harassment is, and instructs employees and labor unions on how to handle cases. It should be used as a reference when employers establish rules regarding harassment.

According to the guideline, employers should keep information provided by complainants and findings related to investigations confidential. They should also ensure privacy is protected and refrain from causing secondary injury to victims of harassment through measures such as separating the victim and the accused in the workplace.

The six ministries also issued another guideline on March 8 that serves as a reference for protecting female employees' rights in the workplace, which pertains to matters such as employment status, wages, welfare and fertility.

The references are not legally binding but offer interpretations to the public to promote wider awareness of the law and regulations.

CHINA DAILY - XINHUA

Despite geopolitical tensions, expert still optimistic about growth

By ZHANG YUE

Despite potential challenges from evolving external conditions this year, foreign trade remains a critical component of China's development, an expert said, adding that a recent circular on boosting the development of border and cross-border economic cooperation zones will play a big role in optimizing the country's trade and economic structure.

Zhou Mi, a researcher at the Chinese Academy of International Trade and Economic Cooperation in

Beijing, said that the release of the document, which calls for improving the layout and functions of the zones, is well-timed, given that China has relaxed its COVID-19 epidemic measures.

Because borders and ports were operating under containment measures over the past three years, their contribution to overall growth could not be fully leveraged.

"Therefore, I think the central government wants to take advantage of the current window after the relaxation of containment measures, not only to restore the previous

border functions and cross-border economic cooperation zones, but also to explore new functions to grow and upgrade," he said. "Thanks to the new document, cooperation among border provinces, as well as cooperation at the national level with neighboring countries, can be further explored, creating a new driver for growth this year."

Since late last year, exports have been closely monitored as a key sector in determining recovery this year. Though export growth has waned somewhat since October and evolving geopolitical tensions may

add to uncertainty, Zhou said that he remains optimistic.

"I think the role of foreign trade in catalyzing growth will still be sufficient this year," Zhou said. "Certainly, there have been new developments in foreign trade, and uncertainties remain across the globe. But China has maintained its comprehensive industrial and supply chains, while domestic demand is becoming more and more diverse. This means there is still plenty of room for foreign trade growth."

Before the new guideline was released, the Ministry of Commerce

had already adopted a series of measures to spur border trade, including allowing the renminbi to be used as a settlement currency, and simplifying commodity export declarations.

The ministry has also enacted favorable policies to develop the wholesale, retail, agglomeration and distribution functions of border commodity trade markets and cultivate a number of business centers dedicated to specialized products from neighboring countries based on existing markets.

Zhou noted the specific emphasis

on upgrading, innovating and improving supply and production chains in border and cross-border economic cooperation zones to turn them into world-class commercial platforms.

"China has been working to make trade and investment sustainable for a long time, and the resilience of its supply chain is also an important manifestation of sustainable trade," Zhou said. "Faced with a complex and evolving environment, it is even more necessary to strengthen this cross-border supply chain. Such resilience is not only critical to China's economic recovery per se, but also important to boosting other countries' confidence in trade relations with China."