

## China Development Forum 2024 The Continuous Development of China

### Symposium on the New Forms of Consumption and Release of Domestic Demand Potential Panel Discussion Two

The China Development Forum (CDF) 2024, hosted by the Development Research Centre of the State Council (DRC) and organized by the China Development Research Foundation (CDRF), was held at Diaoyutai State Guesthouse in Beijing on 24-25 March, 2024. The “Symposium on New Forms of Consumption and Release of Domestic Demand Potential” was held on the afternoon of 25 March, chaired by DENG Yusong, Director-General, Institute for Market Economy, DRC. In the “Panel Discussion Two” session, there were five speakers: GU Shu, Chairman, Agricultural Bank of China, Denis Depoux, Global Managing Director, Roland Berger, ZHANG Wenzhong, Founder, Wumart & DMALL, Nicholas Lardy, Nonresident Senior Fellow, Peterson Institute; Member, Council on Foreign Relations, and HAI Wen, Vice Chairman, Peking University Council; Founding Dean, Peking University HSBC Business School.

GU Shu said that new forms of consumption have entered a new stage of rapid development for three reasons: the continuous emergence of new business models, the ongoing upgrading of consumption content,

and the enormous consumption potential of key groups. He shared the Agricultural Bank of China's explorations in providing financial services for new forms of consumption, including nurturing and expanding new consumer groups, actively integrating into the construction of new forms of consumption scenarios, precisely connecting with the financial needs of new forms of consumption, and proactively protecting the rights and interests of financial consumers under new circumstances. He said that the Agricultural Bank of China will actively serve the country's strategy to expand domestic demand, contributing more to the sustained improvement of China's economy and meeting the people's needs for a better life.

Denis Depoux proposed that increasing consumer income and improving consumption quality are important issues for current economic development. Although consumption has recovered after the pandemic, the growth rate is still slower compared to before the pandemic. Unleashing the potential of consumption is crucial for economic growth. Consumer confidence is key to increasing consumption, and currently, consumer confidence has declined. China has a high savings rate, and new ways are needed to release these savings to promote consumption. He suggested reducing savings to promote consumption through measures such as strengthening the social safety net and personal financial stability and improving savings tools. He also emphasized the importance of expanding the middle class to cultivate new points of consumption growth, as well as the importance of developing a green

---

economy and improving energy efficiency.

ZHANG Wenzhong shared five views on promoting new types of consumption and unleashing the potential of domestic demand. First, the digital and intelligent transformation of physical retail is an important force in promoting new types of consumption and unleashing the potential of domestic demand. Second, the ultimate cost-effectiveness is an important new characteristic of new forms of consumption and the release of domestic demand potential. Third, a high level of food safety is an important foundation for new forms of consumption and release of domestic demand potential. Fourth, an efficient logistics system and supply chain system play a significant role in promoting new forms of consumption and the release of domestic demand potential. Fifth, strengthening consumer confidence is the fundamental guarantee for expanding new forms of consumption and unleashing domestic demand.

Nicholas Lardy, from a macroeconomic perspective, offered his insights on China's consumption trends. He said that China's consumption contributes significantly to GDP growth, but its sustainability remains to be observed. There is still room for growth in the disposable income of Chinese residents. As the retired population increases, the savings rate may decline, which will help promote consumption and bring opportunities for businesses. He emphasized that the government can reduce precautionary savings by increasing social

spending. Additionally, he reminded that while new forms of consumption are receiving attention, traditional consumption areas such as medical, health, education, and culture are equally important. At present, consumption expenditures in these areas are growing rapidly and account for a high proportion of household expenditures.

HAI Wen elaborated on the release of domestic demand potential from four aspects. The first is the main content of domestic demand potential, including the demand for high-quality services and manufacturing industries after entering the middle-income country stage, and the basic needs arising from the transformation of farmers into urban citizens during the urbanization process. The second is the basic conditions for releasing domestic demand potential. On the one hand, the income issue needs to be resolved, and the basis of income is employment; on the other hand, investment should be consumption-driven. The third is the method of releasing domestic demand potential. The private economy can play an important role in this regard, including providing more jobs, especially in the service industry, which is key to unleashing domestic demand potential. The fourth is the measures that the government should take. He suggested that the government should support the development of private companies through specific policies, strengthen education and training to adapt to technological development, establish a unified national market, and eliminate institutional barriers to

urbanization development.

(China Development Press Written by: Du Jun Reviewed by: Zhao Haijuan)

--Background Information--

Under the mandate 'Engaging with the world for common prosperity', China Development Forum (CDF) serves as an important platform for Chinese government to carry out candid exchanges and discussions with leaders of global businesses and international organizations as well as foreign and Chinese scholars. Initiated in 2000, CDF has made remarkable contributions for the policy exchange and international collaborations between China and the world.

--Media Contact--

**CDRF**

Guo Silu 18666028168/64255855-8014

Shi Yafan 13810361966/64255855-8223

Xia Tian 18801375838/64255855-8086

Shi Wanjing 18801090391/64255855-8090

Qiu Kaixian 18301078627/64255855-8103



中国发展研究基金会  
China Development Research  
Foundation

中国北京东城区安定门外大街138号  
皇城国际中心A座15层

邮编: 100011  
电话: 86-10-64255855  
传真: 86-10-64255855-8100  
网址: www.cdrf.org.cn  
电邮: cdrf@cdrf.org.cn

Floor15, Tower a, Imperial International Center, No.138  
Andingmen Wai Avenue, Dongcheng District, Beijing, 100011, China

Tel: 86-10-64255855  
Fax: 86-10-64255855-8100  
Website: www.cdrf.org.cn  
E-mail: cdrf@cdrf.org.cn

