

## China Development Forum 2024 The Continuous Development of China

### Symposium on Global Economic Growth Outlook (Panel Discussion I)

Hosted by the Development Research Centre of the State Council (DRC) and organized by the China Development Research Foundation (CDRF), the China Development Forum (CDF) 2024 was held at Diaoyutai State Guesthouse in Beijing from 24th to 25th March. On the afternoon of March 25, the Symposium on Global Economic Growth Outlook was chaired by Yu Bin, vice president of the DRC. There were four panelists for “Panel Discussion II”, namely Laura M. Cha, Chairman of Hong Kong Exchanges and Clearing Limited, Gao Peiyong, Academician and Former Vice President of Chinese Academy of Social Sciences, Nouriel Roubini, Professor of New York University, Chairman & CEO of Roubini Macro Associates, LLC, and Liu Shangxi, President of Chinese Academy of Fiscal Sciences.

Laura M. Cha said that Global economic growth in 2023 has demonstrated resilience as well as three new trends and characteristics. The first is the regionalization and segmentation of global economic development. Currently, regionalization has become an important form driving economic development and global supply chains are facing numerous challenges. “Friend-shoring” has replaced

the efficient “offshore outsourcing” model and some intervention measures have brought about new effects. Emerging markets such as Vietnam and Mexico are benefiting from the development of a new supply chain ecosystem and these supply chain shifts are closely related to the role of China. China’s influence on the global economy cannot be ignored, as its economic dynamics have far-reaching effects on the world. Regionalization has also promoted the development of various economic cooperation agreements in Asia. Take Regional Comprehensive Economic Partnership (RCEP), a large-scale regional agreement in the Asia-Pacific region, for example, it covers 15 member countries, representing one-third of the global economy, and promotes close cooperation among its members in free trade, intellectual property rights sharing, government procurement, technological collaboration, and so on. The second is that technological innovation has become the engine driving global economic development. AI is one of the important transformative and innovative technologies in this trend. The active development and application of technologies such as generative AI will have a huge impact on economic growth, changing multiple business sectors including manufacturing, logistics, construction, healthcare, education, transportation, financial services, and government functions. Innovative technologies are crucial drivers of economic growth. To make full use of the tremendous potential of AI, it’s important to focus on the impact of generative technologies on policies, establish a reasonable regulatory framework, and closely monitor the real challenges of the replacement of some labor caused by AI-induced productivity improvements. The third is that decarbonization has become a significant trend of global economic development. The actions taken by countries in decarbonization will be crucial drivers of economic development in the coming years.

As the world's largest producer of solar energy, exporter of electric vehicles (EVs), and exporter of batteries and wind turbines, China has made significant progress in decarbonization. Fundamentally, it is the commitment of the government and support from the private sector that has jointly propelled the development of industries like solar energy and wind energy.

In response to the changing global economic growth trends, Gao Peiyong put forward three points at the macroeconomic governance level. Firstly, unstable expectations or expectation fluctuations will increasingly become the main challenge faced by macroeconomic governance. Facing profound changes unseen in a century, the convergence of geopolitical tensions with a new wave of technological revolution is expected to weaken or sustain long-term fluctuations in people's outlook on future economic growth. The Central Economic Work Conference held at the end of 2023 made a special decision and arrangement for stabilizing growth, employment, and price level, sending the basic signal of stabilizing expectations. Secondly, new practices and ideas should be adopted to deal with unstable or fluctuating expectations. In the past, the difficulties and challenges faced by China in economic operations were mostly within cyclical fluctuations. Therefore, it is not advisable to simply apply the methods of counter-cyclical adjustments used in the past to cope with the new contradiction of unstable expectations or volatility. Instead, emphasis should be placed on considering how to combine practical approaches with macroeconomic governance. Thirdly, a dual approach driven by both reform and policy is needed for addressing the problem of expectations. To deal with the problem of expectations under the new situation, the focus of macro-control should be on institutional changes to stabilize expectations through institutional and mechanism reforms, thereby

promoting high-quality economic development.

Nouriel Roubini pointed out that the current global development is facing unprecedented uncertainty across various aspects, including economic, financial, fiscal, social, geopolitical, and health domains. In the short term, on one hand, for developed countries, the main focus over the past year has been achieving an economic soft landing which implies maintaining economic growth while controlling inflation. As it stands, there is a greater likelihood for developed countries like the US to achieve a soft landing despite that the pace of economic growth may slow down. Europe and the UK are experiencing relatively weaker economic growth, but inflation is also decreasing. Therefore, they also have the potential to achieve a soft landing, although it may be of lower quality. Japan has just emerged from recession and is heading for a soft landing. On the other hand, China's economy maintained a growth rate of over 5% in the past year, and it is expected to continue growing this year. Meanwhile, Chinese government needs to improve production efficiency through supply chain reforms, expand domestic demand, and continuously promote economic growth to address structural problems such as aging population, weakening real estate market, and rising local government debt. In the medium to long term, the global economy faces numerous challenges, including rising inflation, the trend of deglobalization, risks of population migration, and the climate crisis. These factors could lead to a more decentralized global economy, which may be reflected in prices of food and energy. The proper utilization of artificial intelligence and other emerging technologies is expected to enhance economic efficiency, reduce costs, and achieve the goal of global economic growth.

Liu Shangxi emphasized in his speech the importance of paying close attention

to the drag on global economic growth caused by the globalization of risks. Globalization of risks acts as a driving force of uncertainty in the world, as it increases the development costs for countries and hampers global economic growth. In view of this, he suggested that relevant international organizations should incorporate risk as an important variable in forecasting models when predicting the future prospects of global economic growth. In the face of globalization of risks, countries should work together and collaborate to collectively address challenges. Efforts should be made to establish a global macroeconomic policy coordination mechanism as soon as possible, to prevent and mitigate the adverse consequences of globalization of risks and avoid the spread and diffusion of risks globally.

(China Development Press Authors: Li Xintong, Hu Yutong; Reviewer: Liu Changjie)

--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 Wanqing 18801090391/64255855-8090

Qiu Kaixian 18301078627/64255855-8103



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](http://www.cdrf.org.cn)  
电邮: [cdrf@cdrf.org.cn](mailto: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](http://www.cdrf.org.cn)  
E-mail: [cdrf@cdrf.org.cn](mailto:cdrf@cdrf.org.cn)