

## China Development Forum 2024

### The Continuous Development of China

#### Symposium on Global Economic Growth Outlook

##### (Panel Discussion II)

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 Li Yang, Chairman of National Institution for Finance & Development, Chinese Academy of Social Sciences, Csaba Kandrács, Deputy Governor of the Magyar Nemzeti Bank, the Central Bank of Hungary, Lee Siwook, President of Korea Institute for International Economic Policy, and Lawrence Juen-Yee Lau, Academician of International Eurasian Academy and Former President of The Chinese University of Hong Kong.

Li Yang said that the stable growth of China’s economy is a significant force underpinning the global economic recovery. He shared five perspectives on the global economy. Firstly, the global economy may have already hit a bottom and is beginning to rebound. The US, along

with some large emerging markets and developing economies, has shown stronger resilience than expected, but the recovery of global economic growth remains slow. Secondly, global inflation is under control, but new risks have also emerged. For example, interest rate hikes by central banks to fight inflation and the sluggish increase in potential productivity are factors that add unpredictability to the economic rebound. Thirdly, stabilizing inflation may lead to a slowdown in the rate of interest rate increases. With the Federal Reserve slowing down its rate hikes, global interest rates are not expected to rise sharply or significantly in 2024. The recent rise in interest rates in Japan, indicating a trend towards ending negative interest rates, is noteworthy. Fourthly, the shadow of a debt crisis is looming. The US has the highest debt levels in the world while China is experiencing a rapid increase in its debt. Fifthly, China has enhanced its fiscal policy efforts and increased the intensity of its monetary policy stimulus to speed up economic recovery.

Csaba Kandrács held that green transformation is an essential component of globalization and a part of inclusive development. Improvements in energy efficiency and green transformation can further advance globalization and create new business opportunities and technologies. A new path must be chosen between green transformation and economic growth. This is a global issue. Global leading economies can play a significant role in restoring mutual trust. The 2020s, like the 1970s, are challenging decades characterized by inflation, oil crises, energy crises, and now conflicts in the Middle East and global tensions, whereas the 1980s witnessed a golden decade of world trade. Following this logic, the 2030s could be a prosperous decade for global trade. We

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cannot simply sit back and wait for the 2030s. China is currently at the forefront of green transformation and it is encouraging to see its proactive engagement in this area.

Lee Siwook thought that the world is undergoing profound structural changes, with intensifying debates over whether it has entered a phase of deglobalization. It is entirely accurate to assert that globalization is in retreat based solely on the decline in international trade. The global economy is still very much in the process of factual globalization. On one hand, the mode of cross-border transactions has rapidly shifted from traditional trade in goods to trade in digital services, with over 66% of the global population using the Internet; on the other hand, the “Law of One Price” implies that in the absence of trade barriers, market integration encourages the prices of identical goods to converge. Meanwhile, the extent and pace of globalization are influenced by policies and geopolitical tensions, while climate change and the digital divide clearly highlight the importance of global cooperation and coordination. To effectively address these challenges, it is particularly important to restore multilateral order in the new context.

Lawrence Juen-Yee Lau said that developing countries have grown at a faster pace than developed countries over the past decade and the trend is expected to continue. The primary driving force of global economic growth will continue to come from developing countries, with Asia poised to become the center of world economic growth in the future. China has surpassed the US and the EU in terms of manufacturing value-added, and the RMB is now the world’s fourth-largest trade settlement currency. He predicted that China’s economic growth rate will

remain at 5%-6% while India will grow faster in the next decade. Speaking of AI, he mentioned that AI lacks originality and judgment capabilities, so there is no need to fear it. However, AI has a significant potential for deception, so it is crucial that we do not allow anything important to be fully governed by AI and humans should maintain control.

(China Development Press Author: Du Qianqian; Reviewer: 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.

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