Key excerpts from Lijun Zhang’s Keynote Speech at UH Mānoa

Hawaii is U.S. President Barack Obama’s hometown who was born and raised here. It is also in Hawaii that Pioneer of China’s democratic revolution Sun Yat-sen studied and lived in his youth, and founded here China’s first organization for democratic revolution. Later he led the Chinese people to overthrow the feudal monarchy for over two thousand years and embark on the path towards a democratic republic, and became the first president of a republic government of China. It was Hawaii with its diversity and tolerance of cultures that cultivated the keen sense of innovation and the spirit of change for President Obama and nourished the thought of “The world belongs to all” for Dr. Sun Yat-sen. As the common starting point for the two presidents’ life and career, Hawaii connects two great countries - China that is on the path of democracy and the United States where a democratic tradition is long cherished. Indeed, in Hawaii such connections between the two countries are not restricted to what is just mentioned. For example, there is a legendary botanist and ethnologist Mr. Joseph Rock. Having laid the foundation of Hawaii’s botany study, he was commissioned by the U.S. Department of Agriculture to study in Yunnan, China where he lived for 27 years, eventually becoming a well-established expert on Naxi culture, a promoter of the Oriental Studies, and a contributor to a better understanding of Chinese society by the West. It is precisely because of the efforts of Mr. Rock that the eight-hundred-year-old Naxi classic music can survive till today.

Today, when the 19th APEC Informal Leadership Meeting is about to convene, we are gathered together with representatives from 21 economies of the Asia-Pacific region in the magic and beautiful island of Hawaii, upholding the noble ideal of a "harmonious Asia-Pacific" and engaged in the great cause to change the world for a better future. It will be forever inscribed in the history of Hawaii.

Ladies and gentlemen, APEC is an important regional economic organization in the Asia-Pacific region and has great influences on the region’s political and economic development. At present, APEC has 21 members, accounting for 42% of the world’s total population, about 50% of the world’s GDP, and 46% of the global trade. Ever since the accession to APEC in 1991, China has been extensively involved in various forms of regional economic organizations. As both the vehicles of close economic integration between different countries and the important platforms for coordinating international relations, those organizations have played positive roles in strengthening China’s economic ties with other countries, deepening cooperation in trade, investment, finance, industry, culture and other fields, and promoting China’s domestic reform and opening up to develop further, enhancing regional and international political dialogues and exchanges. Many APEC members are China’s important partners for trade and investment: the trade between China and other members of APEC accounts for two-thirds of China’s total trade, and direct foreign investment to China attracted from other APEC members is up to 67% of the total. The principles of trade and investment liberalization and facilitation and economic and technical cooperation proposed by APEC have an important part in advancing China’s economic development.

The theme of this year’s APEC meeting - "closely linked to the regional economy/ seamless regional economy", focuses on issues including deepening regional economic integration, expanding trade, promoting green growth and enhancing regulatory cooperation. The CEO Summit is a unique feature of
APEC, which provides national leaders and representatives of business communities from Member States with opportunities of close interaction. At this year's APEC leadership meeting, China hopes to achieve practical results in the following areas: first, to implement the “APEC Leaders' Growth Strategy” passed at the Leaders' Meeting last year, making efforts to promote the balanced, inclusive, sustainable, innovative and safe growth of the Asia-Pacific economy; second, to continue to follow the requirements of the Bogor Goals – to fully promote the regional trade and investment liberalization and facilitation, strengthen economic and technical cooperation, achieve common development and prosperity of all members; third, to strengthen cooperation and enhance the green growth capacity of all members, especially the developing members; fourth, to strengthen the economic structural reforms and regulatory cooperation, and to push forward the construction of a policy environment in the region that is dynamic, efficient, more open and conducive for development in trade and investment.

The 2011 informal leadership meeting in Hawaii will surpass the 1993 APEC meeting in Blake Island, State of Washington, in size and depth. Over the past 18 years, APEC has acquired four new members and registered a significant increase in total economy. As the chairman of the China APEC Development Council, I believe that, in order to achieve China's expectations and the development and prosperity of APEC members' economies, all members should adhere to the APEC concept of the "harmonious Asia-Pacific"; pool the efforts to create a good development environment in the Asia Pacific region with a "durable peace", in the process of realizing the great goal of "common development" including every member economy, always stick to the basic principle of "equal cooperation" for all countries despite their differences in sizes and levels of development, and seek common ground while reserving differences, so as to build APEC into a propeller that is truly able to give impetus to the economic development and prosperity in the Asia-Pacific region and a public platform to resolve the issues of uneven economic development and the contradictions between its members.

I. Prosperity is the common aspiration of humankind, and development is the common goal of all countries

Only the common development can resolve the confrontations between the countries and achieve the sustainable development.

For individuals, regardless of their race and family background, the common aspiration of humankind remains the same – to live with dignity and in affluence. For countries, their existence needs to seriously address the fact that development is not always balanced or synchronized. Therefore, in a certain period of development of human society and in a certain region, "to protect the less developed and restrain the advanced" is not symbol of reaction and regression, but a sign of human civilization.

Through the reform and opening up, China has developed its domestic production capacity and achieved prosperity in the domestic economy. In the process of integration into the world trade system, China has become the world's top commodity producer of the widest range and in the largest amount, as well as the world's largest market for high-end goods demand. However, the rise of people's living standards lags behind economic growth and the economic development lacks persistent driving forces from innovation and potential of growth. That is resulted from the long-term imbalances in external trade,
which gives rise to the unreasonable economic structure, few innovations in production and technology, lack of economic development potential, high cost in environmental and resource consumption, etc.

Only common prosperity can defuse the human conflict and resolve the confrontation between countries, as it goes in line with the wishes of humankind and the trend of historical development. Therefore, only common development is the sustainable development. The 2008 financial crisis was spread to a large number of countries, giving full evidence to the depth of the interdependence between countries. Advanced technology and high level of economic development should be the driving force to promote the common development of humankind, but not an obstacle to the continued development of human society. Along with the integration of the global economy, every country should adapt their political and cultural systems to the highly globalized economy, thus all countries can maximize their access to the achievements of advanced science and technology, maximally liberate productivity and increase the total of social wealth. That is the fundamental measure towards common prosperity. On the other hand, we should not emphasize the protection on intellectual property and patency so much that it fetters the development of productivity, and produces man-made imbalances in different countries’ economic and technological development, hence leading to the widening gap in development.

China has a long history of civilization, but when compared to the population it bears, its rich resources is far from abundant. Therefore, if we can remain self-sufficient and continue to develop, that is already making a remarkable contribution to humankind. Within the present context of reform and opening up and economic globalization, China has made considerable progress, but it is still confronted with a huge difference measured against the developed countries, a low capacity of technological innovation, Major concerns of Chinese entrepreneurs include the U.S. restrictions on technology exchange with China, the general trade rules such as the monopoly over price and the hard-line policy in exchange rate changes, the trade rule-making process on an equal basis, and the early co-operation for the green "sustainable growth", as well as other issues.

II. Peace is a prerequisite for development and common development is the guarantee for durable peace

Development needs a peaceful environment. However, development can result in inequality, which may undermine the conditions for lasting peace. Common development is the viable path towards resolving conflict and leading to cooperation.

To any member state, development is all the same the unyielding principle. Under the conditions of global economic integration, only the simultaneous and complementary development can bring about communications and exchanges with equality and mutual benefit and development of different economies in balanced and coordinated ways; at the same time, national and regional traditions and customs are maintained, so as to create a world that is harmonious, stable and colorful.

China pursues a foreign policy of peaceful coexistence, adheres to the path of peaceful development and the mutual benefit and “win-win” strategy, and upholds the Good-Neighbor and Friendship Policy of "building friendship and partnership with neighboring countries". Domestically, China seizes the
Strategic opportunity of world peace to develop economy actively and maintain domestic stability; internationally, China maintains tolerance and restraint, makes efforts to resolve the territory and interest conflicts with neighboring countries, plays an active role in solving the Korean nuclear crisis and other international disputes, and has made significant contributions to maintaining peace of the world as well as in the Asia Pacific region.

Since China’s accession to APEC, APEC has become an important stage for China to carry out mutually beneficial cooperation and multilateral diplomacy with other economies in the Asia-Pacific region and to showcase China’s national image. Through its participation in APEC cooperation, China has also made great contributions to the economic development for the region and the world.

As a member of the Asia-Pacific family, China has always attached importance to and actively participated in APEC cooperation in various fields. Chinese President has attended all the APEC Leaders’ Informal Meetings in past years, and made a large number of positive, balanced and reasonable suggestions and initiatives. On October 20, 2001, the Ninth APEC informal leadership meeting was successfully held in Shanghai, China, on which the "APEC Economic Leaders' Declaration," "Shanghai Consensus", "e-APEC Strategy" and other important documents were adopted, giving a great impetus to developing bilateral relations between China and APEC members.

Asia-Pacific region is China’s important basis for foreign trade. Through the participation in a series of APEC activities, China pushes forward the international order in the direction of more fairness and rationality. In recent years, in response to the international financial crisis, the Chinese government adjusts macroeconomic policy, implements decisive measures to expand domestic demand and adopts Economic Stimulus Package; in addition, China actively works together with the international community including APEC. At the 17th APEC Economic Leaders Meeting in Singapore, President Hu Jintao announced that the Chinese government will allocate $10 million to establish China-APEC Cooperation Fund to encourage and support China’s relevant sectors and enterprises to participate in APEC economic and technological cooperation. Through bilateral, multilateral and regional cooperation as well as other channels, China makes a positive contribution for the world economy to get out of the recession as soon as possible.

China will keep to the path of peaceful development, support and participate in multilateral cooperation in APEC. At the same time, China hopes that APEC will take full consideration of the characteristics of developing countries to work out more equitable trade rules, in order to facilitate a better and faster development in developing countries.

III. Cooperation is the ways of development, and equal cooperation is the Guarantee of common development

Rather than confrontation, the best way towards development is through cooperation, first of all, in a voluntary manner, and secondly, on an equal footing. International cooperation must be faithfully carried out, as APEC has emphasized, by following the two principles stated above, otherwise, the development will be unequal and uneven, leading to gaps in development. Such gaps, after reaching a certain level, will seriously affect a country’s production and its people’s life, and causing problems in
social stability and bilateral or multilateral relations. Cooperation on the voluntary and equal basis will prevent development from going non-synchronized and imbalanced, and will keep identifying problems and fixing them during the process of common development, so as to achieve a balanced national development within one country and the simultaneous development between countries. Thus, domestic and international conflicts will be eased and inhibited, making it possible to achieve common development and maintain worldwide lasting peace.

Since China's accession to the APEC and WTO, China has made positive efforts in expanding the scale of trade, opening up markets, fulfilling the commitment in multilateral trade agreements, participating in the construction of the multilateral trade system and promoting multilateral trade negotiations, and has scored remarkable achievements that have attracted worldwide attention, contributing significantly to the prosperity and development of multilateral trade.

China actively deepens reforms in its trade system, fulfills its promises in multilateral trade agreements as were scheduled, and further promotes multilateral trade liberalization and facilitation. At present, China has completed the WTO accession protocol and kept to its tariff reduction commitments in the obligations of the general tariff by reducing it from 15.3% in 2002 down to 9.8% in 2010, which is lower than the overall average of WTO members. In addition, China was committed to realizing the timetable for the full removal of import quotas, import licensing and other non-tariff measures and completely liberalized foreign trade operation rights.

In the field of service, of over 160 service trade sectors classified according to the rules of WTO, China has opened nearly 100, including banking, insurance, telecommunications, distribution, accounting, education and other important sectors which offers the foreign service providers great market access opportunities and a broad market space.

Since joining the multilateral trade system, China has sorted out more than 3,000 domestic laws, regulations and rules, constantly improved policies, laws and regulations related to trade and investment, and established an economic and trade system in compliance with the regulations. In addition, "transparency", "non-discrimination" and other multilateral trade principles have become the basic principles of China's legislation; concepts such as the global horizon, the vision for innovation, the sense of competition, and intellectual property have attracted increasingly greater attention from government departments.

China's actively participated in the construction of multilateral trade system, supported and promoted the Doha Round of trade negotiations, and made a significant contribution to the continuous improvement of the multilateral trade system.

In particular, in the last two years, under the impact of the global economic crisis, by stimulating domestic demand-led growth in imports, China created a new market against the worldwide weak demand. In 2010, China's trade in goods amounted to $2,908.6 billion, with the import of 1,327.2 billion U.S. dollars, and the export of 1,581.4 billion U.S. dollars, leading the world in the total size of trade. As the world's fastest growing major economy, the fastest growing consumer market and the consumer state of natural resources, especially energy, China has helped its trade partners in economic recovery
and played an important stabilizing role in maintaining a healthy functioning of the multilateral trade in the situation of crisis.

At present, all parties’ focus is fixed on in which ways APEC will promote trade and investment liberalization and facilitation. Conditions affecting investment and trade liberalization can be divided into two types: one is the policy conditions, and the other is the technical conditions. The policy conditions are the premise and prevailing conditions in the process of investment and trade liberalization, which could be possibly solved by adhering to the principle of equality, mutual benefit and voluntarism; the technical conditions are the secondary conditions, which can be solved quickly as long as the policy conditions are handled properly.

China hopes that, when the global economy is still in a sagging period, multilateral trade mechanism can continue to play a constructive role in negotiating and developing a new generation of trade rules, breaking trade protectionism, protecting the trade interests of developing countries, gaining access to equal opportunities for economic growth, coordinating trade policy between member economies and seeking rational and fair solutions to trade disputes. Meanwhile, China sincerely hopes that substantial results can be achieved in the Doha Round of multilateral trade negotiations as soon as possible to open a new chapter in the development of multilateral trade.

Ladies and gentlemen, the United States of America is a highly developed country, and is a great country. The U.S. promotes freedom, democracy, and the values of equity. It enjoys the world's leading science and technology and hosts a large number of world-class talents, playing a dominant role in the Internet and media of the information age. The U.S. dollar has become the world's major trading currency, dominating the rule system of world trade.

China is a country with a long history and rich culture, also a country that pursues harmony and loves peace. As the world's largest producer and exporter of goods, China plays an important role in the multilateral trade. However, although China's economy has developed rapidly, it is still faced with imbalance: China and the U.S.'s land areas are about the same, but China’s population is 4.5 times more than that of United States; with a total economy less than one-third of the U.S., China’s per capita income is one-sixteenth of the United States, and the gap between rich and poor is huge. Faced with such situation, when dealing with domestic affairs, China adopts the internal policy of adhering to the socialist road with Chinese characteristics and striving to develop the productive forces, narrowing the gap between the rich and the poor, and achieving common prosperity; when handling the international relations, China pursues the foreign policy of peaceful coexistence and takes the path of "peace, development and cooperation." China is ready to establish cooperation and communications with all peace-loving countries and achieve common development.

Today we are gathered in the beautiful Islands of Hawaii and engaged in the cause to change the world for future. The United States is presently the largest developed country with the largest total economic output; China is the largest developing country with the world’s largest population, Former U.S. Commerce Secretary Carlos M. Gutierrez said that the United States affects the average of world economy, but China determines the growth of world economy. Only by seeking common ground and
cooperating equally can the two countries achieve common development, bring forth lasting peace to the Asia-Pacific region, and open up broad prospects for development in order to bring about world peace and stability. Let us work together towards that end. Friends from the U.S. are welcome to visit China and be our guests to have a comprehensive understanding of China; we also welcome friends from the U.S. to invest in China where we adhere to peaceful development and fair cooperation.

Let us work together for the final realization of the APEC concept of the "harmonious Asia" by pursuing "durable peace, common development and equal cooperation"!