

# China shines on world stage

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**C**hina's leadership in free trade, sustainable growth and the international rule of law comes at an important moment, with the struggle between globalization and protectionism, said Lord Malloch-Brown, former deputy secretary-general of the United Nations.

He said President Xi Jinping's speech defending the benefits of free trade at the World Economic Forum in Davos, Switzerland, in January was an important milestone in China's global role.

"I think China left Davos as the default champion of economic integration, free trade and the international systems," he said, adding that the commitment to ensuring that global trade remains open is particularly important at a time when President Donald Trump of the United States is taking a more protectionist stance.

In Malloch-Brown's view, China's leadership on globalization comes at a crucial time, as protectionist pressure arises across the Western world and with the struggle between globalization and protectionism likely

to continue for decades.

"In my own view, throughout the rest of our lives, politics is going to be a competition between those who believe global integration brings great benefits and those who oppose it on behalf of groups losing out," he said.

"It's a mistake to see Trump as a one-off case, as it reflects certain emerging opinions in the United States and Europe."

Having previously served in a range of political roles in the UK and with international organizations, Malloch-Brown has witnessed the way in which China has increasingly exercised its global leadership.

He cited China's commitment to UN peacekeeping and combating climate change as key examples.

Meanwhile, China is taking concrete steps to promote global trade, particularly through its Belt and Road Initiative that seeks to build a modern infrastructure and trade network across the ancient Silk Road routes. The initiative has received support from more than 100 economies and international organizations. More than 40 have signed cooperative agreements with China.

Malloch-Brown added that the China-led Asian Infrastructure Investment Bank (AIIB) plays an important role in funding projects in



**LORD MALLOCH-BROWN**, former deputy secretary-general of the United Nations.

Belt and Road areas and in championing a new model for multinational development bank operations.

"What's striking about the AIIB is its ability to deploy lots of capital, especially by pulling capital from the private sector. On scale and ambition, many older generation multinational development banks can learn from it."

The AIIB generally invests in the initial stages of big infrastructure projects, allowing the private sector to carry less risk.

Malloch-Brown said that while China has historically focused more on its own economic development

as a developing nation, its increasing investment and trading relations have helped it step into a more rounded international leadership role.

"Inevitably, while trade may lead the way, China is finding its engagement in more parts of the world. It is drawn into an ever-wider web of alliances, relationships and commitments, which may have begun as buttressing trade engagements. But now it has outgrown that as a more fully fledged global power."

In such a context, it is more important for China and the US to maintain a good relationship, he said.

He added that it is an issue "everyone is watching with great concern" because potential political conflict or a potential trade war between the world's two largest economies is "not just a problem for the US and China, but for the rest of the world".

Malloch-Brown said the tension so far has mainly been created by the US, and that Trump's view that China is undermining the US' manufacturing sector is a key factor.

"One has to hope calmer heads prevail in Washington. There are plenty of flash points that could escalate to confrontation of some kind, given the poorly disciplined communication of this new administration," he said.

To avoid such dangerous confron-

tation, it would be helpful for China to "find as many channels and ways as possible" to communicate and avoid misunderstandings, because limited diplomatic contact could lead to problems.

Malloch-Brown stressed that business contacts and cooperation are important to cement bilateral relations, in addition to diplomatic communications.

He said Trump's view that China is merely an exporter of low-cost goods to the US is an "incredibly dated view," because examples such as Alibaba's investment in the US market show that China is an investor in the US private-sector economy and that it plays an important role as a part of the supply chain to help US firms, including Apple and many automotive manufacturers.

It is encouraging to see that China has dealt with the Trump administration through a "calm and measured response", showing it is not easily provoked, Malloch-Brown said.

"There will be an education process in Washington for the new president to understand the new complexity of US-China relations — and the cost to the US of abruptly breaking them — and the challenges of trying to keep the relationship, because of the benefits it brings."



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