

## EDITORIAL

# Globalization an irreversible trend

In his keynote speech to the opening ceremony of the China International Import Expo in Shanghai on Nov 5, President Xi Jinping made it crystal clear that the world's second-largest economy stands firmly behind multilateralism and the free trade system.

China will not close its door to the world but instead will open it wider in the face of unilateralism and protectionism, he vowed.

Although the country does face challenges that need to be overcome, its development will

not falter unless it closes its door to the outside world. Thus Xi's promise that China will further tap its potential for imports and continue to widen access to its market should further strengthen the world's confidence in the Chinese economy and its continued contributions to the global economy.

The reform and opening-up policies that China set in motion 40 years ago have definitely followed the trend of globalization, and they have helped China become what it is now. But it is also true to say that neither would the world economy

be what it is now without globalization and China's opening-up.

Countries that have resorted to protectionism rather than the economic restructuring necessary to adjust to the changes wrought by the trend of globalization — which has been a rising tide for all economies if not all people — should accept that the practices of the law of jungle and winner takes all will only lead to a dead end.

Just as China will create fresh opportunities by sparing no effort to create a top level business environment, striving to create new

heights for opening-up and further promoting bilateral and multilateral cooperation, other economies also need to play their part by extending the space for mutual beneficial cooperation.

If the friction between free trade and protectionism can be compared to a tug of war in the world economy, the expo held in Shanghai during Nov 5-10 is a strong pull for free trade.

Not just because it is the first state-level expo of its kind ever held in the world, but also because it is a manifestation of the resolve of the

world's second-largest economy to hold high the banner of multilateralism in pursuit of shared development.

Economic globalization is an irreversible trend. It undoubtedly needs to be made more inclusive, but no matter whether one likes it or not, one cannot stop it or reverse it.

Xi's speech shows China is committed to looking ahead and moving forward. Other countries should do the same and instead of clinging to the past turn their gaze toward a shared future.

## First import expo heralds progress

By LI YONG

For many years, China has occupied the pole position in international trade rankings as the world's biggest exporter. What is less well known is that China — a market of more than 1.3 billion consumers — is also the world's second-largest importing nation, and one that is growing at a fast rate.

An expanding middle-income group is fueling a strong demand for foreign products. In 2017, the value of global exports to China rose by 18.7 percent year-on-year to 12.5 trillion yuan (\$1.8 trillion). The Chinese demand for foreign goods shows little sign of weakening and is predicted to continue its double-digit growth over the next five years.

Before the current debate on trade protectionism took hold globally, the Chinese government, thanks to its farsightedness, held the first China International Import Expo to proactively open up its domestic market to the world, especially developing countries.

The expo, which took place in Shanghai from Nov 5 to 10, focused on the opportunities provided by China's growing demand for foreign goods and services.

Indeed, engaging in global trade is an effective way for countries to accelerate green industrial growth, a prerequisite for reaching a higher level of development. As China opens up its domestic market, foreign companies are encouraged to export more to China: developing countries can raise investment, and

thus create new industries and jobs and increase incomes and people's living standards.

The Chinese government also has adopted a South-South partnership approach — a term that refers to mutual assistance and learning between developing countries.

The import expo complements China's other high-profile South-South cooperation initiatives, such as the Belt and Road Initiative and China-Africa Cooperation.

Representatives and companies from about 150 countries took part in the first import expo, and the successful event helped to raise awareness of China's standards and technical regulations on imports, as well as providing advice on overcoming exporters' common obstacles.

For many developing countries and their companies, especially small and medium-sized enterprises, engaging in cross-border trade remains difficult because of a lack of awareness and capacity to meet the technical, quality and regulatory requirements of importing countries.

Overcoming these barriers has the potential to unleash trade from developing countries, creating a virtuous cycle of growth, which in turn will facilitate poverty reduction efforts.

In the context of producers meeting the requirements of global value chains and trade flows, quality infrastructure (QI) is particularly relevant. A QI system comprises the institutions responsible for regulating markets.

QI — designed to provide safety,

protect human health and the environment, and ensure conformity to global standards — covers a wide range of activities from the precise measurement of food, electricity and water to inspections of components found in cars or aircraft engines.

Weak QI systems constrain trade and exports, and hinder the development of value added products and diversification of products and markets. Small and medium-sized enterprises, particularly those in developing countries, face many hurdles when it comes to meeting the requirements of global buyers, including private standards. Therefore a strong national QI system will help integrate into global value chains.

For more than 40 years, the United Nations Industrial Development Organization (UNIDO) has supported partner countries to increase their competitiveness through quality and compliance with standards.

For example, in Nigeria, the most populous country in Africa, UNIDO and its development partners are helping develop a holistic national QI system, through interventions addressing good governance at quality policy level, and building technical capacity of QI institutions so that they can provide internationally recognized services to their enterprises.

At the regional level, UNIDO supports the Economic Community of West African States to harmonize standards and quality policy, and establish a common framework for regulatory activities, contributing to

reduced non-tariff barriers within the region, strengthening competitiveness of the private sector, and ultimately promoting trade and economic integration in the community.

Similarly, UNIDO supports national efforts in a number of Asian economies. One of them is Pakistan, where more than 80 laboratories have now received international recognition through accreditation, and more than 1,900 tests have been recognized internationally.

This has reduced the costs of conformity assessment for exported and imported products by about 40 to 60 percent and thereby made conformity assessment services affordable to a much broader base of small and medium-sized enterprises.

The results from these projects show that a functioning QI system benefits everyone. Consumers benefit because they can be confident of the products and services they buy. Manufacturers and suppliers benefit because QI promotes their use of international standards to ensure that their products and services meet state-of-the-art requirements and standards recognized worldwide.

Regulators benefit because QI helps them to identify and specify the standards and conformity assessment processes they can use to ensure that public interest requirements, such as health, safety and environmental protection, are being met.

Thanks to a strong record in helping countries to meet international standards for trade, UNIDO is well placed to support the devel-

opment of national QI systems and build the capacity of exporters to access the Chinese market.

With other international organizations, UNIDO is an official supporter of the China International Import Expo and held a side event, in collaboration with China's State Administration for Market Regulation, on Trade Facilitation for a Better Life: Quality Infrastructure Promotes Trade Facilitation and Sustainable Development.

The session enhanced awareness of China's QI for standardization, conformity assessment and market surveillance, and at showcasing best practices for meeting the regulatory and market requirements of the Chinese market.

In collaboration with China, UNIDO is building QI capacity in countries along the Belt and Road, and beyond. In China, UNIDO is ready to assist in establishing a QI training center to support the country's initiatives to promote QI collaboration among the countries involved in the Belt and Road Initiative.

UNIDO could also help with strengthening market surveillance, improving the quality of products and services, and facilitating trade flows, which will ultimately contribute to a structural reform and to better serve the demands of the Chinese people for high-quality products and services.

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