

Remarks by H. E. Ambassador Zhan Yongxin
on the Annual China Conference at the
Institute for National Security Studies

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Ladies and Gentlemen,

Dear Friends,

Good afternoon! Tshoraim Tovim! There is an old Chinese saying that the whole year's work depends on a good start in the spring. First of all, I'd like to thank INSS for hosting this meaningful conference at the beginning of this year.

Dear friends,

Since the beginning of Reform and Opening-up, China has set out on an extraordinary journey, and the Chinese of my generation have some first-hand experience.

I was born in Shanghai and grew up in Beijing. The two cities are 1,400 kilometers apart. In the 1960s, it took me 24-30 hours on train each time when I traveled between the two cities. But now, with high-speed railway, I only need 5 hours for the same trip.

What happened as I mentioned just now is but a microcosm of the progress China has made through reform and Opening-up. In a little more than 3 decades, we have turned China into the World's second largest economy, lifted 1.3 billion people from a life of chronic shortage and brought them initial prosperity and unprecedented rights and dignity. However, we are fully aware of that our per capita GDP is only two thirds of the global average, ranking around 80th in the world. If measured by the World Bank standard. The number of people living under the poverty line would be nearly 200 million.

As you are all interested in such issues as the direction of China's development and China's policy orientation, let me take this opportunity to share with you a 3D vision China.

The first "D" is "Dream". The Chinese dream of realizing the great national rejuvenation has been the long cherished dream of the Chinese People since the Opium War in 1840. The Chinese dream is the dream of seek peace, persuade happiness

and advance the cause of human progress. The Chinese dream will not only benefit Chinese People, but also benefit all the peoples.

The second “D” is “Determination”. To realize Chinese dream, China made a solemn declaration to the world that it is committed to pursuing peaceful development. We need peace, as much as human beings need air, and plants need sunshine. Two thousand years ago, a famous Chinese military strategist said that “the war-prone state, however big it maybe, will eventually perish.” China does not subscribe to the outdated logic that a country will invariably seek hegemony when it grows in strength. But it does not mean that we will relinquish our legitimate rights and interests, or undermine China’s core interests.

The third “D” is “Deployment”. To realize the goal we set, we hope to build a new type of international relations featuring win-win cooperation, and create a community of shared future for mankind. We will continue to carry on opening-up policy. We will continue to deepen comprehensive reform. We will uphold innovative, coordinated, green, open and shared development. We will uphold China’s political system which is the fundamental guarantee for sustained, healthy economic and

social development.

As a socialist developing country, China will uphold an independent foreign policy of peace and win-win strategy of opening-up. China is to take an active part in global governance, pursue mutually beneficial cooperation, assume international responsibilities and obligations. China is willing to be a builder of peace, a promoter of development, a supporter of stability and a partner of people-to-people exchanges in Asia and in the world.

Dear friends,

Here, I want to say a few words about China's economy. Against the overall global economic backdrop, many countries have encountered difficulties. China is now the world's second largest economy. Its economic performance is being closely watched and heatedly discussed. Unfortunately, China is sometimes used as a scapegoat for current fluctuation. What I want to emphasize, in particular, is that to understand China's economy, one needs to take a longer view. First, China's economy are facing some problems, but they are problems in the course of progress, and will be addressed in the course of progress. Second, China's economic growth remains strong and still operates within the proper ranges. According to the World

Ban, between 2009 and 2014 China's GDP grew at an average annual rate of 8.7%, while average world growth was 2%. In that same period, China was the stimulant behind 30% of global economic growth. In 2015, China was still one of the fastest growing economies, with a growth rate of 6.9%, and it contributed 25% to global growth. As we all know, the larger an economy is, the harder it is to keep growing at a high speed. The size of China's economy is over \$10 trillion, the additional output from the 6.9% growth is equivalent to that of a middle-sized economy and higher than the additional value produced by the two-digit growth rate of previous years. Even if China's GDP grows only 6.5% in the next few years, by 2020, it will be twice as large as it was in 2010. Despite the slowdown of the growth, China's economy still enjoys sound fundamentals as the health pace of job creation and income growth continue. The contribution of consumption toward economic growth reached 66.4%. The service sector accounted for 50.5% of GDP, for the first time more than 50%. China's demand for commodities is still significant. Crude oil imports increased by 8.8% and grain imports increased by 27.3% in 2015. China's stock market is still developing, its value is about 30% of China's total GDP and will not harm China's real economy in the long time. Although

the flexibility of RMB has increased, its fluctuation range is still smaller than many other currencies in developed economies and much less than emerging markets. China will implement a managed floating exchange rate regime based on market demand and supply with reference to a basket of currencies, and maintain the RMB exchange rate basically stable and balanced level. I believe there is no room for hard landing of China's economy. We will work coordinately to ensure growth, promote reform, make structural adjustment, improve people's well-being and forestall risks, and we will enhance and innovate macro-regulation and ensure steady and fairly rapid economic development.

Dear friends,

“When it comes to clothing, people favor new ones; but when it comes to friends, people prefer old ones.” The friendship between Chinese people and Jewish people cherished by our both sides and have been tested by thousand years. The Chinese government attaches great importance to the relationship with Israel. We have witnessed the sound and steady development for our bilateral relationship during the past 24 years. Frequent political exchanges and dynamic mutual visits take place at all levels, the pragmatic cooperation in various

fields continues to expand.

The economic and trade cooperation is one of the main pillars of our relations. Israel has advanced technology, strong innovation, and numerous start-ups, while China is famous for its strong manufacturing capacity and broad market. The two economies are highly complementary. Up till now, China's total investment in Israel reaches \$6 billion. Last year, the two way trade volume reached 11.4 billion US Dollars, with year-on-year growth rate of 5%. In light of global economy situation in 2015, these achievements are hard-won. I have full confidence and believe that the two way trade volume could be doubled in a decade. We are now planning to promote the FTA negotiation with Israel. In addition, China and Israel are both the founding members of Asia Infrastructure Investment Bank, which provides an important platform for both sides to further enhance cooperation on regional development.

In the field of people to people exchange, 47000 Chinese visited Israel last year. Our both sides are under discussion of issuing each others' applicants multiple-entry visa valid for 10 years. Chinese Hainan Airlines will open Beijing-Tel Aviv direct flight next month. All these developments will facilitate people-to-people exchanges in further.

Dear friends,

There is a saying that those who keep up their efforts often achieve their goal, and those who keep on walking often reach their destination. Let us join hands together to push forward the China-Israel relations into a new height and bring more and more benefits for our two countries and two peoples.

Thanks. TODA RABA!