

Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation

【Basic Information】

Moderators:

Keynote Speeches Section:

Zhang Xiaodong Executive Vice President, Bank of China

Panel Discussion Section:

Wang Fanghong Senior Researcher, Bank of China Hainan Institute of Finance

Keynote Speeches:

Sheng Qiuping Vice Minister of the Ministry of Commerce of China

Xie Dong Vice Mayor of Shanghai

Liu Jin President, Bank of China

Yuan Bingzhong Vice President, Xinhua News Agency

Michael Gelchie Chief Executive Officer, Louis Dreyfus Company

Giovanni Tria Economist and Former Finance Minister of Italy

Eric Maskin Nobel Laureate in Economics in 2007

Panel Discussion:

Shi Liya	Associate Counsel, Director-General of RMB Cross-Border Business Department, Shanghai Head Office of the People's Bank of China
Xu Zaiyue	President, Cross-Border Interbank Payment System (CIPS) Co., Ltd.
Yang Lin	Executive Director, Chief Account Officer, and Secretary of Board, Syngenta Group
Liu Wei	Vice President, Shanghai Lingang Economic Development (Group) Co., Ltd.
James Chang	PwC China Regional Economic Clusters Managing Partner
Pan Guangtao	Deputy General Manager, Haitong Securities Co., Ltd.

【Brief Introduction】

On the afternoon of November 5, 2023, the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation of the Sixth Hongqiao International Economic Forum (HQF), co-hosted by the Ministry of Commerce of China and Shanghai Municipal People's Government, and jointly organized by China International Import Expo Bureau, National Exhibition and Convention Center (Shanghai), Bank of China, and China Economic Information Service (CEIS), was held at the National Exhibition and Convention Center (Shanghai). Sheng Qiuping, Vice Minister of Commerce; Xie Dong, Vice Mayor of Shanghai; Liu Jin, President of Bank of China; and Yuan Bingzhong, Vice President of Xinhua News Agency, addressed the event. Zhang Xiaodong, Executive Vice President of Bank of China, served as the moderator for the meeting.



【Keynote Speeches】

Sheng Qiuping, Vice Minister of the Ministry of Commerce of China, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and delivered a speech

Sheng Qiuping, Vice Minister of the Ministry of Commerce of China, pointed out that finance is one of the important areas of reform in the pilot free trade zones (FTZs). Over the past decade, the pilot FTZs have continuously made new breakthroughs in financial reform and innovation. The pioneering role of the pilot FTZs in the financial field has not only provided impetus for their own high-quality development but also served as a model for national financial reform. Continuous breakthroughs have been achieved in financial reform and innovation in the pilot FTZs: rapid and steady financial opening-up, increasing freedom and convenience of cross-border capital flow, and constant deepening of financial service innovation. On the new journey ahead, the pilot FTZs will continue to play a good role as a comprehensive experimental platform for reform and opening-up, align with high-standard international economic and trade rules, deeply promote institutional opening-up, and strengthen overall planning and system integration for reform.



Xie Dong, Vice Mayor of Shanghai,
attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai
and delivered a speech

Xie Dong, Vice Mayor of Shanghai, noted that as China's first pilot FTZ, the Shanghai Free Trade Zone has been closely linked to the construction of the international financial hub since its inception, with both enjoying interconnected development. Over the past decade, Shanghai FTZ has kept expanding the institutional opening-up of finance, enhancing the global allocation function of financial resources, and deepening the innovation of financial system mechanisms. Financial reform and innovation has been continuously promoted and deepened. In the future, Shanghai will comprehensively and accurately implement President Xi Jinping's important instructions on upgrading the strategic positioning of the FTZs, promote high-level opening-up and development with greater efforts, play a demonstrative and leading role, and better serve the strategic layout of China's opening-up.



Liu Jin, President of Bank of China,
attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai
and delivered a speech

Liu Jin, President of Bank of China, stated that financial reform and innovation are important forces for promoting the construction and development of the FTZs. Over the past decade, Bank of China has actively built its brand as the preferred bank for FTZ business, innovatively launching a large number of “first-release, first-order, first-creation” projects. Faced with the new situation and requirements of the strategic upgrade of the FTZs, Bank of China will bravely take the lead in financial reform and innovation, closely follow policy trends, leverage its characteristic advantages, facilitate the cross-border circulation of the RMB, and strengthen risk management. In the future, Bank of China will implement the spirit of the Central Financial Work Conference, providing high-quality financial services to support the construction of the FTZs and contribute to the development of Shanghai as an international financial hub.



Yuan Bingzhong, Vice President of Xinhua News Agency, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and delivered a speech

Yuan Bingzhong, Vice President of Xinhua News Agency, stated that the construction of the pilot FTZs is a crucial strategic initiative by the Central Committee of the Communist Party of China (CPC) to advance reform and opening-up in the new era, and marks a milestone in China's process of reform and opening-up. Xinhua News Agency, as the national news agency, a high-end think tank, and a pioneer and leader in China's economic information industry, will leverage its advantages in authoritative releases, global coverage, information platforms, and think tank services to provide strong support for the construction of the pilot FTZs. The Agency will leverage the advantage of authoritative releases and global coverage, utilize information services and think tank advantages to serve the construction of the FTZs, and give full play to the connection advantages of its economic information network to promote global win-win cooperation in free trade.



Michael Gelchie, Chief Executive Officer of Louis Dreyfus Company, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and delivered a speech

Michael Gelchie, Chief Executive Officer of Louis Dreyfus Company, expressed that the establishment of the pilot FTZs has effectively accelerated the two-way opening-up of the market, and Louis Dreyfus has witnessed the steady opening-up and development of the Chinese business environment. Finance plays a crucial role in maintaining the global supply chain, and the pilot FTZs can serve as a testing ground for new policies and innovations. The trend of China's green finance development coincides with Louis Dreyfus' commitment to sustainable business development practices and value creation. Currently, geopolitical, macroeconomic, and environmental uncertainties are affecting the global grain system, and an open global grain trade system is a necessary path to ensure global access to grain and other agricultural products.



Giovanni Tria, Economist and Former Finance Minister of Italy, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and delivered a speech

Giovanni Tria, Economist and Former Finance Minister of Italy, stated that through the pilot FTZs, China has accelerated its participation in the global market, attracting worldwide investors and businesses to enter the Chinese market and share mutually beneficial growth opportunities. The FTZs are a successful practice that facilitates exchanges of companies and their technologies, deepens and opens up financial markets, and strengthens mutual interdependence. The pilot FTZs are crucial for testing reforms, and helping Italian businesses better enter the large Chinese market and expand globally. Efforts should be made to enhance the information exchange and dissemination for this purpose.



Eric Maskin, Nobel laureate in Economics in 2007, attended via video the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation and delivered a speech.

Eric Maskin, Nobel laureate in Economics in 2007, stated in his video message that the reason for China's rapid growth over the past 40 years lies in the gradual establishment of the market system. The gradual transition is a wise move, and another is relying on the global market. Participating in international trade and opening up to foreign direct investment play a significant role in the development of Chinese enterprises. For the future development of FTZs, he proposes three suggestions: first, further expand the number of FTZs; second, increase the number of tax-free goods within FTZs; third, introduce more measures to attract foreign investors and businesses to invest in FTZs.



Zhang Xiaodong, Executive Vice President, Bank of China, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and moderated keynote speeches

【Panel Discussion】

Shi Liya, Associate Counsel, Director-General of RMB Cross-Border Business Department, Shanghai Head Office of the People's Bank of China, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and participated in panel discussion.

Shi Liya, Associate Counsel, Director-General of RMB Cross-Border Business Department, Shanghai Head Office of the People's Bank of China, said that over the past decade, the Shanghai Head Office of the People's Bank of China has systematically promoted the internationalization of the RMB, accumulating a set of replicable and scalable Shanghai experiences: 1) continually innovate cross-border RMB business to promote the expansion of cross-border RMB usage; 2) establish a free trade account system conducive to risk management; 3) promote business and prevent risks, jointly advancing the transformation of regulatory thinking and models. A series of financial reforms and innovations based on the free trade account have prevented the overflow of risks and effectively achieved high-standard international economic and trade rules in the field of cross-border financial services. A series of indicators have also been established to promote the reform and innovation of regulatory thinking and models.



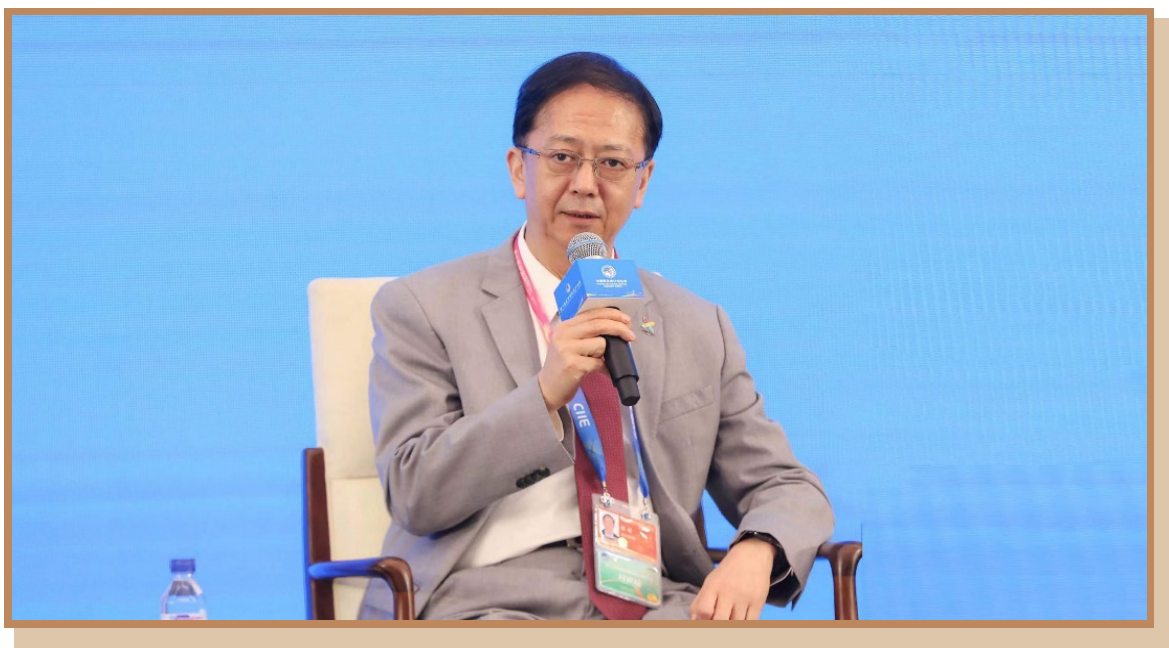
Xu Zaiyue, President of CIPS Co., Ltd.,
attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai
and participated in panel discussion.

Xu Zaiyue, President of CIPS Co., Ltd., expressed that Cross-Border Interbank Payment System for the RMB occupies a critical and foundational position in financial infrastructure. The interbank cross-border payment transfer business particularly emphasizes the security, accessibility, and extensibility of services. In supporting the construction of Shanghai as an international financial hub and an FTZ, in addition to expanding overseas participation, enhancing the interconnection of infrastructure, and seeking support for bulk commodities, there is a continuous need to elevate the service level. They will continue to extend services during holidays for RMB users globally.



Pan Guangtao, Deputy General Manager of Haitong Securities Co., Ltd., attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and participated in panel discussion.

Pan Guangtao, Deputy General Manager of Haitong Securities Co., Ltd., noted that after a decade of innovative practices, the Shanghai Free Trade Zone has effectively played the role of a pioneer in capital market opening-up and innovation, serving as a leader in reform and innovation. In this process, Haitong Securities has been both a participant and a contributor. In the future, it is hoped that the function of free trade accounts will be further expanded, the financial infrastructure in the FTZ will be further improved, and the investment and trading sides of the capital market will better complement existing connections like Shenzhen-Hong Kong Stock Connect, Shanghai-Hong Kong Stock Connect, and the Bond Connect. This will provide more replicable and scalable excellent experiences for the opening-up and innovation of the capital market.



Yang Lin, Executive Director, Chief Account Officer, and Secretary of Board of Syngenta Group attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and participated in panel discussion

Yang Lin, Executive Director, Chief Account Officer, and Secretary of Board of Syngenta Group, stated that the infrastructure built by financial regulatory institutions and financial enterprises for the FTZs is like a “highway” laid for the real economy. As one of the world’s largest agricultural input companies, Syngenta Group fully leverages the various policies that have flourished in the FTZs to conduct business. Over the past four years, the comprehensive growth rate of the Group has reached 20%, with the Chinese market contributing over 30%, which is the result of the combination of Chinese capital, Chinese finance, and Chinese market. Facing greater development opportunities in the future, it is hoped that the FTZs will achieve free flow of logistics, information data, funds, and people at lower transaction costs, and that the scope of the FTZs will be expanded.



Liu Wei, Vice President of Shanghai Lingang Economic Development (Group) Co., Ltd., attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and participated in panel discussion

Liu Wei, Vice President of Shanghai Lingang Economic Development (Group) Co., Ltd., expressed that the development, enhancement, reform and innovation of the financial industry mutually facilitate and promote one another with high-end shipping services, new international trade, and cutting-edge technology industries. The promotion and development effects of financial innovation and reform on real economy-based enterprises mainly manifest at the levels of institutional innovation, platform innovation, and business innovation. The Lingang Special Area, which was included in the Shanghai Pilot Free Trade Zone, has many vivid practical cases demonstrating the significant promotion brought about by cross-border finance, green finance, and technology finance innovation. With the support of regulatory authorities, the participation of financial institutions, and the initiative of enterprise entities, Shanghai Lingang Economic Development (Group) Co., Ltd. has the confidence to optimize the financial ecosystem and improve the business environment for enterprises in the FTZ.



James Chang, PwC China Regional Economic Clusters Managing Partner, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and participated in panel discussion

James Chang, PwC China Regional Economic Clusters Managing Partner, said that over the past decade of development in the FTZs, financial reform has consistently been a top priority. Financial reform in the FTZs is closely aligned with national strategies. The existing 22 FTZs, while reflecting regional characteristics, emphasize both financial opening-up and innovation. The overall financial reform strategy in FTZs is clear and focuses on such three main aspects as market opening-up and institutional innovation, platform and infrastructure construction, and innovative financial business with distinctive features. In the future, there is a need to maintain confidence and adhere to the established direction of financial reform; it is crucial to maintain opening-up, continuously align with international rules and actively participate in global financial governance.



Wang Fanghong, Senior Researcher of Bank of China Hainan Institute of Finance, attended the Parallel Session on Upgrading Pilot Free Trade Zones Through Financial Reform and Innovation in Shanghai and moderated panel discussion

Wang Fanghong, Senior Researcher of Bank of China Hainan Institute of Finance, believes that in the process of promoting the FTZs through financial reform and innovation, the following key points should be considered. Firstly, it is important to adhere to serving the real economy, focusing on innovation in key areas such as facilitating trade in services and goods, boosting transformation and innovation in services trade, and addressing the negative list for foreign investment. Secondly, it is crucial to leverage strengths and highlight characteristics. Thirdly, there should be both collective efforts and division of forces. Current financial innovation is increasingly the result of multi-party cooperation. Fourthly, the implementation of existing policies should be prioritized, especially those with breakthroughs and high value. Fifthly, balancing development and security is essential. It is crucial to adhere to a bottom-line mindset and guard against the occurrence of financial risks.