



# IMI Newsletter

International Monetary Institute  
Renmin University of China

## Focus

- Inauguration of Sino-German Center for Finance and Economics

## Research

- Feature on RMB Internationalization | 2015 International Monetary Forum and Press Conference of RMB Internationalization Report
- Feature on RMB Internationalization | Press Conference of RMB Internationalization Report in Almaty of Kazakhstan
- Press Conference of the Report on the Internationalization of Chinese Banks 2015

## Exchange

- China-US Student Leadership Dialogue
- Director of IMI Receives Outstanding Teacher Award in Finance



## Focus

### Inauguration of Sino-German Center for Finance and Economics

On September 21, the inauguration of Sino-German Center for Finance and Economics (SGC) was held at German embassy. Over 100 Chinese and international participants including Pan Gongsheng, member of IMI Advisory Board and deputy governor of PBoC; Michael Clauss, Ambassador of German to China; Carl-Ludwig Thiele, board member of Deutsche Bundesbank; Ben Shenglin, IMI Executive Director; Wei Benhua, member of IMI Academic Committee; Cornelia Richter, GIZ Managing Director; and Ruediger Von Rosen, co-CEO of SGC were present.

With closer economic and financial ties and high-level economic and financial dialogue, German Hesse-Darmstadt government and German Agency for International Cooperation (GIZ) co-founded SGC at House of Finance, Goethe University Frankfurt. As the counterpart of House of Finance, IMI is the leading research institute in China for SGC. SGC is a public-private partnership organization, co-chaired by Governor Pan Gongsheng, deputy governor of PBoC, and Dr. Joachim Nagel, member of the Executive Board of Deutsche Bundesbank. President Chen Yulu is the member of the Board of Trustees of SGC. The target of the center is to promote bilateral economic and financial relations through research, training, exchange and cooperation.

The inauguration ceremony was chaired by Mr. Thorsten Giehler, Head of Corporate Strategy and Policy, GIZ. Ambassador Michael Clauss made a welcome speech on behalf of the organizer. Governor Pan Gongsheng and Mr. Thiele made opening remarks on behalf of PBoC and Deutsche Bundesbank respectively. Prof. Ben Shenglin, Ms. Cornelia Richter and Dr. Von Rosen delivered speeches on behalf of IMI, GIZ and SGC.

Prof. Ben pointed out the establishment of SGC is a significant move to deepen the economic and financial cooperation between China and Germany. It serves not only as a milestone in expanding exchanges between Goethe University Frankfurt and Renmin University of China, but also as an accelerator of the cooperation between House of Finance and IMI. China and Germany are two trade and manufacturing powers with banking industry as the pillar of financial system. Both countries are faced with a lot of common challenges, which lay a solid and broad foundation for bilateral cooperation. China has entered the stage of New Normal where new opportunities and challenges will come along. In financial sphere, the New Normal economy is intertwined with interest rate liberalization and smart or internet services. Internet finance is reshaping China, and even the world at large.

He pointed out that it is worth discussion on whether the international economy has also entered a New Normal. That is a potential research field for SGC. He hoped SGC could grasp the opportunity to be a model for Sino-German cooperation, thus gear up the common development of the two countries and two continents.

On July 27, delegates from German Embassy, German Agency for International Cooperation (GIZ) and Sino-German Center for Finance and Economics (SGC) visited IMI. The meeting was attended by Robert Elsen, financial counselor from the German Embassy; Ruediger von Rosen, co-CEO of SGC; Wolfgang König, co-CEO of SGC and executive director of House of Finance, Goethe University Frankfurt; Thorsten Giehler, head of Corporate Strategy and Policy of GIZ; and Qi Lan, deputy program director, Sino-German Financial Reform Program of GIZ; Wei Benhua, member of IMI Academic Committee and former deputy Administrator-in-Bureau, State Administration of Foreign Exchange; Zhao Xijun, member of IMI academic committee and associate dean of School of Finance, Renmin University; and Tu Yonghong, deputy director of IMI. The meeting was chaired by Zhang Zhixiang, member of IMI academic committee and former director-general of the International Department, PBoC. The two sides exchanged on how to better support policy research and personnel exchanges in the field of finance and economics between China and Germany.



## Research

### Feature on RMB Internationalization

#### **Editor's Note:**

*In order to faithfully record the progress of RMB internationalization and objectively reflect the challenges in the long run, IMI has been releasing the RMB Internationalization Report since 2012. The Reports draw broad attention from all sectors of society due to the independence, objectivity and referential value for decision making. Currently, the Reports have been released in both China and abroad in English, Japanese, Korean, Russian, Arabic, Simplified and Traditional Chinese characters. RMB Internationalization Report 2015 is themed Monetary Strategy in "One Belt and One Road" Initiative. It demonstrates the mutual promotion between RMB internationalization and Belt and Road Initiative and concludes that opportunities to promote the RMB internationalization can be found in the following four areas: the valuation and settlement of bulk commodities, infrastructure financing, the building of industrial parks and cross-border e-commerce. The report has been released in Beijing and Almaty of Kazakhstan and will be released in New York and Singapore this year.*

#### **2015 International Monetary Forum and Press Conference of RMB Internationalization Report**

---

On July 18, the 2015 International Monetary Forum and Press Conference of RMB Internationalization Report was held at Renmin University of China (RUC). The forum was hosted by Renmin University of China and Bank of Communications, sponsored by IMI, and co-sponsored by think tanks from Europe, America and Asia.

Nearly 200 distinguished guests from 23 European, American and Asian countries attended the forum. Among them are Chen Yulu, president of RUC and editor-in-chief of RMB Internationalization Report 2015; Pan Gongsheng, deputy governor of the People's Bank of China; Li Ruogu, former president of the Export-Import Bank of China; Li Yang, former vice president, Chinese Academy of Social Sciences; Xia Bin, honorary director of Research Institute of Finance, Development Research Center and Councilor of the State Council; Wu Nianlu, vice chairman of China International Finance Society; Zha Xianyou,

vice president of RUC; Lyu Benxian, general manager, Department of Company Business, Bank of Communications; Yanseen Anwar, former governor of Central Bank of Pakistan; Alfred Schipke, chief representative of IMF China; Alain Raes, chief executive of EMEA and Asia Pacific, SWIFT; Frank Packer, head of Economics and Financial Markets, BIS Asia and Pacific; Anoop Singh, Head of Regulatory Affairs, JP Morgan Asia Pacific and former director Asia and Pacific Department, IMF; Luigi Biggeri, former vice president of International Statistical Institute and professor of University of Florence; Robert Elsen, financial counselor of German Embassy in Beijing; Tomoyuki Fukumoto, chief representative of Bank of Japan Beijing Office; Hoyoel Lim, vice president of Korea Institute for International Economic Policy; Supradit Tangprasert, chief representative of Bank of Thailand Beijing Office; Albert C.K. See, chief representative of Bank Negara Malaysia Beijing Office; Ozlen Savkar, economic counselor, Central Bank of Turkey, Turkish Embassy in Beijing, etc.

The main forum in the morning was hosted by Zhang Jie, director of IMI and associate dean of School of Finance, Renmin University. President Zha Xianyou and Mr. Lyu Benxian delivered opening remarks respectively on behalf of RUC and Bank of Communications.

On behalf of the research team, President Chen Yulu introduced the five main conclusions in RMB Internationalization Report 2015. First, the preliminary goal of RMB internationalization has been achieved. RMB is expected to surpass yen to become the fourth largest currency in the world. It is estimated that the RMB internationalization index (RII) has risen from 0.02 by the end of 2009 to 2.47 by the end of 2014. Meanwhile, the shares of other international currencies like US dollar, euro, pound and yen have declined to different extent. According to the estimation, RII is projected to climb to 2.9 by the second quarter of 2015, a narrow difference of less than 1 percentage point compared to yen and 2 percentage points to pound. With the promotion of “One Belt One Road” initiative and implementation of policies including steady opening of capital account, RMB stands poised to become the world’s fourth largest currency. Second, “One Belt One Road” initiative and RMB internationalization make important national development strategy and important public goods China provides for the world. They demonstrate China’s responsibility as a major nation. Third, sharing coherence, “One Belt One Road” initiative and RMB internationalization are bound to reinforce each other in their common drive for development. Fourth, to promote the two strategies, breakthroughs



need to be found in settlement of bulk commodities, financing for infrastructure, construction of industrial parks and cross boundary e-commerce. Fifth, promotion depends on industrial restructuring, technological advancement and institutional innovation. Meanwhile, consultation, cooperation and sharing must be done to maximize common interest with other nations.

Subsequently, Governor Pan Gongsheng, Mr. Yaseen Anwar, Mr. Li Ruogu, Mr. Li Yang, Mr. Alfred Schipke and Mr. Xia Bin delivered keynote speeches.

At the end of the session, IMI held the appointment ceremony of advisory board members, academic committee members and senior research fellows. In 2015, Wang Zhaoxing, Li Ruogu, Li Yang, Xia Bin and Yassen Anwar were appointed as advisory board members, Wang Yongli, Ding Zhijie, Chen Weidong, Alain Raes, Juan Carlos Martinez Oliva, Tomoyuki Fukumoto as academic committee members, and Sun Lujun, Ding Jianping, Zhang Jinyuan as senior research fellows. President Chen Yulu issued appointment letters to the new members.

In the afternoon, three roundtable sessions were held. Panelists delivered their speeches on China, SDR and the world reserves system, RMB internationalization and “One Belt and One Road” Initiative. Panelists include Mr. Tomoyuki Fukumoto, Mr. Hoyeol Lim, Mr. Sergey Tsyplakov, Mr. Ozlen Savakar, Mr. Albert C.K. See and Mr. Zhang Jinyuan, etc.

Four parallel forums were held concurrently on that afternoon: China-US Student Leaders Dialogue, Seminar on Purchasing Power Parity in the Framework of RMB Internationalization, Thesis Seminar of 2015 International Monetary Forum RMB Internationalization and “One Belt and One Road” Initiative and Seminar on China’s Exchange Rate Reform.

## **Press Conference of RMB Internationalization Report in Almaty of Kazakhstan**

---

On September 8, the Press Conference of RMB internationalization Report 2015 and Roundtable on Sino-Kazakhstan Financial Cooperation in “Belt and Road” Initiative was held at Kazakh National University in Almaty. The conference was hosted by IMI, co-sponsored by ICBC Almaty and Kazakh National University. Representatives from 6 financial institutions

in Kazakhstan and 30 enterprises from the two countries attend the conference including Zhao Xijun, member of IMI Academic Committee and associate dean of School of Finance of RUC; Tu Yonghong, deputy director of IMI; Guo Jianwei, president of PBoC Urumchi; Zhou Chengjun, deputy director-general of Monetary Policy Department, PBoC; Akylzhan Baimagambetov, advisor to the Chairman of the National Bank of Kazakhstan; Burkitbayev, first vice president of Kazakh National University; Zhang Wei, consul-general of China in Almaty and Wei Xiaogang, general manager of ICBC Almaty. Representatives of faculty and students at Kazakh National University and some local and Chinese media such as People's Daily, Xinhua News Agency and China Radio International also attended the meeting.

Almaty is the largest city and economic center of Kazakhstan. This is the first overseas release of RMB Internationalization Report 2015, and the report will also be released in New York and Singapore later this year. The meeting was chaired by Prof. Zhao Xijun. Mr. Zhang Wei, President Burkitbayev and Mr. Wei Xiaogang delivered opening remarks.

Prof. Tu Yonghong interpreted the Report under the theme monetary strategy in “One Belt and One Road” Initiative. Based on multi-angle studies of theories and analysis of historical experience and real practice, the report concludes that these two national development strategies can reinforce each other and thus proposed policy implications.

Prof. Tu put forward three approaches to realize the internationalization of RMB while promoting the Belt and Road Initiative. First, RMB internationalization must be driven by real economy. Second, RMB internationalization should seek breakthroughs in the valuation and settlement of bulk commodities, infrastructure financing, the building of industrial parks and cross-border e-commerce. Third, RMB internationalization must rely on domestic industrial transformation, technology upgrade and institutional innovation, and build a shared synergy based on mutual interests.

The Roundtable on Sino-Kazakhstan Financial Cooperation in “Belt and Road” Initiative was held after the symposium, chaired by Mr. Wei Xiaogang and President Burkitbayev. Akylzhan Baimagambetov, president advisor of Kazakhstan National Bank; Guo Yi, president of China-Kazakhstan Pipeline Co., Ltd.; Prof. Kazbekov, Financial Research Institute, Kazakh National University; Prof. Kretschmar Gavin, Price Waterhouse Coopers Academy and EADA Business School; Prof. Kulibayeva, adjunct professor of Kazakh National University and Guo Jianwei, president of PBoC Urumqi delivered speeches.



In the morning of September 8, Tu Yonghong, deputy director of IMI and Zhao Xijun, associate dean of the School of Finance, Renmin University paid a visit to the School of Law and Finance at Kazakh National University and had an in-depth exchange with five professors, including Ermekbayeva Bayan Zhundibaevna, dean of the School. Prof. Zhao Xijun made an introduction of IMI. The faculty at Kazakh National University showed interest in IMI's research area and the two parties planned to stage a long-term partnership to promote academic exchange and research cooperation. He promised to make full use of these books so that students and faculty could better learn and extend McKinnon's theory and ideas into the future.

## **Press Conference of the Report on the Internationalization of Chinese Banks 2015**

On September 20, The Press Conference of the Report on the Internationalization of Chinese Banks 2015 was held in Renmin University. It was co-hosted by IMI, Center for Internet and Financial Innovation (CIFI) of Zhejiang University and International Finance Institute of Bank of China, and co-sponsored by EMBA Program of Zhejiang University, Wind Information and Academy of Financial Research of Zhejiang University. The conference was attended by Jiao Jinpu, Director General, Financial Consumer Protection Bureau, PBoC; Zhao Xijun, Associate Dean of the School of Finance, RUC; and E Zhihuan, Deputy General Manager, Economics & Strategic Planning Department, Bank of China (Hong Kong), etc. The conference was chaired by Chen Weidong, Deputy Executive Director, International Finance Institute, Bank of China. Ben Shenglin, Executive Director of IMI and Dean of the Academy of Internet Finance, Zhejiang University, offered his interpretation of the Report. According to the report, after nearly 40 years' development since China's Reform and Opening Up, the financial markets in China have gradually integrated into the global markets. Particularly for Chinese local financial institutions, their attempts to explore oversea markets and to expand their business abroad have achieved many remarkable successes, but clearly there is still a long way to go. This report tries to analyze Chinese banks' level of internationalization by introducing the Chinese Banks Internationalization Index (CBII). This index is designed to dynamically capture the internationalization process of different Chinese banks over time, and the analytical results provide some insightful implications for both regulatory agencies and financial institutions.

The report raises strategic advices for overseas expansion of Chinese banks so as to provide reference to better achieve internationalization. These advices are: banks should be more prudent, when developing their internationalization strategies; banks should follow the trend of (Chinese) government policies and priorities more closely; banks should pay more attention to the financial regulations in different countries; different forms of foreign branches should be considered at different development stages.



# Exchange

## China-US Student Leadership Dialogue

In the afternoon of July 18, China-US Student Leadership Dialogue was held as a parallel forum of the 2015 International Monetary Forum and Press Conference of RMB Internationalization Report. The dialogue themed Sino-US relations: building new connection between great powers via the “One Belt and One Road” Initiative. This event was co-sponsored by School of Finance of RUC, IMI, and CET Academic Program. Students from Yale University, Stanford University, Johns Hopkins University, Renmin University, Peking University, Fudan University, Beijing Normal University, Wuhan University, Central University of Finance and Economics established roundtable discussion on “One Belt and One Road” Initiative, Sino-US relations, RMB internationalization, international exchange of youths, etc. Chen Yulu, president of RUC, Guo Qingwang, dean of School of Finance, RUC, and Tu Yonghong, deputy director of IMI paid a visit to the students during the event. The dialogue was attended by Feng Yu, Academic Director, CET academic program; He Gang, Executive Editor-in-Chief, *Caijing Magazine*; Zhou Wenlong, Director, Department of Asian Languages and Literatures, University of Minnesota; Zhao Wei, Deputy Director, Department of Intermediary Supervision, CIRC; Cai Yingyi, Associate professor, School of Applied Economics, National University of Kaohsiung; He Qing, Deputy Director, Department of Money and Banking, School of finance, RUC; Gao Yuning, Assistant Professor, School of Public Policy and Management, Tsinghua University; Song Ke, deputy director of IMI, etc. The dialogue was chaired by Wang Fang, Assistant Dean, School of finance, RUC.

This forum has two sessions. In the first session, nine students expounded on international communication and cooperation, a comparison between the Belt and Road initiative and the US TPP policy and the initiative’s pros and cons with regard to international relations. Prof. Feng Yu, Mr. Zhou Wenlong and Mr. He Gang commented on the presentations. In the second session, eleven students discussed on AIIB, oil RMB in the context of the initiative and the China-US relation, advocating mutual trust and respect. Their discussions were indeed inspiring. Having heard about students’ discussion, Prof. Cai Yingyi, Prof. He Qing and Dr. Gao Yuning expressed their views on mutual benefits, the recognition and understanding of Chinese and US culture, China’s responsibilities as a great power.

## **Director of IMI Receives Outstanding Teacher Award**

The selection work of Outstanding Teacher Award in Finance 2015-2016, established by Hongru Financial Education Foundation, was piloted in Renmin University, Central University of Finance and Economics, University of International Business and Economics, Xiamen University, Southwestern University of Finance and Economics and Zhongnan University of Economics and Law. Under the voting outcome from the Committee and with the approval of the standing council of Hongru Financial Education Foundation, Professor Zhang Jie, director of IMI and associate dean of School of Finance of RUC received the award.



---

Title: **Newsletter**

Frequency of Publication: Quarterly

Editor-in-Chief: Ben Shenglin

Associate Editors: Song Ke, Qu Qiang, Dong Xijun

Editorial Board Members: Ma Ruixue, Wang Liujia, Xing Chendi, Zhang Ruofei, Zhao Jing, Zhu Jing

Publisher: International Monetary Institute, Renmin University of China

Address: Room 605, Culture Square, Renmin University of China, No. 59 Zhongguancun Street, Haidian District, Beijing 100872, P. R. China

Tel: 86-10-62516755

Email: [imi@ruc.edu.cn](mailto:imi@ruc.edu.cn)

---

Website: International Monetary Insight  
<http://www.imi.org.cn/>



Weibo



WeChat