



IMI Newsletter

International Monetary Institute
Renmin University of China

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Highlight

Launch of the IMF World and China Economic Outlook

On the afternoon of October 18th, the International Monetary Fund (IMF) Representative Office in China, the International Monetary Institute of China Renmin University (IMI), and Huachuang Securities Co., Ltd. co-hosted the publishing ceremony of the Report on the World and China Economic Outlook at the Beijing Financial Street International Hotel.

Alfred Schipke, Chief Representative of IMF in China, Wei Benhua, former Deputy Director of the State Administration of Foreign Exchange and former Chinese Executive Director of the IMF, Chen Qiang, former Director of the International Department of the People's Bank of China and General Manager of Huachuang Securities Co., Ltd., Zhao Xijun, member of the IMI Academic Committee and deputy dean of the School of Finance and Finance of Renmin University of China, Lian Weicheng, economist of the Research Department of the International Monetary Fund, Zhang Longmei, deputy representative of the IMF in China, Guan Qingyou, dean of the Rushi Financial Research Institute, Niu Bokun, deputy director of the Huachuang Securities Research Institute and director of macro strategy research, Xia Le, chief economist of the Research Department of the Spanish Foreign Bank, and Zhang Yu, head of macroeconomic research at the Huachuang Securities Research Institute, and many other financial professionals and experts from management departments, research institutes and financial institutions from Europe, the United States and Asia attended the ceremony and delivered speeches. More than 70 media covered the news. The ceremony was hosted by Zhang Zhixiang, member of the IMI Academic Committee, former Director of the International Department of the People's Bank of China, and former Chinese Executive Director of the IMF.

Director Zhang Zhixiang hosted the opening ceremony. He mentioned that the IMF's biannual global and regional economic outlook reports are of great significance because they concentrate the main issues worthy of IMF members' attention at different stages. When trade disputes are likely to escalate, all parties must draw their attention to risk control, reform deepening and the promotion of multilateral systems. The IMF's launch event for the "World and China Economic Outlook" report, when held regularly, will provide a platform for academia, businesses and financial organizations to thoroughly exchange their ideas.

Zhao Xijun, member of the IMI Academic Committee and Vice President of the School of Finance of Renmin University of China, and Chen Qiang, General Manager of Huachuang Securities delivered opening remarks. Zhao Xijun said that experts and scholars from Europe, America, Asia and other regions will discuss the risks in and the key policies for China's and global economic prospects at the launch event of the IMF's report in this autumn. The World

Economic Outlook Report of October 2018 shows that the use of both monetary and fiscal policies is the core driving force for global economic recovery, but policy stimulus is not sustainable. Digitalization will reshape China's economy by improving efficiency. However, the new challenge is how to maximize the benefits of digitalization while reducing the risks associated with labor demand plunge, privacy violations, emerging oligopoly and financial risks. With China's comprehensive deepening of reforms and the relentless efforts of IMF and other international organizations, the international community will improve its ability to coordinate policies and jointly respond to risks.

Chen Qiang mentioned in his speech that the global economy is mainly facing two major uncertainties in 2018. First, the rule-based multilateral trading system is in crisis, eroding a foundation of globalization. For example, the developments of Sino-US relations trigger market reactions. Second, emerging markets are suffering currency crisis, and the global capital market becomes volatile. Global monetary policy is on the track. Currency plunge of emerging markets has basically indicated a crisis. In times of uncertainties and challenges, IMF economists, government leaders, scholars & professors of Renmin University of China, and Huachuang Securities Research Institute will take advantage of the platform of IMF's World and China Economic Outlook Report, look forward to the world and China's economic development, and provide meaningful thinking and help for investors to "cross the fog".

Alfred Schipke delivered a speech on "World Economic Outlook." He said that future trade may slow down compared to April. That is because higher oil price rise and tighter financial policies affect emerging markets. Other indicators like trade remain strong, but a few become weak. Looking into 2018-2019, he first believes that global growth is still steady. Specifically, advanced economies may slow down in the medium term, but emerging markets will be steadier. From a risk perspective, market conditions changed, and policy became more uncertain in the past few months. This trend is likely to continue.

Although the digitalization of traditional sectors is expected to be accelerated, and will support the mid-term growth of China to some extent, China's growth will still slow down. Therefore, the Chinese government should further expand the advantages brought up by digitalization, improve the welfare of laborers, promote the virtuous competition in each sector, increase the efficiency of public services, and further strengthen the protection of intellectual property and data privacy.

Niu Bokun delivered a speech with the title of "Causes and Future of the Debts of Local Governments in China". Firstly, she emphasized local governments' important role in promoting economic growth and the development of industrial clusters. The leverage ratio of Chinese local governments seems not too high when compared with the global leverage ratio, but we need to notice that Chinese local governments are burdened with a huge amount of hidden debts and are inefficient in terms of capital expansion and project development. In addition, the expansion of local SOEs, which comes with the debts of local governments, also causes the problem of "the state advances, the private sector retreats", which also calls for much attention. There's also a positive change: in the 2017 National Financial Work Conference emphasizes the control over the expansion of the debts of local governments, and related documents have been issued and are already taking some effects. In the future, local governments can resolve debts year by year through making good use of existing financial capital, including it into budgets, and transferring local SOEs. At the same time, it is also



proposed during the 19th National Congress of the CPC that Chinese local government won't take GDP as the major goal orientation, and need to pay more attention to the quality of economic growth, environment protection, industrial and talent upgrade, etc. This fundamental adjustment in incentive and constraint mechanism will solve many root problems related to the debts of local governments.

The roundtable discussion was chaired by Zhang Yu, IMI researcher, head of macroeconomic research at Huachuang Securities Research Institute. In the discussion, Zhang Longmei noted that the normalization process of global monetary policy basically matches market expectations, and the risks brought about by the trade tensions are still regional. Lian Weicheng believes that the important factor for the core economic growth of China in the future is external ones. He believes that the middle-income trap is not unavoidable can be circumvented by deepened structural reforms. Alfred Schipke believes that China is one of those that benefit from globalization. And based on this, sustained open policies will bring productivity to China. Further improvement should be made on the reduction of risks which are caused by globally rising debts. Director Wei Benhua believes that under the current global debt pressure, we need to strengthen financial regulatory policies, strengthen debt management of local governments and maintain a good financial environment. Guan Qingyou believes that if monetary policies cannot turn normal, debt problems are principally unsolvable, but the China's performance should not be measured only by debt scale, but also by aspects such as the income of enterprises and residents. At the same time, market's role should be respected; Xia Le thinks that transforming local government-owned assets can contribute to solving the debt problem. But China's economic growth are not faced with huge threat, China's economic growth potential is still considerable.

It is reported that the World Economic Outlook Report is an economic overview written by researchers of the International Monetary Fund (IMF). It focuses on analyzing the world's macroeconomic situation and prediction. It is published twice a year, in spring and autumn. International Monetary Institute (IMI), Renmin University of China, as a long-term stable partner of IMF, publishes reports every year to study monetary and financial strategies.

Former Prime Minister of Korea Han Seung-soo Appointed as Chief International Advisor to IMI

On November 13, 2018, Chinese and Foreign Financial Technology Roundtable Conference was held in Hangzhou by Zhejiang University Internet Finance Research Institute (AIF, ZJU). Han Seung-soo, Former Prime Minister of Korea, Co-Chairman of International Finance Forum (IFF), and President of the 56th UN General Assembly, joined IMI International Committee as Chief Advisor. Mr. Ben Shenglin, Co-Director of IMI & Dean of AIF, ZJU granted a letter of appointment.

In his speech, Dr. Han Shengqi said that China is becoming the world's largest fintech market, and that blockchain, "bedrock" of the 4th industrial revolution is safer and decentralized. Such Features can provide convenience and confidentiality for transactions. Hangzhou is a leader in blockchain. He hopes that all countries can exchange ideas and learn from one another and promote fintech development.

Han Seung-soo is a South Korean politician and diplomat. He was the President of the 56th session of the General Assembly of the United Nations (2001-2002) and Prime Minister of South Korea (2008-2009). Han graduated from Yonsei University in 1960 and acquired his master's degree from Seoul National University in 1963 and his doctorate in economics from University of York in 1968. He went on to hold various professorial positions in Seoul National University, University of Cambridge, University of York. He was a visiting professor in Harvard University from 1985 to 1986, and a financial advisor to the Government of Venezuela, Jordan Government and World Bank.



Research

McKinnon Lectures

Editor's Note:

As a highly respected economist of our time, Professor Ronald McKinnon is the founder of modern financial development theory. He was appointed as member of Advisory Board since the establishment of IMI in 2009, and made enormous contributions to its development. After he passed away in October 2014, his family generously contributed 1897 books from his personal collection to IMI. Therefore, we changed the name of “IMI Lectures” to “McKinnon Lectures” in perpetual memory of him. By “walking out” and “inviting in”, McKinnon Lectures invite a number of prestigious experts and scholars from China and abroad lecturing on macrofinance theories and relevant policies.

McKinnon Lectures (No.13) : Global Monetary Policy Observation and Financial Risk Prevention

On November 21st, 2018, the McKinnon Lectures (No.13), which is organized by the International Monetary Institute (IMI) of Renmin University of China, was held in Meeting Room 801 of Mingde Building of Renmin University of China. Mr. Edmond Alphandéry, the President of the Euro50 Group and Former French Minister of Finance, was invited as the keynote speaker. He delivered a keynote speech on “Global Monetary Policy Observation and Financial Risk Prevention”. The lecture was chaired by Zhang Zhixiang, IMI Academic Committee member, Former Executive Director for China in IMF and Professor at the School of Finance. Wei Benhua, IMI Academic Committee member, Former Deputy Director of the State Administration of Foreign Exchange and Former Executive Director for China in IMF, and Zhao Xuankai, Researcher of IMI, Lecturer of the China Center for Internet Economy Research, Central University of Finance and Economist, attended the seminar.

At the beginning of the lecture, Professor Edmond Alphandéry sincerely cherished the memory of his friend Mr. McKinnon and expressed the admiration for his knowledge. And then he described the valuable enlightenment acquired from the discussion with Mr. McKinnon. The lecture included two parts. The first part : the situation and impact of capital flows in the global financial system. The second part: the significance of market confidence.

In the first part, he proposed that the monetary policy set by the Fed will have huge

impact on capital flows in other countries, especially in Emerging Markets (EMs). After the financial crisis, the Quantitative Easing policy set by the Fed had brought hot money flow into EMs and created asset bubbles.

After the topic about global capital movements, Mr. Edmond Alphandéry then deeply analysed the role of confidence in financial market.

In the following comment session, Professor Xiang gave high praise of Professor Alphandéry's comprehensive and inspiring speech and expressed his gratitude to Professor McKinnon for his contribution to Renmin University of China. Based on the "Triffin Puzzle", Professor Xiang pointed out that the Bretton Woods system is unsustainable.

In the final discussion session, all guests had in-depth discussion of multiple issues in a friendly and candid atmosphere. Benhua Wei believed that countries should strengthen cooperation, take responsibility and abide by the rules in the international economic system. Many guests mentioned that there was a problem of mismatch between economic strength and discourse power in today's international financial system. In order to establish a better international monetary system, a more fair distribution of discourse power should be achieved. Professor Alphandéry proposed that China and the EU should strengthen cooperation on the issues of climate change and use the price of carbon emission rather than the quantity of that as the goal of regulation. Besides, working together to build a more reasonable financial system will lead to the prosperity and development of Central Europe and even the world.

The McKinnon lecture was concluded successfully in the warm applause. All the participants said they had benefited a lot from this lecture.

Professor McKinnon was the founder of contemporary financial development theory and a famous and well-respected economist of this era. Upon the establishment of IMI in the beginning of 2009, he was appointed as a member of the Advisory Board and made outstanding contributions to the development of the Institute. After the death of Professor McKinnon in October 2014, his family generously donated his 1897 books to the Institute. Therefore, the Institute renamed the IMI Lecture to McKinnon Lecture in commemoration of Professor McKinnon. McKinnon Lecture adheres to the combination of "going out" and "inviting in" and invites famous national and international experts to give lectures on the issues of theory and policy in the monetary and financial field.



Roundtable on Money and Finance

Editor's Note:

Roundtable on Money and Finance is IMI's signature quarterly forum held in the second Saturday afternoon of each March, June, September and the next January respectively (adjusted for national holidays and special occasions). The forum invites financial experts and leaders from home and abroad, having featured keynote speakers including: Wei Jianguo, vice minister of the Ministry of Commerce; Su Ning and Ma Delun, former deputy governor of PBoC; Chen Yulu, deputy governor of PBoC; Pan Gongsheng, deputy governor of PBoC and administrator of SAFE; Robert A. Mundell, professor of Columbia University; Edmond Alphandery, former French minister of finance; Patrick Honohan, governor of Central Bank of Ireland; Yves Mersch, governor of Central Bank of Luxembourg. Currently, the forum has become a significant platform for academic exchanges in the macrofinance, and has cast great influence among financial researchers and practitioners.

Launch of The 2018 Tianfu Financial Index and Roundtable on Money and Finance · Autumn 2018

On the afternoon of October 25th, the "2018 Tianfu Financial Index Conference and Roundtable on Money and Finance · Autumn 2018" hosted by the International Monetary Institute (IMI) of Renmin University of China was held in Chengdu.

Ouyang Zehua, vice chairman of the Sichuan Provincial Political Consultative Conference, director of the Provincial Financial Work Bureau; Niu Xiaofeng, deputy secretary general of the Sichuan Provincial People's Government; Liu Yuanchun, vice president of Renmin University of China; Liu Dong, director of the Science and Technology Department of Sichuan Province; Zhou Xiaoqiang, president of the Chengdu Branch of the People's Bank of China; Ge Wei, Chairman and President of China Fortune Media Group; Gao Jianjun, deputy secretary general of Chengdu Municipal People's Government; Huang Yi, President of Sichuan Tianfu Bank, attended the conference and jointly launched the Tianfu Financial Index Crystal Ball.

He Qing, a professor at the School of Finance, deputy director of the Department of Monetary and Finance of Renmin University of China, unveiled and interpreted the 2018 Tianfu Financial Index. He pointed out that the "2018 Tianfu Financial Index" is guided by the existing financial theory, taking into account the future trend of the financial industry, fully considering the comprehensiveness and data availability, dynamically tracking and

evaluating the development of the financial system, and drawing on the standards on which the world's major international finance indicators were created. In the process, China's national conditions and characteristics were also considered, together with the traditional financial evolution format and the emerging financial business model. Therefore, Tianfu financial index can systematically, comprehensively and accurately reflect the financial center. According to the 2018 Tianfu financial index scores, Chengdu ranks sixth. The top five are Beijing, Shanghai, Shenzhen, Guangzhou and Hangzhou. Beijing, Shanghai and Shenzhen still have the edge among all the financial centers in China. Guangzhou and Hangzhou rank fourth and fifth, and the gap between the two continues to narrow. The index reflects the overall situation and characteristics of financial development in each major city. It could serve as an important reference for promoting mutual understanding between those cities to achieve misplaced competition and coordinated development. It is also providing Chengdu city with detailed plans for it to build itself into a competitive financial center in western China that serve the good of the region and the whole country.

Ben Shenglin, Dean of the Institute of Internet Finance of Zhejiang University and IMI Co-Director, and Yang Tao, Assistant Director of the Institute of Finance of the Chinese Academy of Social Sciences, commented on the report.

Ben Shenglin pointed out that the report enlightened us with the traditional financial sector and emerging financial formats, took account of the new trends in finance, and analyzed how the speed of financial development facilitate GDP growth from the perspective of regional economies. He suggested that the financial institution indicator system can refer to the number of listed companies, market value and financial facilities; the employment environment indicator system can take account of the factors of innovation and entrepreneurship, such as the regional business environment and the proportion of private economy; human resources indicator system should also take account of the rankings of science, technology, engineering and other disciplines apart from examining the rankings of economics disciplines. In addition, Ben Shenglin took account of the ranking of global financial technology centers by Finance Research Institute of Zhejiang University Internet, recognized the development of Chengdu's financial technology, and identified the three major driving forces that lead the expansion of financial technology and financial intelligence: First, third-party payment, p2p Internet loans, Internet finance and insurance, and other application levels; Second, the driving force of science and technology, the region should give better play to the underlying use of science and technology; third, rules and systems, which are safeguards in the process of building financial technology centers.

In his comments, Yang Tao recognized the value of the Tianfu Financial Index report to theory, policy and practice. The Index is an objective evaluation tool, and its evaluation of Chengdu has a great indicative significance. It can be seen from the report that focus of financial development has gradually shifted from quantity and scale of finance to financial structure and function of finance. With the help of Internet, new technologies, the allocation of financial resources between different regions can be reconsidered, so the focus on new technologies and new models is also a highlight in the report.

Meanwhile, as mentioned in the report, the comparison between regions and cities and relevant analyses and appraisals are also of great value. He added that the capacities of dealing with risks and maintaining financial stability and management should also be taken



into account to promote regional financial development.

At the same time, "the 2018 Autumn Inclusive Financial Development and Implementation Forum And Monetary Finance Roundtable" was held by co-director of IMI Ben Shenglin. Liu Yuanchun, Vice President of Renmin University of China, and Zhou Xiaoqiang, President of Chengdu Branch of People's Bank of China attended the forum and delivered a keynote speech.

Liu first delivered a speech entitled "comprehensively summarizing and reflecting on supply-side structural reform and decisively introducing the second phase of supply-side structural reform plan". He believes that the current international and domestic environments have undergone some changes, and the strategic positioning and implementation path with supply-side structural reform strategy as its main line should be adjusted. We should, first of all, systematically summarize and review the reform since 2015. Second, we should focus on analyzing the main problems facing the Chinese economy. Viewing from its results, the first phase of the supply-side structural reform has been completed smoothly, achieving the purpose of the early structural adjustment as it should have. However, we should also recognize the new problems arising from the implementation of the cutting overcapacity, reducing excess inventory, deleveraging, lowering costs, and strengthening areas of weakness. To solve these problems, we cannot simply continue to adopt the operation mode and implementation path applied in the first phase. It is necessary to carry out the strategic reconstruction and re-select the implementation path. On the basis of summarizing the experience and lessons of the first phase of the reform, the second phase plan must be launched out decisively. Therefore, we must make adjustments in the following aspects. First, we should shift our focus from short-term fluctuations to deep-seated structural and institutional problems to make fundamental and pioneering reforms. Second, supply-side structural reform must evolve from the administrative promotion mode to the mode of endogenous incentive guidance. Third, we must pay great attention to the order and key points of the supply-side structural reform in the second phase. Fourth, structural problems should be classified based on reforms. For example, the transformation from old to new driver is a long-term problem. In this process, the role of administrative power should not be over-emphasized.

Then, in his keynote speech, Zhou Xiaoqiang talked about strengthening financial services for small and micro businesses from four aspects. First, promoting financial services of small and micro businesses is a win-win strategy. From the perspective of economic transformation and development, small and micro businesses are an important source of cultivating new economic momentum and a "fresh force" to promote employment, investment, innovation and consumption. From the perspective of the financial development, the financial service for small and micro enterprises is the fundamental requirement to return to the essence of the real economy. Second, we should objectively understand and view the difficulties and high costs of financing facing small and micro businesses. On the one hand, it objectively evaluates the financing services for small and micro enterprises. Financial institutions on the supply side continue to increase the capital supply of small and micro enterprises, and the satisfaction degree of effective credit demand of small and micro enterprises on the demand side is relatively high. On the other hand, the limitations of small and micro financial services are objectively viewed. How to provide sufficient and effective financing services to small

and micro enterprises is a common problem worldwide. Third, under the background of economic transformation, financial service small and micro businesses have a lot of room for improvement. In the process of the growth of small and micro financial service enterprises, many enterprises with potential for development and value of growth can be cultivated to promote the incubation and stability of high-quality customers, and realize mutualism and win-win cooperation. Fourthly, small and micro financial service enterprises need to innovate means and methods, improve risk control ability, reduce transaction cost, innovate financial products and services, and improve financing availability of small and micro enterprises.

In recent years, Sichuan's financial industry has actively and well adapted to the new circumstances and has utilized scientific technologies to implement the central government's policies in providing convenient financial services for small and micro enterprises. Sichuan has carried out many innovations and achieved positive results. Under the effective leadership of the provincial party committee and the provincial government, the Chengdu Branch of the People's Bank of China will continue developing inclusive finance, serving the real economy in an effective manner, and making due contribution to solving the financing difficulties faced by small and micro enterprises.

"Rural finance" themed Roundtable Discussion 1 was hosted by Guan Wei, Executive Director of the Credit Management Research Center at Renmin University of China. Participants included Fang Xin, Deputy Governor of the Chengdu Branch of People's Bank of China, Ma Jiujiu, Executive Deputy Director of the China Rural Economic and Financial Research Institute at Renmin University of China, Yang Tao, assistant to the Director of the Institute of Finance and Banking of the CASS, and Wang Ting, Vice Chairman of the Sichuan Rural Credit Cooperatives Association. Fang Xin believed that rural finance should provide financial products and services that aim at reducing factor costs and improving comprehensive returns. Ma Jiujiu introduced the sources of funds for rural areas and proposed corresponding solutions from four sets of relationships, including government and market, credit and products, technology and institutions, and financial technology and traditional social networks. Yang Tao shared his opinions on rural finance from five dimensions including border, product, technology, environment and supporting measures. He believed that financial technology is a solution to the long-existing financial problem of Bermuda triangle. More extensive introduction of new technologies and transformations in financial services and products can solve specific problems in a targeted manner. Wang Ting have summarized the measures taken by Sichuan Rural Credit to promote the rural revitalization strategy, which includes supporting the development of agriculture, rural areas and farmers from a firm and all-round way, continuously increasing financial support, and promoting institutional and financial products innovation.

Roundtable Discussion 2 themed as "Financial Support for the Development of Small and Medium Enterprises" was hosted by Ben Shenglin. Participants included Cao Tong, Chairman of Xiamen International Financial Technology Co., Ltd., and Co-Chair of IMI, Chen Weidong, Director of International Finance Institute at Bank of China, Han Hongmei, Chairman of China-Africa Industrial Capacity Cooperation Fund, and Wang Hui, Chairman of Chengdu Bank. Cao Yu believes that small and medium-sized enterprises are now in a market with diversified participants, so financial services for small and micro enterprises must be diversified; Chen Weidong believes that to solve the problem of financing difficulties for



small and medium-sized enterprises, the market needs to play a decisive role, while the government should solve the guarantee issues and improve the credit system; Han Hongmei pointed out that there is still a long way to go in developing finance for small and micro enterprises, and it is necessary to develop new technologies to provide better financial services for SMEs; Wang Hui believes that the focus should be on SMEs' loans amount and the information asymmetry problem.

Moreover, the launch of Sichuan Provincial Plan for Science and Technology Finance Development (2018-2020) was held at the meeting, and the Sichuan Innovation and Technology Finance Research Institute was unveiled and awarded. More than 200 leading experts and industry representatives from Sichuan Provincial Party Committee and 21 provincial and municipal government, the People's Bank of China and other financial institutions and universities attended the meeting, e.g. Xie Ruiwu, member of the Standing Committee of Chengdu Municipal Committee and executive deputy mayor of the Municipal Government, Gao Jianjun, deputy secretary general of Chengdu Municipal People's Government, Zhao Dewu, secretary of the Party Committee of Southwestern University of Finance and Economics, Wang Lin, deputy director of financial work in Sichuan Province, and Tu Yonghong, deputy director of IMI.

It is reported that the "Monetary and Financial Roundtable Conference" is a high-level quarterly forum initiated by the International Monetary Research Institute at Renmin University of China. The forum invites famous financial experts from home and abroad to discuss the path of monetary and financial reform and development, with a view to providing a credible policy for the formulation and implementation of China's international financial strategy. At present, the forum serves as an important platform for international academic exchange in the monetary and financial field and enjoys a high reputation in areas of financial theory and practice.

Macro-Finance Salon

Editor's Note:

Macro-Finance Salon is a high-level academic salon initiated by IMI and Department of Money and Banking of School of Finance at RUC. The salon aims at promoting the study and practice of Macro-Finance, as well as its disciplinary program, while carrying out in-depth research on Macro-Finance theory, policy and strategy. The concept of "Macro-Finance" stems from Professor Huang Da's fundamental idea of integrating macro and micro financial theory, which systematically regards finance and real economy as a whole. In the book of "General Theory of Macro-Finance", Chen Yulu, Deputy Governor of PBoC, demonstrates the fundamental connotation and methodology of Macro-Finance, laying theoretical and empirical foundation for Macro-Finance framework, which facilitates long-term economic growth and stronger national competitiveness.

Macro-Finance Salon (No. 100): Finance Encounters China's Financial Reform

In the afternoon of October 9, 2018, the 100th Macro-Finance Salon was held in Room 602, Cultural Building. Zhang Jie, Director of International Monetary Institute & Professor of School of Finance, was invited to the salon as the keynote speaker. The guests included Mr. Wei Benhua, Former Deputy Director of the State Administration of Foreign Exchange; Mr. Wang Guogang, Member of the Chinese Academy of Social Sciences & Professor of the School of Finance; Mr. Wei Gejun, President of China Financial Publishing House; Mr. Xiao Ruiyan, Former Vice Chairman of Guizhou Bank; Mr. Wang He, Vice President of China People's Insurance Co., Ltd.; Mr. Song Wei and Mr. Luo Yu, Associate Professors of the School of Finance; Mr. Zhen Xinwei, Researcher of IMI. The meeting was hosted by Mr. Song Ke, Deputy Director of International Monetary Institute, Renmin University of China.

Professor Zhang Jie interpreted the "Encounter" and its unknown results. Then, he pointed out that the accidental encounter and unknown results partially originated from the differences between the East and West in knowledge, theory and thinking. In particular, mainstream economics and finance were constructed during China's decline, so mainstream economics seemingly neglected China for a long time. As China's economy developed remarkably in a different way over the four decades, mainstream economics could not illustrate Chinese case. Professor Zhang Jie also pointed out that many Chinese returnees copied Western mainstream economic frameworks to study Chinese case, whereas foreign scholars conducted "field studies" in China to develop new theories and have a say in Chinese stories. Professor Zhang Jie cited sinological institutes as the consequences of losing the rights to interpret Chinese case. He called for discovering China's problems, sorting out China's logic, and replaying China's role.

Professor Zhang Jie shared his views on mainstream economics' failure to explain



China's financial reforms. He believes that China's banking system has basically stabilized in the past four decades. The concentration of China's banks is not as high as that of US., Canadian and other banks. It is reasonable to reduce large banks' market share, because the banking system is of limited competition and not better to allow wider access.

Some people hold the view that "The central bank of China is using foreign exchange instead of treasury bonds as a major component of assets, and therefore it is 'the small country central bank'", Professor Zhang argued that it is inappropriate to judge the scale of the central bank by simply looking at the fact that there are more foreign exchange reserves or more government bonds in assets. It is still a small line, and the People's Bank of China is still one of the big central banks of the world. Regarding the question of whether the People's Bank of China has independence, Professor Zhang explained that China's central bank has strong independence theoretically according to the data of China's past high growth and low inflation, but Zhang also pointed out that it should not be emphasized that the People's Bank of China should be independent of the government. The central bank should be independent from the government with more interests.

During the meeting, various questions raised by Professor Zhang also caused the collisions of thoughts and consonance among the guests. Other guests such as Wei Benhua, Wei Gejun, Wang Guogang, Xiao Ruiyan, Wang He also expressed their opinions and conducted in-depth exchanges on the above issues, which were fruitful, vivid, and interesting. The Macro-Finance Salon is a high-level academic salon jointly established by the International Monetary Research Institute of the People's University of China and the Department of Monetary and Finance of the School of Finance. The salon is divided into four categories: "policy experts", "academic experts", "elites of industries" and "young scholars".

Based on China's practice, the salon keeps up with the international frontier, build a high-level, professional and open academic exchange platform to promote the construction of the "big finance" discipline in the new era and carry out the "big finance" theory, policy and strategy research.

The concept of "big finance" is derived from the basic idea of the combination of macro and micro financial theory advocated by Professor Huang Da. It is conceptually derived from the systematic thinking of finance and the real economy as an inseparable organic whole. Chen Yulu, deputy governor of the People's Bank of China, systematically demonstrated the basic connotation and methodology of the "big finance" proposition in "The Outline of Big Finance", and built a "big finance" that is conducive to promoting long-term economic growth and enhancing national competitiveness. The salon lays the theoretical and empirical foundation for such a system.

Macro-Finance Salon (No. 101): A Quantitative Analysis of Sino-US Trade Relations and Current Problems

On October 10th, 2018, the 101st edition of Macro-Finance Salon, which is organized by the International Monetary Institute (IMI) of Renmin University of China, was held in Meeting Room 801 of Mingde Building of Renmin University of China. Dr. Wang Wei, Contract Research Fellow of IMI, Managing Director of Bank of China International (BOCI)

and Deputy Director of the Research Department of BOCI, attended this salon as a keynote speaker and delivered a speech titled “A Quantitative Analysis of Sino-US Trade Relations and Current Problems”. This salon was hosted by Professor Dai Wensheng, Senior Research Fellow of IMI and Professor of the School of Finance of Renmin University of China.

Dr. Wang Wei went straight to the topic from the start, analyzed why it is called “Sino-US trade friction” instead of “Sino-US trade war” from four perspectives: goods trade deficit of the US, the background of Trump’s election, the rise of China and the personality of Trump, and introduced the background of Sino-US trade conflicts. Then he analyzed current problems in Sino-US trade, and the Sino-US trade relations from such perspectives as the trade of goods, the trade of services, the composition of trade and trade partners; teased out measures and strategies adopted by China and the US respectively to respond to trade conflicts. By referring to a large amount of data, he also analyzed the trades between China and some major countries and regions from a global perspective, and proposed China’s development ideas in the future under the background of Sino-US trade friction. Finally, Dr. Wang Wei summarized that the Sino-US trade friction is the first step in the gaming between China and the US, and it will bring both challenges and opportunities to China; in addition, China is not only capable of winning this trade war, but also needs to make full use of the opportunities brought by the Sino-US trade friction to realize the upgrade of opening-up and industries, optimize its economic structure, and handle international relations well to better integrate itself into the international community.

Regarding China-US trade conflicts, Professor Dai Wensheng analyzed the two countries’ trading history as well as the advantages and disadvantages of China’s economy based on his own research. He then pointed out that in the context of the trade conflict, the key is where China’s economy is going. He also stressed that China’s economy has its own inherent advantages and that we should still be confident in its future.

During the discussion, the guests exchanged many thoughts with each other and with Dr. Wang Wei. They discussed multiple issues, including the impact of China-US trade conflict on the future of China's economy and the possibility of a shift in the international trade landscape. Dr. Wang Wei gave detail explanations on these issues.

The Macro-Finance Salon is a high-level academic salon jointly organized by the International Monetary Institute and Monetary and Financial Department, School of Finance, Renmin University of China. The salon has four categories: Policy Experts, Academic Experts, Business Elites and Young Scholars. Based on China's and the world's practices, it has built a high-level, professional and open platform for academic exchanges in order to promote the development of "Macro-Finance" disciplines in the new era and to carry out the "Macro-Finance" theories, policies and strategy researches. The concept of "Macro-Finance" originated in the basic idea of the combination of macro and micro financial theory advocated by Professor Huang Da. It conceptually originated the systematic idea of an inseparable whole of the financial and the real part of economy. Chen Yulu, PBoC's Deputy Governor, systematically demonstrated the basic connotation and methodology of "Macro-Finance" in his book, *The Outline of Big Finance*, and built a "Macro-Finance" that is conducive to long-term economic growth and national compacity. The concept is supported by both theories and evidence.



Macro-Finance Salon (No. 102): Observation and Reflection on Structural Deleveraging

On October 19th, 2018, the Macro-Finance Salon (No. 102), which is co-sponsored by the School of Finance of Renmin University of China and the International Monetary Institute (IMI), was successfully held in Room 801 of the Mingde main building. As the keynote speaker, Jin Yu, the Secretary of the Party Committee and Chairman of the Bank of Shanghai, delivered a speech entitled “Observation and Reflection on Structural Deleveraging from the Perspective of Commercial Banks”. Wei Benhua, former deputy director of the State Administration of Foreign Exchange, Hua Ercheng, chief economist of Baoshang Bank and former chief economist of the World Bank in China, Dai Wensheng, IMI senior researcher and professor of the School of Finance, Na Xin, deputy governor of Beijing Branch of the Bank of Shanghai, Song Wei, professor from the School of Finance of Renmin University of China have all attended the meeting and discussed. The meeting was hosted by Mr. Tu Yonghong, deputy director of IMI and professor of the School of Finance of Renmin University of China.

Chairman Jin Yu delivered a keynote speech entitled “Observation and Reflection on Structural Deleveraging from the Perspective of Commercial Banks”. He first explained his understanding about structural deleveraging, which was believed to be mainly composed of three components: the non-financial sector, the enterprise sector and the resident sector. The three levers form the macro situation. Since the global financial crisis in 2008, China's macro leverage rate has risen relatively fast. He then analyzed the current performance of structural deleveraging and argued that the performance was divergent. The first divergence was that the leverage ratio of non-financial enterprises has declined, but state-owned enterprises and private enterprises have “diverged”. The second divergence existed in the leveraging of government since the local governments were struggling for it, while the central government did not take any action.

In the end, he noted that, to structurally deleverage, we need strict regulations, moderate monetary policies, loose fiscal policies, and hard reforms. We need to give market mechanisms the fundamental role and accelerate the reform of key areas such as fiscal and taxation, state-owned enterprises, and finance. We also need to strengthen financial infrastructure and open up the mechanism of money and credit transmission.

During the round-table discussion, the guests actively interacted and exchanged ideas on how to deleverage, take supply-side reform, and make regulatory policies. In the questioning session, students and guest teachers discussed the structural deleveraging.

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systematically demonstrated the basic connotation and methodology of "Macro-Finance" in his book, *The Outline of Big Finance*, and built a "Macro-Finance" that is conducive to long-term economic growth and national compacity. The concept is supported by both theories and evidence.

Macro-Finance Salon (No. 103): Gresham's Law in Action in the History of Chinese

October 15, 2018 at 10 am, the "Macro-Finance Salon" (103rd session) and the "numismatic society academic seminar"(4th session) were held in classroom 0202 of the Mingde Law Building in Renmin University. These sessions focused on "Gresham's Law in Action in the History of Chinese Currency", chaired by Professor He Ping of the Department of Monetary Finance from Renmin University's School of Finance. The featured guest speaker is Dr. Cheng-Chung Lai, professor emeritus of National Tsinghua University (Taipei). Professor Lai received his doctorate in social economic history from Ecoles des Hautes Etudes en Sciences Sociales, Paris, and was a visiting scholar in Harvard-Yenching Institute. Professor Lai has long taught in the Department of Economics in National Tsinghua University, his research interest is in economic history, and the history of economic thought. His published works include acclaimed bestsellers such as *Northern Border Defense and Sate Financial Crisis in Mid-Ming Dynasty*, *The Crown and the Merchants: Sir Thomas Gresham and Foreign Debt Financing of the Tudors*, *The Taste of Economic History*, and *The Taste of Economic Thought History*. This academic seminar is jointly organized by the Remin University's School of Finance, China Numismatic Society, and the International Monetary Institute.

First, Prof. He introduced and welcomed Pro.Lai. Next, Prof. He introduced the theme of the seminar to the attending scholars. The seminar was attended by a delegation led by Mr. Zhou Weirong, who is the Deputy secretary general of the China Numismatic Society and the curator of the China Numismatic Museum. Other members from the delegation include Mr. Gao Congming, chief editor of *China Numismatics*; Mr. Yang Jun, Director of the Secretariat of the China Numismatic Society; Mr. Wang Ji Jie, Director of Communications form the China Numismatic Society. Mr. Song Xiaodong, deputy director of the People's Bank of China's Bureau of Currency, Gold and Silver, also led a delegation of government representatives. Professor Qu Qiang, director of Renmin University's Financial Policy Research Center; Profesor Tu Yonghong, deputy director of the IMI; Professor Wang Yu, lead researcher from the School of Finance; Professor Liu Wenpeng, deputy director of the Institute of Qing History also attended the academic seminar. Also attending are the undergraduate and graduate students from the School of Finance.

Dr. Lai's talk was based on his work in *The Crown and the Merchant: Sir Gresham and Foreign Debt Financing of the Tudors*. His keynote is divided into six sections. First, Dr. Lai introduced the Gresham family and their family business. The Greshams served three Tudor crowns starting from King Henry VIII, their relationship with the crown was a typical union between power and wealth. Between King Henry VIII and Queen Elizabeth, the British fought wars with the French, the Spanish, and the Irish. Consequently, the royal treasury was heavily in debt, funds were secured via negotiations with mainland Europe by royal commissioned



merchants. The Greshams were such a family of merchants. In exchange for services rendered, they were rewarded with titles, fief, and the right to international trade. As a powerful merchant house, the Gresham family requires more trust from the royal family to find more profits.

Second, Dr. Lai gave a brief introduction to the Tudors. After King Henry VIII's death, the crown was passed to King Edward VI. At the time of coronation, Edward VI was only 9, and holds few real powers. The crown was next passed to Queen Mary, daughter of Henry VII, her tyrannical rule gave her the nickname "Bloody Mary". Queen Mary's short reign ended with her death 5 years after taking the crown, and the throne was succeeded by Queen Elizabeth, under whom England gradually seized prominence as a super power.

Third, Dr. Lai talked about mercantilism and the Gresham family. During the 44 year rule of Queen Elizabeth I, England started to rapidly develop its navy, and intelligence agencies. At the start of the Elizabethan era, the economy was behind, and England was weak. To address this issue, the crown commissioned the privateers, who were essentially sanctioned pirates who would plunder the Spanish and Portuguese ships and share their profits with the British Royal treasury. In exchange for their services, the Queen would give them titles. Mercantilism was born during this era. The Greshams were trusted by one of Queen Elizabeth's close confidants, and through this confidant, the Greshams also gained the trust of the Queen.

Fourth, Dr. Lai talked about the law of "Bad money drives out good" and money "sweating". At the Elizabethan era, the government had regulation only for the face value of currency, and did not specify a set weight for coins. Thus, people had the tendency to keep new coins in their pockets, or purposefully eroding old coins with chemicals to give it a fresh look (money sweating). As time pass, all that is in circulation would be old and degraded currency, because everyone would horde brand new currency. Although two coins might hold the same face value, hoarded coins possess greater real value. Gresham's law of "Bad money drives out good" was born to describe such a historical phenomenon. It's worth mentioning that although termed "Gresham's law, this idea had nothing to do with Gresham, the term was only "coined" this way because Gresham was the most famous money exchanger at the time.

Fifth, Dr. Lai talked about how historically, China also had the opposite instance of "good money drives out bad". During the early Han Dynasty, the government allowed privatized smiths to cast coins, with the quality that the coins minted must not be lower than official minted coins. Because of the varied coin sources of this time, people preferred coins with a higher copper content, which would in turn give private mints the incentive to mint better quality coins. Money supply increased, coin quality was good, prices rise, the economy was strong. Of course, in history, such instances are rare, and the Han Dynasty achieved this only by allowing private mints to function.

Sixth was a discussion on Gresham's law. Gresham's law's essence is that when coins with different intrinsic values are used to denote the same purchase value, circulation will prioritize low quality currency, while saving "good money" for storage.

Professor Lai's keynote sparked enthusiastic discussion among the attendees. Discussions included metal composition of the Chinese currency, circulation of different types of currency (metal, credit, domestic, and foreign currency), and currency functions. Gresham's law is discussed from multiple dimensions, and its interpretation and implications

are also discussed. Participants also talked about numerous instances from Chinese currency history. Student attendees also participated, asking questions related to Gresham's law's importance in today's society, the Bitcoin and its effect on national coin security. Experts of various field joined in the discussion and gave their responses to these questions.

Lastly, Prof. He Ping made the closing remarks. First, Mr. Zhang Wuchang and Mr. Zhou Qiren's concern about objectivity may be addressed by the introduction of a threshold. Second, Gresham's law addresses a possible outcome when currency of differing intrinsic value is placed into circulation at the same time, and not a discussion of standard currency, currency equilibrium or currency quality across different time periods. Third, today, credit is used as a form of international currency, as such using purchasing power to compare sovereign currencies will inevitably lead to "good currency driving out bad". Which marked the end of another successful academic seminar.

Macro-Finance Salon (No. 104): International Monetary System and Its Impact on East Asia

On October 30, 2018, the Macro-Finance Salon (No. 104), hosted by the International Monetary Institute (IMI) of Renmin University of China, was successfully held in Room 509 of Mingde Main Building, Renmin University of China. Mr. Fu Chuanyong, senior expert of AMRO (ASEAN and Japan-China-Korea Macroeconomic Research Office) and Mr. Liu Xinyi, an economist at AMRO, gave keynote speeches on the theme of "International Monetary System and Its Impact on East Asia". The meeting was hosted by Wei Benhua, IMI Academic Committee and former Deputy Director of the State Administration of Foreign Exchange. Zhang Zhixiang, member of IMI Academic Committee, former Director of the International Department of the People's Bank of China, and former Executive Director of the Chinese IMF, attended the meeting.

Mr. Fu Chuanyong first talked about the general history of the Chiang Mai multilateral agreement, introduced the general functions of AMRO in detail, and gave a detailed introduction and in-depth thinking on the building of a regional financial security network in East Asia. Then, Mr Fu also presented his thinking on future development of AMRO and the region from the perspective of AMRO operation mode, regional resource cooperation issues, AMRO human resources, etc., and provide his suggestions for the coordination mechanism.

Later Mr. Liu Xinyi delivered a speech on "Economic Relations Between China and ASEAN". By combining rich diagrams and data, he analyzed the development period of China's foreign trade, China's economic structural adjustment and the current situation of ASEAN Countries' economy. He also compared the main products in import and export trade of ASEAN countries and China. He pointed out that there was frequent trade between China and ASEAN, but we still had great potential in commercial cooperation and exchanges in many other areas.

After the speech, the host Wei Benhua expressed his thanks on behalf of all guests. And as the founder of AMRO, he also put forward his opinions. He mentioned that what boosted the development of AMRO was the determination of cooperation between ASEAN 10 countries and China, Japan and Korea. Only with strong desire to cooperate and with real



actions, can we achieve further progress.

First of all, Mr. Zhang Zhixiang expressed his affirmation of the achievements and development of AMRO in recent years, and expounded the significance of its existence and broad prospects of development based on the comparison with Europe, Asia's own conditions and realistic external conditions. Finally, Mr. Zhang Zhixiang put forward his expectations and wishes for the future development of AMRO. After the presentation by Mr. Fu chuanyong, Mr. Liu Xinyi, Mr. Wei Benhua and Mr. Zhang zhixiang, the audience actively exchanged and interacted with each other. They raised questions from Japan, Japan and the Republic of Korea, the possibility of the mechanism of counterpart development between China and ASEAN countries, and the effectiveness of the future international aid of ASEAN countries. The Macro-Finance Salon is a high-level academic salon jointly initiated and established by the international monetary research institute of Renmin University of China and the monetary and financial department of the school of finance and economics, which is divided into four series: "policy experts", "academic masters", "industry elites" and "young scholars".

The salon places emphasis on China's reality and the international frontier. It has built a high-level, professional and open academic exchange platform to promote the discipline of "wholistic finance" in the new era and to carry out relevant theories, policies and strategy research. Theoretically, the concept of "wholistic finance" derives from combining macro and micro financial theory, an idea proposed and advocated by Professor Huang Da. Conceptually, it derives from the systematic thinking of finance and the real economy as an inseparable and organic whole. Chen Yulu, deputy governor of the People's Bank of China, systematically demonstrated the basic connotation and methodology of "wholistic finance" in "The Outline of Wholistic Finance", laying the theoretical and empirical foundation for "wholistic finance", which is conducive to promoting long-term economic growth and enhancing national competitiveness.

Macro-Finance Salon (No. 105): The Rise and Fall of Great Powers and Long Period of Hegemony

On the evening of October 31st, the internal seminar of the Macro-Finance Salon (No. 105) set up jointly by the School of International Studies, the Monetary Institute of International Monetary Fund and the Monetary and Financial Department of the School of Finance of Renmin University was held at the Renmin University. On this salon, Xu Jiankang, advisor to the Social Science Department of Social Science in China Press, was invited as the speaker and delivered a speech on the topic of "the rise and fall of great powers and the long period of hegemony". The academic member of IMI and the deputy president of University of International Business and Economics Ding Zhijie, the dean of the School of Economics in Jilin University, the Changjiang Distinguished Professor Li Xiao and the Professor Xie Fusheng of School of Economics of Renmin University attended the salon and gave their remarks. The salon was hosted by Di Dongsheng, the special research fellow of IMI and the deputy dean of the School of International Studies.

Professor Xu Jiankang analyzed the rise and fall of great powers and long period of hegemony in his speech. He also discussed four important issues including Thucydides's Trap,

the world's fundamental contradiction, the postwar governance of the US hegemony and the rise of protectionism by Trump. He held that, the situation in the US can now be epitomized by three major trends. Western countries attribute the hegemonic period to the fight for hegemony between emerging powers and existing powers. There is no world government. The economy and politics are interacting everyday, so we do need leaders in the world system. The trade war doesn't mean China is fighting for hegemony against the US, rather China is seeking to change the unreasonable internationalization and change the hegemony of imperialism. The China-US trade war not only reflects the globalization of productivity, but also the globalization of capital. Therefore, we need to research the China-US trade war from a global perspective. After reviewing the US hegemonism and the China-US trade war, Professor Xu put forward that, there existed two fundamental contradictions in the society development, which were productivity and production relationship, and the economic foundation and the superstructure. He considered that we should use the law of value to analyze international trade and we should also focus on the flow of capital, because it has a bearing on revolution. When talking about the period of hegemony, Professor Xu believed that the long wave theory was the basic of long period of hegemony. At the heyday of hegemony, free trade is actually monopolized by hegemonic powers. Once hegemonic powers lost their status, we can see the spread of technology and emerging powers, and therefore we enter the descendant phase of long wave. In the heyday of hegemony, the world is with orders and focus on development. Historically, when the hegemony falls into a decline and the multi-polarization is on the rise, we can see the uprising of protectionism and competitions for interests. The hegemonic governance of the US is actually protectionism initiated by Trump, which prioritize the interest of the US.

When giving remarks, Professor Li Xiao mentioned, the China-US trade war is actually a war of system and will force China to reform. China's future development mainly lies on the internal reform. In the future, China will cope with challenges posed by the US system and make appropriate compromise, which are our great progress in system. Professor Ding Zhijie considered, the fall of US dollar's status as international currency or its technical advantages are no longer the trigger of China-US trade friction. China should cope with it from the perspective of the US, rather than turning it into the war of words. Professor Xie Fusheng pointed out, it was a favorable time for China's development. First, we should rely on innovation and establish development platform of key components. Second, the merger and acquisition of upstream firms can help solve the capacity problem. Meanwhile, by improving the environment of rural areas, we can rejuvenate the rural areas.

In the Q&A session, questions about hegemony period, long wave theory and China-US friction were all answered by speakers.

The Macro-Finance Salon is a high-level academic salon set up jointly by the Monetary Institute of International Monetary Fund and the Monetary and Financial Department of the School of Finance of Renmin University of China. It is divided into four categories: "policy experts", "academic masters", "industry elites" and "young scholars". Based on Chinese practice and keeping up with the international developments, the Salon is devoted to promoting the development of "big finance" in the new era and deepening the research on the theory, policy and strategy of "big finance" to build a platform for academic exchange of high level, specialization and openness. The concept of "big finance", which is theoretically



originated from the combination of macro-micro-finance theory advocated by Professor HUANG Da, is conceptually originated from the systemic thinking of the financial and real economy as an indivisible organic whole. CHEN Yulu, vice president of the People's Bank of China, systematically demonstrated the basic connotation and methodology of the proposition of "big finance" in the "Outline for Macro- Finance". In order to comprehensively build a "macro-finance" that is conducive to promoting long-term economic growth and enhancing national competitiveness, system frameworks have to have theoretical and empirical basis.

Macro-Finance Salon (No. 106): The RMB Exchange Rate and Macroeconomic Status Quo

On November 07, 2018, the Macro-Finance Salon (No. 106), co-sponsored by IMI and the Department of Monetary and Finance of the School of Finance, was successfully held in Renmin University of China. This salon explored RMB exchange rate and macro-economic status quo. Guests invited included Tu Yonghong, the Deputy Director of IMI and Professor from the School of Finance in RUC, Professor Dai Wensheng from the School of Finance in RUC, Chang Ming, Deputy General Manager of Jin Chengsheng Asset Management Company and Panda Trader, Li Gongfu, Senior Trader of Bank of China, and Zhang Lu, chief macro analyst of Caixin Think Tank Monita Research. The salon was hosted by Zhang Yu, IMI researcher and head of macro research at Huachuang Securities.

Zhang Yu first shared her latest observations on the exchange rate market: recently the RMB exchange rate has depreciated again since August 2018, once coming close to the benchmark of 7 and reaching a two-year high. In addition, the great increase in the trading volume of the US dollar against the RMB, the volatility of the Chinese currency against the US dollar, and the continuous decline in the swap point have become the center of market observers' attention. Meanwhile, in the near term, the negative correlation between the A-share index and the RMB exchange rate is obvious. The market's expectation of RMB depreciation is looming. The central bank frequently adjusts and controls the RMB exchange rate, and show downward pressure reveals itself among the economic fundamentals.

After briefing the background, Tu Yonghong, Dai Wensheng, Zhang Lu, Li Gongfu, and Chang Ming successively pointed out the reasons for the depreciation of the RMB since the middle term of this year; the current view, definition of the so-called "depreciation expectation", and whether it exists, and finally what to consider in the three-dimensional perspective of exchange rate, foreign exchange reserve, and monetary policy independence; the differences between market's worries towards "7" benchmark and that of 2017 in terms of macro-micro background and influence; how the impact of the Sino-US trade friction change China's current account's surplus; thoughts on the relationship between exchange rate and industries; and discussion and reflection on the feasibility of transforming dependence on foreign demand-oriented to domestic demand-oriented.

Tu Yonghong pointed out that despite the frequent deficit in China's current account at the beginning of this year, it was more of a result due to seasonal factors. After that, the import and export gradually picked up paces, and the uncertainty brought about by the trade war is also shrinking. Therefore, the pressure of depreciation is not so strong as it seems. Dai

Wensheng believed that the implementation of comprehensive policies to prevent financial risks by de-leveraging and supply-side reforms has led to a downturn in China's economic environment, but the depreciation expectation is not obvious so the central bank has much room to maneuver via financial instruments. Zhang Lu mentioned that the world's major currencies have been depreciating in the context of the strong appreciation of the US dollar for the past two years. The depreciation of the renminbi has not caught up with the average depreciation level of major currencies so the market has accumulated much depreciation expectations. Chang Ming believed that improving the RMB exchange rate system is a necessary prerequisite for maintaining the stability of the RMB exchange rate and is of great significance. Li Gongfu interpreted the performance of the recent market from the perspective of traders. The guests expressed their opinions on several topics and carried on new topics and discussions.

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Macro-Finance Salon (No. 107): Is the influence of the RMB on the Belt and Road Countries Enhanced?

On November 9, 2018, the Macro-Finance Salon (No. 107), co-sponsored by IMI and the Department of Monetary and Finance at the School of Finance in RUC, was successfully held in Renmin University of China. Special guest invited as the keynote speaker included Zhou Yinggang, the professor at the School of Economics in Xiamen University, and vice president of the Wang Yanan Institute of Economics. He delivered a keynote speech on "Is the influence of the RMB on the Belt and Road Countries Enhanced?" Tu Yonghong, deputy director of IMI, was a guest speaker who commented on the speech. The lecture was hosted by Wang Fang, IMI Special Researcher, assistant to the Dean of the School of Finance and Finance in RUC, and Associate Professor.

Zhou Yinggang gave a speech on "Is the influence of the RMB on the Belt and Road Countries Enhanced?" He mentioned "five synergies", "four commons" and "three integrations" that are of great significance along the Silk Road. According to his explanation,



"five links" stands for synergies in policy communication, trade exchange, capital finance, facilities connectivity, and people's values. The influence of the RMB on the countries along the "Belt and Road" is divided into two aspects: how to measure the RMB's influence along the Belt and Road, and how "five synergies" affect its regional influence. Zhou Yinggang first introduced his research method. To start off, he modeled the exchange rate between the RMB and the national currencies along the "Belt and Road"; then, he iteratively constructed a dynamic network of currency exchange rates between the major economies of the "Belt and Road"; last but not least, he looked for variables that represent the degrees of "five synergies" and introduced models so the degree of positive response from the "Belt and Road" countries can be represented by the degree of "five synergies". The result of the study shows that the influence of the renminbi on countries along the Belt and Road Initiative has increased, and the higher the level of the "five synergies" are, the higher the corresponding increase.

Subsequently, Tu Yonghong commented on the content of the speech. She believed that the perspective of "five synergies" proposed by Zhou Yinggang was very innovative and inspiring. The conclusions reached were realistic and she sincerely hoped an in-depth cooperation on this issue can be achieved. Afterwards, the guests actively interacted with the audience and fully exchanged ideas on the selection of the "five synergies", the validity of the model, and the realities of the national influence of the renminbi along the "Belt and Road".

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Macro-Finance Salon (No. 108) : Financing Issues of Non-state Enterprises—the Present and the Future

On Nov. 28th, 2018, Macro-Finance Salon (No.108) on "Financing Issues of Non-state Companies" organized by IMI was successfully held in Renmin University of China. This salon is called on by Sun Chao, the IMI researcher and vice general manager of the fixed income in Changjiang Securities. Guest keynote speakers include Wu Ge, IMI research fellow, chief economist at Huarong Securities, general manager's assistant; Xia Le, IMI research fellow, Asian chief economist from the BBVA research division; Yin Ruizhe, IMI research fellow, chief fixed income analyst at the R&D Center of China Merchants Securities; Su Li, chief bond analyst at Golden Credit Rating international Co., Ltd; Liao Zhiming, chief analyst

for the banking sector at TF securities; Chen Xiaoliang, the assistant researcher at Institute of Economic Chinese Academy of Social Sciences. Other guests include Chen Hao, the fixed income investment director at Essence Securities, Guo Yumei, lecture of the school of finance at CUFU, Hu Hengsong, Executive Assistant to the President of Caida Securities, Peng Bo, the researcher in the banking division of research department at CITIC Securities, Shi Jinfeng, micro analyst at CS Founder Securities. This salon was hosted by Song Ke, deputy director of IMI and assistant to the Dean of the School of Finance and Finance in RUC.

Sun Chao introduced the background for the topic. Over the last three decades, the non-state economy has developed by leaps and bounds, taking an important role in the national economy but its financing difficulties are also reported to the state council and central authorities. In reality, this issue not only undermines the credit of non-state companies but also reflect the challenges regarding strategies, internal management and moral problems in the market economy.

Other guests took turns to deliver their speeches. Wu Ge pointed out that the price increase and the volume reduction of non-state sector and micro and small businesses become prominent since the 4th quarter of 2017. He explained that that's due to overall drop in volume and the structural contradictions. He noted that if all the capital return to the balance sheet and overall currency supply is increased, the financing problems would be alleviated.

Xia Le believed that financing difficulties could be related with trade frictions caused by the trade war, the shrinking state sector, long-standing extensive management of non-state enterprises, inadequate supply-side reform. He also pointed out that the inclusive finance system and targeted RRR cuts appear to be working and they could be implemented thoroughly.

Yin Ruizhe then gave a speech on the current financing environment, citing the example of the Bond market cycle. He analyzed the financing conundrum faced by non-state enterprises, the risk conduction and policy misinterpretation. Due to frequent support policies towards non-state companies and the spill-over demand, the market has shown a renewed confidence in the non-state enterprises but it will take more time for policies to take effect.

Su Li believed that the financing difficulties of non-state enterprises are not unique to China. Historically or globally, non-state companies are faced with big or small financing difficulties, which is closely related to the economic cycle and macro-economic environment. She noted that the current bail-out measures and risk mitigation tools are showing results. In terms of the financing source, a more diversified investment structure should be established.

Liao Zhiming pointed out that non-state enterprise should be cautious with financing. Judging from the experience of other countries, as the economy transforms and the becomes less reliant on investment, financing growth will inevitably slow down. The financing difficulties of non-state enterprises can be attributed to internal and external factors, such as the poor management and rising labor cost, etc. Thus, government should give policy support to them. Chen Xiaoliang gave a keynote speech, stating that financing difficulties for SMEs are a common problem worldwide but China is somewhat unique in this respect. He analyzed the reason for financing problems of SMEs based on the policy effectiveness. He asserted that the current policies alleviated the financing problems to a certain extent, but the fundamental solution is to marketize the interest rates and enhance the ability of independent innovation of enterprises.



Subsequently, the keynote speakers and seminar guests discussed many issues, including the status quo of non-state enterprises' financing in capital market and bank credit financing, the reasons for the mounting liquidity pressure since 2001, the current financing environment, the effectiveness of the government's policy support, how to identify top enterprises and how to manage enterprises that escape debts intentionally, how to support private enterprises to liquidize assets, how to improve liquidity and optimize the financing environment, how to effectively supervise and deal with some poorly operated non-state enterprises which are reluctant to pay off debts, how to leverage the national financing guarantee fund system and how the Chinese financial system should be reformed to meet the current economic development needs.

Macro-Finance Salon, a high-level academic salon jointly organized by IMI and the School of Finance of Renmin University of China, has four series, namely Policy Experts, Academic Experts, Top Talents and Young Scholars. Based on China's practice and following the latest international trends, the Salon is a high-level, specialized and open academic exchange platform that facilitates policy and strategy studies, the "Micro-Finance" discipline building in the new era and the implementation of macro-financial theory.

The concept "Macro-Finance" is derived from Prof. Huang Da's notion of combining the macro and micro financial theories and it is in line with the approach of treating finance and the real economy as a whole. Chen Yulu, the deputy governor of PBoC, explained the concept and its methodology in his book *A General Theory of Macrofinance* and created the theoretical framework and empirical basis for the "Micro-Finance" system whose development is conducive to China's long-term economic growth and the national competitiveness.

Macro-Finance Salon (No. 109): The 10th Anniversary of the Global Financial Crisis-What We Have Learned

The first term of the "Global Leadership" series (No. 109) was successfully co-hosted by IMI and the School of Finance of RUC on December 13th. Han Seung-soo was IMI international senior consultant, co-chairman of the International Finance Forum, president of the 56th UN General Assembly, and former South Korean Prime Minister. He and his wife joined salons and delivered speeches.

Before the meeting, Liu Wei, the president of RUC, met with Dr. Han and his entourage. The two sides exchanged works and had cordial conversations. President Liu introduced the history of RUC and emphasized its position in the economic and financial field. In his speech, Dr. Han gave a very high evaluation of China's 40 years of reform and opening up. He praised the contribution of the RUC in cultivating financial and economic talents, and expressed his honor to be the chief international consultant of IMI.

The "Global Leaders" series of seminars of the Macro-Finance Salon was hosted by Ben Shenglin, Director of IMI and Director of the Institute of Internet Finance of Zhejiang University.

Zhuang Yumin, Dean of the School of Finance of Renmin University of China, first delivered a speech and extended a warm welcome to the arrival of Dr. Han Seung-Soo and

presented gifts to the two distinguished guests.

Dr. Han Seung-soo delivered a speech entitled “The 10th Anniversary of the Global Financial Crisis-What We Have Learned”. He recalled the contribution of the G20 to the economic recovery and introduced the green new policy of South Korea in dealing with the economic crisis. He suggested that countries should pay attention to long-term development, strengthen multilateral cooperation in the future and further structural reforms and fiscal reforms. At the same time, he pointed out the four lessons learned by South Korea in the financial crisis. First, after the economic crisis, the gap between the rich and the poor has increased, Brexit, trade war and other social problems caused by it need to be concerned and solved. Second, we need to understand the links between macro-economy and finance and pay attention to the inflation rate while also considering the financial cycle. Third, fiscal policy is now a counter-cyclical policy tool. Fiscal Expansion is not a panacea and countries need to enhance fiscal policy cooperation. Fourth, the latest research of the IMF pointed out that structural reforms also need to pay attention to short-term policy methods and specific implementation strategies.

In the roundtable discussion, participants discussed how to prevent financial crises, developing countries' response measures, quantitative easing policies, shadow banking, structural reforms, and taxation. The involving guests were:

Osman Multu, economic counselor of the Turkish Embassy to China, Bian Weihong, director of the International Finance Institute of Bank of China, and the deputy Editor-in-Chief of International Finance Research. Jin Hainian, Dean of Tsinghua Holding Industry Research Institute, Zhang Wenchun and Gang Jianhua , associate professors in the School of Finance of RUC.

Dr. Han Seung-soo answered questions about the transformation of the G20's functions with his personal experience. He recalled the UN's efforts to protect the environment and green development and praised China's pursuit of green sustainable development. He also discussed how developing countries should respond to the financial crisis and how to prevent financial crises.

Han Seung-Soo, a Korean politician and diplomat, served as the 56th President of the UN General Assembly (2001-2002) and the Prime Minister of Korea (2008-2009). He graduated from Yonsei University in Korea in 1960. He studied for master's and doctoral degrees at Seoul National University in South Korea and York University in the United Kingdom. He then worked as a faculty member at Seoul National University in Korea, Cambridge University and York University in the United Kingdom for nearly 20 years. From 1985 to 1986, he was a visiting professor at Harvard University's Department of Economics and served as a financial advisor to the Venezuela government, the Jordanian government, and the World Bank.

The “Macro-Finance” Academic Seminar Series (The Seminar) is a high level research exchange jointly founded by the China Numismatic Society and the Department of Numismatic Finance in Renmin University. The Seminar invites speakers to share their ideas and research, and is divided into 5 series, “global leadership”, “policy experts”, “academic leaders”, “enterprise elites”, and “youth scholars”. The Seminar joins Chinese practices with the international research frontier, its goal is to establish a high-level, professional and open research exchange platform that integrates theory, practice, policy and strategy for



“Big-Finance” research in the new era. “Macro-Finance” is advocated by Professor Huang Da, who supports integrating financial research on both the macro and micro levels by treating finance and the real economy as one inseparable whole. In his book *General Theory of Macrofinance*, Mr. Chen Yulu, the deputy governor of the PBoC, discussed the fundamental ideas and approach behind macro-finance. The book has provided a solid framework support for establishing a macro-finance platform focused on long term economic growth and bolstering national competitiveness.

Macro-Finance Salon (No. 110): The Fifth Workshop of Economic and Political Studies

On the afternoon of December 20th, the “China-US Economic and Trade Confrontation and International Order” Symposium and the 110th Macro-Finance Salon jointly sponsored by *the Economic and Political Studies* (EPS) of the Renmin University of China and the International Monetary Research Institute (IMI) was held at RUC. Professor Donald Lien of the School of Business at the University of Texas at San Antonio, Mr. Zhuang Tailiang, Executive Director of the Institute of Global Economics and Finance of the Chinese University of Hong Kong, Di Dongsheng, Associate Dean of the School of International Relations at RUC, Ding Haoyuan, Associate Professor of the School of Business at Shanghai University of Finance and Economics, Li Wei, professor of the School of Relations at RUC, Lu Liping, Assistant Professor of the University of Amsterdam, Qian Zongxin, Associate Professor at the School of Finance and Economics of RUC, Qu Fengjie, Director of the Institute of Foreign Economic Research of the National Development and Reform Commission, and Zhu Wenyu, IMI Researcher and other scholars attended the meeting and gave speeches.

He Qing, executive editor-in-chief of *Economic and Political Studies*, delivered a speech first. In his speech, he noted that top-class universities need top-notch journals, this seminar is intended for promoting the outcomes of our discussions, expanding contribution source, and improving the quality of contributions, bettering the work of *Economic and Political Studies* with the support and help of experts and scholars, and promoting viewpoints for policy influences.

This roundtable seminar consisted of two stages and was chaired by the Deputy Director of IMI, Tu Yonghong.

Zhuang Tailiang analyzed the causes and effects of the Sino-US trade war. He pointed out that the Sino-US trade deficit, the mid-term elections, and Trump’s intention for 2020 re-election were the three main reasons for the Sino-US trade war. He also stated that we should have confidence in the country, and the trade war has little impact on China as a whole.

From the perspective of international relations, Li Wei introduced the contact and defense between China and the United States in different stages. He believed that the Sino-US trade war was a major strategic adjustment in US’s China policy over the past 40 years. He also pointed out that the economic interests, the ideology, and security and strategy have shaped the US’s economic and trade policies for China in different time periods. The US economic strategy for China is divided into three categories: economic assistance, economic

decoupling and containment strategy. The future Sino-US relationship is not clear, but China should actively respond to Sino-US relations, value and leverage the giant market with over 1.3 billion population, and stimulate domestic demand; At the same time, China should maintain relations with other developed countries, especially Europe and Japan.

Di Dongsheng talked about the Sino-US trade war from the fiscal perspective. In his speech, he first analyzed some misjudgments of causes of the trade war: the Thucydides trap, the blockade of China's technology upgrading, manufacturing job creation to win over the blue-collar voters, a shift of attention from the "Russia Gate" narrative, and the extortion for self-praise. He pointed out that the reason for the US to launch a trade war is actually due to Trump's tax reduction policy. Therefore, he suggested that China should adjust the objectives and means of trade wars, and should not rely on large-scale procurement in exchange for the tariff exemption, but should focus on putting pressure on the capital market.

Professor Donald Lien commented on the views of several speakers. He believes that the Sino-US trade war will not have a particularly large economic impact, but in terms of the international environment, it may bring about a greater change in mentality and other broad implications. Afterwards, the guest speakers and the panelists conducted in-depth discussions on the causes and effects of the Sino-US trade war.

After a short tea break, the second phase of the roundtable discussion began. Qu Fengjie elaborated on the impact and countermeasures of Sino-US trade frictions. She believes that the Sino-US trade war is rooted in the strategic misjudgments between the two countries on their respective strengths and Sino-US relations. Sino-US relations have entered a phase featured by the strategic competition or even strategic containment. Therefore, China must avert the risks of de-Chinaization and technical blockades in the international rules system. China must reform, open up, solve pain points, avoid war mentality, identify the gap between sci-tech and finance, actively study China's positions and measures to promote the WTO reform, ensure that post-border rules align with the international standards, and strengthen multi-disciplinary and multi-channel communication with the United States. China should also innovate the support system, make key technology breakthroughs, avoid reversal in our opening-up process, and avoid the arbitrariness of policies.

Ding Haoyuan analyzed the innovation of private enterprises from the perspective of the trade war. He said that the trade war, to some extent, is a battle for the commanding heights, and it is a dispute over the strength of science and technology underpinned by intellectual property rights. China and the United States have very large gaps in tort compensation, and Chinese people have low awareness of copyright. China's current patent application is ranked second in the world, but at the same time, patent and invention purchases are also ranked second, and financial innovation is lacking. Therefore, the Chinese government should actively mobilize funds to support private enterprises and stimulate the innovation of private enterprises.

Zong Liang analyzed the trade disputes between China and US from three aspects. He first clarified the origin of the trade war and noted that we should figure out the international rules. Then he pointed out that the trade war depends on the comprehensive competitive advantages of the two countries after analyzing the model of Sino-US economic and trade confrontation. Finally, he proposed that the market economy model should have new connotations and standards, and a fair and rational new international economic and trade order



should be put in place.

Later, Zhu Wenyu, Lu Liping, Qian Zongxin and other scholars commented on the views of the keynote speakers and expressed their own views. Luo Tianhong, deputy editor-in-chief of *Economic and Political Studies*, made a summary of the meeting.

Economic and Political Studies (EPS, CN 10-1049/C, ISSN 2095-4816) is an English academic quarterly managed by the Ministry of Education, hosted by Renmin University of China and promoted to overseas audience by the well-known publishing group, Taylor& Francis Group. It is sponsored by the Academic Translation Project of the National Social Science Fund and aims to promote the communication and dialogue between Chinese and foreign scholars. Since its inception in 2013, EPS is growing rapidly. Following the inclusion of the journal in CrossRef, Google Scholar, OCLC, RePEc and other search databases, *Economic and Political Studies* was included in ESCI (the “Emerging Resource Citation Index Database”) in 2017 and was later included in the world's largest abstract and citation database, Scopus, in 2018. The current Editor-in-Chief is Professor Liu Wei, the Chancellor of Renmin University of China, and the Executive Editor is Professor He Qing. For more information, please visit <http://www.tandfonline.com/reps>.

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Tao Xiang International Finance Lectures

Editor's Note:

Professor Tao Xiang is one of the famous educators of international finance in China, and he is also the founder of international finance subject in Renmin University of China, who is at the meantime highly admired by a number of students. At the 10th anniversary of the professor's pass-away, proposed by graduates who had majored in international finance in RUC, the School of Finance and International Monetary Institute of RUC initiate the Tao Xiang International Finance Lectures, invite experts and scholars in international finance to give lectures and share their experience with the students, in order to cultivate outstanding talents for China to develop into the global finance center.

Tao Xiang International Finance Lectures (No. 14): Business Operation and Management of Overseas Chinese Banks

On the evening of November 12th, Tao Xiang International Financial Lecture (No. 14) was successfully held at Room 2221, Teaching Building 2, Renmin University of China. Li Biao, President of CCB London Branch, delivered a speech on Operation and Management of Overseas Chinese Banks. Mr. Tu Yonghong, Deputy Director of IMI & Professor of School of Finance, hosted the lecture and students of School of Finance and guests from academic and commercial circles participated in the lecture.

First, President Li Biao explained the development of overseas Chinese banks. They focus on wholesale business, including like deposits, loans, international settlement, trade financing, capital transactions, RMB clearing and investment consultancy. Some engage in retail business. In the early stage, domestic business took up to 80% to 90%. In recent years, the banks expand and localize their overseas business steadily. Localization enables Chinese-funded enterprises to compete with local banks in a level playing field and raises higher requirements for the enterprises- "going global" and RMB internationalization.

Second, President Li Biao shared his business management and management in three countries and introduced Asian and European corporate cultures, especially differences in corporate governance and culture. For example, Chinese managers want obedient employees, but it may be unrealistic in Western countries because employees want challenging work and thinking patterns. President Li Biao shared vivid cases and challenges of corporate governance, cultural differences, business operation & management and financial supervision in Korea, Germany and the United Kingdom.

President Li Biao put forward his views on Brexit and the future of Europe. He also reviewed and envisioned the internationalization of RMB. In addition, he mentioned the attitude of the British government and business community towards RMB internationalization and the promotion and practice of it on the part of Chinese banks in the UK. Up to now, the



London branch of China Construction Bank has achieved a clearing volume of 30 trillion yuan. It has been the largest RMB clearing bank outside Asia for three consecutive years. London is the most developed financial center in the world. The extensive use of RMB and its internationalization will greatly enhance its status as an offshore financial hub. This is also what London anticipates the most at this time.

In the Q&A session, President Li Biao answered students' questions on future employment, knowledge structure and reserves, capacity development, career design, key points and difficulties in RMB internationalization and cross-cultural management. He also mentioned that overseas work experience would be a golden opportunity for personal development and one's career. He hoped and encouraged more students to join the overseas talent team.

After this session, Tu Yonghong presented the honorary certificate of "Tao Xiang International Financial Lecture" to President Li Biao and sincerely invited President Li Biao to return to his alma mater to communicate with students. According to Professor Tu, "Tao Xiang International Financial Lecture" was jointly initiated by the School of Finance and the International Monetary Institute of Renmin University of China in response to the proposal of the graduates majoring in international finance at this university on the 10th anniversary of Professor Tao Xiang's death.

The "Lecture" is held 12 times a year. Based on general finance and featuring case study, it covers a variety of sectors in international finance, including international economic policies, international financial organizations, international banking supervision, RMB internationalization, international banking development strategy, international financial risk management, cross-border mergers and acquisitions, international fund operations, derivatives trading, international financial leasing, multinational bank consortium, asset securitization and Internet finance. The "Lecture" hires elites and leaders in the international financial industry to teach professional knowledge, aiming to contribute to Renmin University of China's cultivation of talent with solid theoretical basis and superb ability to manage international finance in the 21st century.

Tao Xiang International Finance Lectures (No. 15): Fintech's Current Development and its Supervision in China

On the afternoon of November 28, the 15th Tao Xiang International Finance Lecture was successfully held in Room 0201 Mingfa building of Renmin University of China. The guest lecturer Mr. Mu Changchun is the Deputy Director of the Payment and Settlement Department of the People's Bank of China. His lecture is titled *Fintech's Current Development and its Supervision in China*. Deputy director of the IMI Professor Tu Yonghong of the School of Economics and Finance, presided over the lecture. The lecture is also attended by IMI Special Researcher Wang Fang, IMI researcher Hu Bo, students and teachers from the School of Economics and Finance, as well as guests from academia.

First, Deputy Director Mu explained the current development of Fintech from four different dimensions, which can be summed up by the acronym ABCD. Dimension A represents Artificial Intelligence, which includes machine learning and other technologies.

Director Mu pointed out that the main applications of machine-based in-depth learning in the financial field are areas such as intelligent investments. Dimension B represents Big data and is mainly used in credit and credit reporting in the financial field. Dimension C represents Cloud computing and can help financial institutions process data. Finally, Dimension D represents Distributed ledger technology, and its application in the financial field is still being explored. Mr. Mu introduced these dimensions and their respective development in the financial field, analyzed their current problems and future prospects, and finally gave a systematic summary of Fintech's application in payment and settlement businesses and services.

Later, Deputy Director Mu gave a comprehensive introduction to the money market fund, using Alipay's Yu 'e Bao as an example. He pointed out the market risks faced by the money market fund in the digital era. Mr. Mu also shared his insights on the future development for money market funds.

During Q&A, Deputy Director Mu answered students' questions on: the theory of payment and trading mechanism and related research frontier; the bank payment and clearing market; and the development of the global network. Professor Hu Bo, IMI researcher and professor from the School of Economics and Finance also shared his opinions on the development of Fintech.

After the lecture, Professor Tu Yonghong presented "The Taoxiang International Finance Lecture Honorary Certificate" to Director Mu Changchun. As Professor Tu said, the "Tao Xiang International Finance Lectures" was jointly launched by the School of Economics and Finance and the International Monetary Institute to commemorate the late Professor Tao Xiang at the 10th year of his passing. The lecture series is started by requests from the graduates of the Department of International Finance, and is formed and maintained by the School of Economics and Finance, as well as the IMI. "The Lecture Series" holds 12 lectures each year. Lectures are based on major areas in finance areas and features by case-studies, focusing on international financial issues such as international economic policy, financial organizations, banking supervision, RMB internationalization, banking development strategy, financial risk management, cross-border mergers and acquisitions, fund operation, derivatives trading, financial leasing, cross-border syndicate, asset securitization, and internet finance "The Lecture Series" employs elites and leaders of the international financial community to teach professional knowledge, with the aim to explore innovative ways for Renmin University to cultivate talents with solid theoretical foundation coupled with sound international financial management literacy for the 21st century.

Tao Xiang International Finance Lectures (No. 16): Finance Supporting Industries and Japan's Economic Outlook in 2050

On the afternoon of December 12th, Tao Xiang International Finance Lecture (No. 16) was successfully held in the Renmin University of China. Toyoki Oka, President of Mizuho Bank China Ltd., gave a speech on Finance Supporting Industries and Japan's Economic Outlook in 2050. The lecture was hosted by Prof. Tu Yonghong, deputy director of IMI and professor from the School of Finance in Renmin University of China. He Ping, associate



professor from the School of Finance in Renmin University of China, teachers and students of the School, and guests from the academia and industries also participated in the lecture.

To start with, President Oka gave a general introduction to Mizuho Financial Group and Mizuho Bank, including its history, organizational structure and its relationship with Renmin University of China. Subsequently, he gave three examples to illustrate various initiatives made by Mizuho Bank in supporting the development of environment, energy, medical, health, agriculture, forestry and fishery industries. Mizuho Bank's initiatives in supporting the industries include an cross-country project involving an intelligent community that utilizes wind, firepower and solar power generation, a program aiming to raise the public's awareness of health via points scheme and a fund specially built for the cultivation, collection, process instruction and sales of agricultural products.

Moreover, Mr. Oka has shared his insights into Japan's economic and industrial technological innovations in 2050. He predicted that Japan and the world as a whole will continue to face problems such as low birth rate, aging population, unsustainable social security, a worsening traffic environment, and increasing carbon dioxide emissions. However, genetic technology, the application of new energy, AI and the popularity of big data will all solve these problems more effectively. At the end of his speech, Mr. Oka also sent his earnest and thought-provoking words to the students at the lecture.

In the Q&A session, Mr. Oka discussed with the people present the impact of the unequal talent introduction on the future development, the changes in Mizuho Bank and its role in Japanese economy before and after the financial crisis and Mizuho Bank's changes in service and innovation to adapt to new technologies. He Ping, an associate professor of Renmin University of China, commented on the development of the Japanese economy and the current status of Mizuho Bank.

At last, Professor Tu Yonghong awarded the honorary certificate of Tao Xiang International Finance Lecture to Mr. Oka. As Prof. Tu introduces, the Lecture was launched on the occasion of the tenth anniversary of Professor Tao Xiang's death, and was initiated by the Graduate School of Finance in Renmin University of China and the Institute of International Finance in Renmin University of China. The Lecture are held 12 times each year, revolving around macro-finance and featuring case teaching. It touches upon international economic policies, international financial organizations, international banking supervision, RMB internationalization, international banking development strategy, international financial risk management, cross-border mergers and acquisitions, international fund operations, derivatives trading, international financial leasing, multinational syndicates, asset securitization, and internet finance. The Lecture invites experts and leaders to disseminate knowledge, aiming to help RUC in cultivating new talents who excels in theories and international financial management skills for the 21st century.

Exchange

The 1st China Finance Ph.D. Student Forum --The Annual Conference of the 15th Anniversary of China Journal of Finance

On December 23, 2018, the first China Finance Ph.D. Student Forum--the Annual Conference of the 15th Anniversary of China Journal of Finance was held in Beijing. Experts, scholars and doctoral students from various universities gathered together to witness the first academic seminar of the first China Finance Ph.D. Student Forum and the Annual Conference of the 15th Anniversary of China Journal of Finance.

Professor Lin Yifu, Dean of the Institute of New Structural Economics of Peking University, and Professor Zhao Changwen, Co-chief Editor of China Journal of Finance, delivered keynote speeches. The distinguished guests include Professor Wu Xiaoqiu, Vice President of Renmin University of China; Professor Ben Shenglin, Dean of Internet Finance Institute (AIF) of Zhejiang University & Executive Editor of China Journal of Finance; Professor Ding Zhijie of University of International Business and Economics, Academic Member of China Journal of Finance, Professor Han Liyan of Beijing University of Aeronautics and Astronautics, Academic Member of China Journal of Finance; Professor Li Jianjun, Central University of Finance and Economics & Academic Member of China Journal of Finance; Professor Zhu Wuxiang, Tsinghua University & Academic Member of China Journal of Finance; Professor Wang Changyun, Renmin University of China & Academic Member of China Journal of Finance; Professor Yang Liuyong, Zhejiang University & Academic Committee of China Journal of Finance; Professor Du Jiang, Sichuan University; Professor Fu Jianfeng, Development Strategy Research Institute of the Ministry of Science and Technology; Professor Liu Qingsong, China Securities Research Institute; Zhao Qiwei, Yu Jiefang, Song Ke and Fan Wei, editors of China Journal of Finance. The conference was hosted by Professor Zhuang Yumin, Co-chief Editor of China Journal of Finance & Dean of School of Finance of Renmin University of China.

Prof. Wu Xiaoqiu first extended warm congratulations on the 15th anniversary of China Journal of Finance. He mentioned that China's financial changes were very fast, so it is necessary to grasp the financial research trends from the perspective of mastering the basic knowledge and logic of Chinese finance. He believes that there are four drivers of financial development in the future: 1. Disintermediation will change China's future financial structure. 2. Technology will have a disruptive impact on finance. 3. Financial structure will change toward wealth management and asset diversification. 4. It is anticipated that China's finance will be transformed in structure, high technology and internationalization, and will certainly



become an international financial center.

Professor Lin Yifu delivered a keynote speech entitled "40 Years of Reform and Opening up and Theoretical Innovation in New Structural Economics". He talked about China's economic development during the 40 years of reform and opening up. From 1978 to 2017, China's average growth rate reached 9.5% for 39 consecutive years, a miracle in the history of economics. Based on the development of China's financial economy and others, Professor Lin Yifu and other guests discussed the reasons for China's rapid growth after the reform and opening up, the reasons why there are always be a "China collapse theory" in the world, and the advantages of latecomers and shock therapy. At the same time, he analyzed the cost of rapid growth and the importance of theoretical innovation. He advocated the introduction of structural differences into the new economics of structural analysis. It can provide not only a better theoretical explanation for China's reform and development, but also some new research perspectives for financial experts and scholars.

Subsequently, it was time for a commemorative ceremony. Professor Zhao Changwen presented Professor Lin Yifu with a souvenir of the 15th Anniversary of China Journal of Finance. Prof. Wu Xiaoqiu, Prof. Zhuang Xiaomin and Prof. Ben Shenglin jointly granted academic members letters of appointment.

Prof. Zhao Changwen then delivered a keynote speech entitled "Productive Debt, Financial Efficiency and Economic Efficiency - An Analysis Framework for De-Leveraging". For practical applications, he discussed "de-leveraging", the most important topic in China. Prof. Zhao Changwen pointed out that the three core aspects of de-leveraging are productive debt, financial efficiency and economic efficiency. lower macro leverage ratio or de-leveraging must start from the financial sector but focus on the entire economic system. Three focal points are: 1. Which sector are financial resources allocated? 2. The efficiency of financial resource allocation. 3. The efficiency of the entire economic system.

In the roundtable hosted by Prof. Ben Shenglin, distinguished guests thoroughly discussed the development strategy of "China's financial deepening and innovation promotion".

In the afternoon, the conference included three paper presentation sessions, including 6 economic papers, 6 financial papers, and 8 financial papers respectively. the authors of the 20 excellent papers had face-to-face dialogues with experts in the financial and economic fields. The experts provided review and guidance on the spot. They shared academic knowledge and ideas, jointly promoting the academic development of China's finance.

We have witnessed 10 years of aftermath since the global financial crisis and 40 years of remarkable changes in China since the reform and opening up. at the historic juncture of 2018, the 1st China Finance Ph.D. Student Forum--the Annual Conference of the 15th Anniversary of China Journal of Finance was organized successfully. The conference was jointly sponsored by the Editorial Department of China Journal of Finance, the School of Finance of Renmin University of China, and the Fiscal Policy Institute of Renmin University of China; organized by the International Monetary Institute of Renmin University of China (IMI) and the Academy of Internet Finance of Zhejiang University (AIF); supported by the School of Public Administration of Tsinghua University, the Finance and Governance Institute and the Institute of Finance of Sichuan University.

Previously, the 2018 Annual Conference of China Journal of Finance was held in Beijing,

summarizing all the work of 2018 and deploying key tasks of 2019. Attendees exchanged ideas on China Journal of Finance's positioning, papers' quantity and quality, mechanisms and promotion.

China Journal of Finance is jointly organized by Tsinghua University, Sichuan University, Zhejiang University, and Renmin University of China. Many famous senior scholars at home and abroad form its academic committee. China Journal of Finance focuses on the frontiers of financial theories and practices, a high-end academic platform for Chinese financial researchers. In the fifteen years since the publication, China Journal of Finance has kept up with international advanced theories and practices, rooted in the Chinese financial system, upheld normative research, encouraged theory practice integration, and inspired academic discussions. We will continue to focus on traditional financial issues such as monetary banking, financial market, corporate finance, public finance, international finance, and financial regulation, and keep track of new financial issues such as fintech and internet finance. We will be committed to developing theories and practices simultaneously and forging ahead with our mission-serving China's finance.



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