



IMI Newsletter

International Monetary Institute
Renmin University of China

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Focus

2015 IMI Annual Meeting

On January 18, IMI welcomed the opening of its 2015 annual meeting in Culture Square. The meeting was attended by Cui Wenli, chairman of IMI council and general manager of Maida Investment and Consultancy Co., Ltd; Peng Xiaoguang, deputy chairman of IMI council and vice president of Global Business & Times; IMI Academic Committee members including Chen Weidong, deputy executive director, International Finance Institute, Bank of China; Ding Zhijie, assistant president of University of International Business and Economics; Guo Qingwang, dean of the School of Finance, Renmin University of China; Hu Xuehao, deputy director-general of the Finance Department at the Ministry of Finance; Liu Jun, vice president of China Everbright Group; Qu Qiang, director of China Financial Policy Research Center of RUC; Zhao Haiying, chief risk officer of China Investment Corporation; Zhao Xijun, associate dean of the School of Finance, RUC; Zhang Jie, director of IMI and associate dean of the School of Finance, RUC; Cao Tong, co-director of IMI and chairman of board, Xiamen International Finance Technology Co., Ltd.; Xiang Songzuo, deputy director of IMI and chief economist of Agricultural Bank of China; as well as Tu Yonghong, Song Ke, and altogether 30 members of the Council and the Academic Committee. Ji Hongbo, secretary of the Party Committee of the School of Finance, RUC, is also invited as the special guest. The conference is chaired by Ben Shenglin, executive director of IMI and founding dean of Academy of Internet Finance of Zhejiang University.

Prof. Guo Qingwang delivered his opening speech on behalf of the School of Finance. He spoke highly of all the significant jobs accomplished by IMI in 2015, for instance, the Renminbi Internationalization Report, small scale seminars, as well as the translation of the International Monetary Fund history. He also expressed his sincere gratitude towards the great support from all members of the Council and the Academic Committee.

Director Zhang Jie presented his summary of 2015 and expectations for 2016. He briefly reviewed major tasks finished in each month of 2015, including the Macro-Finance Salon, ASEAN+3 Macroeconomic Research Office (AMRO) meeting, and International Monetary

Forum and press conference of the RMB Internationalization Internationalization Report. He also expressed his great thankfulness to the hard work of IMI managing team over the year as well as the great support from Prof. Guo Qingwang. Meanwhile, He also discussed about the future opportunities and challenges that might appear in following tasks, such as the completing the Series of IMF History Project, building five scientific research teams, improving IMI research and report system, publishing the RMB Internationalization Report 2016 in China and abroad, establishing international cooperation platform, enriching academic activities, brand promotion, establishing new media platform, managing research teams with standardized rules, expanding investment, etc.

Members of the Council and the Academic Committee, as well as research fellows had a deep and broad communication based on their own consideration, and gave suggestions to the future development of IMI. Cui Wenli spoke highly of the newsletters and journals published by IMI. Chen Weidong looked forward to deeper and fundamental researches, taking RMB internationalization as an opportunity, and providing feasible and proactive solutions for academic governance reform, since IMI's social and policy influence is improving. Hu Xuehao pointed out that IMI should stick to RMB internationalization as the research topic, expand the scope of research, reexamine if the financial system is feasible and creative, and establish a sound operation mechanism for the future. Meanwhile, IMI should continue to cooperate with universities to train professionals. Liu Jun provided a series of suggestions on how to expand the research scope, promote the academic masterpieces, and enhance the cooperation and mutual trust with all parties. Zhao Haiying said that IMI should research more on currency crisis and relevant topics, in which he would like to devote more. Cao Tong believed that IMI had made much progress in macro, logical and theoretical topics. Future researches can be more detailed, specific and operable.



Research

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, former vice minister of the Ministry of Commerce; Su Ning, former deputy-governor of PBoC; Chen Yulu, president of Renmin University; Pan Gongsheng, deputy-governor of PBoC; 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.

Roundtable on Money and Finance · Winter 2015: Cross-Straight Financial Cooperation after RMB's Inclusion into the SDR

On January 16, Roundtable on Money and Finance•Winter 2015 was held in Fuzhou, jointly organized by IMI, Minjiang University and RUC Fujian Alumni Association. The conference was themed cross-strait financial cooperation after RMB's inclusion into the SDR. The conference was attended by Wei Benhua, former deputy administrator-in-bureau of SAFE; Wu Guopei, governor of Fuzhou Sub-branch of PBoC and administrator-in-bureau of Fujian Administration of Foreign Exchange; Sun Lujun, director of Guoxin International Investment Co., Ltd. and former director general of Capital Project Management Division of SAFE; Su Suhua, vice president of RUC Fujian Alumni Association; E Zhihuan, deputy general manager of Economics & Strategic Planning Department of BoC (Hong Kong); Guo Haiying, director of RUC alumni office; Zhuang Yumin, vice president of Minjiang

University; Ding Jianping, deputy director of Shanghai Institute of International Finance Center; Cai Yingyi, professor of National University of Kaohsiung; and more than 100 other guests from Beijing, Shanghai, Fujian, Taiwan and Hong Kong. The conference was chaired by Tu Yonghong, deputy director of IMI.

The conference was held on the day of Taiwan's presidential election. It is of great significance to discuss economic and financial cooperation on this day. Zhuang Yumin, Su Suhua and Guo Haiying made the opening remarks. Zhuang Yumin expressed her expectation that financial cooperation would be promoted through this conference. Su Suhua stressed that the SDR inclusion would accelerate the development of Fujian's economy. Guo Haiying pointed out the fact that Fujian province, as a model of cooperation between RUC and provincial colleges attached a great importance to the introduction and training of high-level talents.

On behalf of RUC-Taiwan Sinopac research team, Prof. He Qing and Prof. Cai Yingyi delivered the keynote speeches. Prof. He focused on the research on One Belt One Road and cooperation mechanism across the strait. He pointed out the fact that the economic cooperation between mainland and Taiwan was still restricted by various factors. Furthermore, he put forward profound suggestions on deepening cross-strait financial cooperation and promoting regional integration from five aspects. Prof. Cai analyzed cross-strait financial cooperation after RMB's inclusion into the SDR in three aspects: current situation and challenges of the cooperation, Taiwan's financial development and opportunities, relations of mainland and Taiwan, etc. He emphasized the core issue of deepening cross-strait exchange and cooperation was transforming "China Threat" to "China Trust" in 2016.

In the panel discussion, the guests discussed in-depth on topics of SDR inclusion, cross-strait financial cooperation, RMB internationalization, etc. Wei Benhua explored the significance of RMB's inclusion in the SDR and the impact on RMB internationalization. E Zhihuan emphasized issues of RMB exchange rate and RMB internationalization. Zhao Zhong, the founding partner of Murong Investment. Ltd., presented his insight about the capital market under the exchange rate reform. Pan Changfeng, director of Internet Financial Development Research Center, elaborated the effects of SDR inclusion on the development of Free Trade Zone. Qian Zongxin, assistant professor of RUC, analyzed the decisive factors of the core business of offshore financial centers and its guidance to cross-strait financial cooperation.



Roundtable on Money and Finance · Spring 2016: Financial Support for the Supply-Side Structural Reform

On March 26, Roundtable on Money and Finance•Spring 2016 was held in Renmin University. The conference was themed “financial support for the supply-side structural reform”. Executives of financial regulation sectors and financial experts were present at the conference and delivered speeches, including Jiao Jinpu, the chairman of Shanghai Gold Exchange; Guan Tao, senior research fellow of China Finance 40 Forum and former director-general of the Department of International Balance of Payments of SAFE; Wang Yongli, senior vice president of LeTV and former vice president of Bank of China; E Zhihuan, deputy general manager of Economics & Strategic Planning Department, Bank of China (Hong Kong); Yan Xiandong, head of the Division of Census and Statistics of PBoC; Xi Hui, deputy director of the Research Institute of Financial Informatization of PBoC; Pan Changfeng, director of Haixi Reseach Center of Fiscal and Financial Development, Research Base of Humanities& Social Sciences in Universities in Fujian Province; Li Xin, professor of the Research Institute of Securities and Futures of Capital University of Economics and Business; Guo Qingwang, dean of the School of Finance, RUC; Zhao Xijun, associate dean of the School of Finance, RUC; Qu qiang, director of China Financial Policy Research Center, RUC; Ben Shenglin, executive director of IMI; Song Ke, deputy director of IMI. The conference was chaired by Tu Yonghong, deputy director of IMI.

Prof. Guo Qingwang delivered his opening speech. He mentioned that generally, fiscal policies play the role of adjusting structure, while financial policies adjust the total volume. Then, should the supply-side reform focus more on fiscal policies or financial policies? Meanwhile, he pointed out that the structural reform cannot leave financial support, and we need to further discuss what role should the financial system play in the supply-side reform.

Mr. Jiao Jinpu talked about the four key elements of the supply-side reform, i.e., cutting taxes, reducing costs, encouraging innovation and promoting the flexibility of labor market. He discussed how the Reaganomics and Thatcher’s privatization reform of state-owned enterprises had helped western countries in relieving stagflation in the 1980s, and how their experience can be learnt by us to solve our problems. He also explained the supply-side reform thoroughly from 3 aspects: behavior regulation, inclusive finance and financial innovation.

The topic of Dr. Guan Tao's keynote speech was "increasing and improving financial supply is key to comprehensive supply-side reform". He pointed out that from both the global and domestic perspectives, finance could support the real economy not only through monetary stimulus, but also through other means. He also analyzed the 6 main parts of Chinese financial supply-side reform, including enriching the financial institution system, improving the financial market system, enhancing the financial innovation function, perfecting the financial macro-control, further opening up the financial system and improving the financial governance system. Meanwhile, he mentioned that the reform should properly balance the relationships between adjusting structure and stabilizing growth, direct financing and indirect financing, supporting development and stabilizing finance, encouraging innovation and regulating in an appropriate manner, further opening up and preventing risks, learning from global experience and considering China's national conditions, using policy guidance and staying market-oriented.

Prof. Qu Qiang and Prof. Zhao Xijun made comments on the two speakers' keynote speeches respectively. Prof. Qu Qiang used the development history of western financial theory as an example to illustrate his idea that supply and demand cannot be fully separated, and the government and the market should not stand in complete opposition. Economic development should be transmitted to the production sector on the basis of demand, and thus to realize full market competition. He pointed out that the problem of overcapacity should be solved from the supply side, and he hoped that we could break down financial depression and open up financial access through developing Internet finance. Prof. Zhao Xijun analyzed M2, renminbi loan balance and the ratio of non-performing loans in commercial banks, and illustrated the downward pressure in China's current monetary aggregates, social financing scale and asset quality of the banking industry. Facing the current situation of the capital market, China should focus on stabilizing the stock market, deepening the reforms on interest rate and exchange rate, accelerating renminbi internationalization and exploring the priority of financial development.

During the roundtable discussion, Mr. Wang Yongli proposed his opinion of properly handling the relationship between the government and the market. Dr. E Zhihuan pointed out that to stabilize the renminbi's exchange rate, we should consider both the inclusion of renminbi to the SDR basket and the internal and external balance. Mr. Yan Xiandong talked about the problem of how to distribute fiscal policies and monetary policies in the process of



the supply-side reform. Mr. Pan Changfeng discussed the existing problems in the current credit system, and said that we should enhance the efficiency of supply-side reform, fight against irregular financial behaviors and prevent huge profits in the financial industry. Ms. Xi Hui put forward 3 key points of the supply-side reform: scientific finance, direct financing and financial support. Prof. Li Xin discussed about the details and landing of supply-side reform and financial support.

Last but not least, Mr. Ben Shenglin concluded the speeches of all the guests. He pointed out that the supply-side reform is still about balancing the relationship between the government and the market. The government should shoulder its responsibility of providing public goods, and make improvements in transaction order, business structure, access and exit mechanisms, punishment mechanism, protection of consumers' rights, credit environment construction, and guidance of public opinion. Financial institutions, on the other hand, should provide financial products and services, improve their abilities to price risks, and improve self-discipline as well as social responsibility awareness. Individual investors should develop rational, mature investment philosophies. During the process of the supply-side reform, we should clarify responsibilities, optimize structure, embrace technologies and should never forget our original intention to make finance better serve the real economy.

Macro-Finance Salon

Editor's Note:

Macro-Finance Salon is a high-level academic salon jointly initiated by IMI and the Department of Money and Banking from School of Finance of Renmin University. 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. 29): Blockchain--the Basic Framework of Value Internet

On March 5, Macro-Finance Salon (No. 29) was held at Renmin University of China. Wu Zhifeng, senior research fellow of IMI and director of International Strategy Department, Research Institute of China Development Bank, was invited as the guest speaker. He delivered a speech on "blockchain: the basic framework of value internet". Wang Fang, research fellow of IMI and associate professor of the School of Finance of RUC, chaired the meeting.

In his speech, Mr. Wu Zhifeng first introduced the definition of blockchain—a shared distributed public ledger technology that makes decentralized trust possible for the first



time. He analyzed the role blockchain plays in the internet protocol stack and emphasized the three core features of blockchain—consensus, security and openness. He also introduced blockchain’s development trend, point-to-point value transaction and smart contract. As for how the blockchain works, Mr. Wu explored its decentralized mode, its logical structures in systems and businesses and the process of the new distributed public ledger. He pointed out that dynamic network, ledger structure and consensus mechanism is the three key technologies for blockchain to establish decentralized trust. He also gave examples of blockchain’s applications in currency and payment, record-keeping, security, smart contract, etc.

In the Q&A session, audience raised questions and shared views on blockchain’s significance, development path, capital transaction scale, working mechanism, field of application, etc. Mr. Wu gave answers to all these questions.

Macro-Finance Salon (No. 30): Capital Account Management and Convertibility

On March 22, Macro-Finance Salon (No. 30) was held in Room 714, Mingde Main Building. IMI senior research fellow, Sun Lujun, executive director of Guoxin International Investment Corporation Ltd. and the former director-general of the Capital Account Management Department of SAFE, was invited to deliver a speech on capital account management and convertibility. IMI research fellow Zhang Chao chaired the meeting.

Sun introduced China’s foreign exchange management of capital account transactions regarding its content and purposes. He also analyzed in detail the IMF’s attitude towards managing capital flows. He believed that the main purpose of such management were to prevent rapid surges of cross-border capital flows, especially short-term capital flows, and to maintain the balance of payments, so that a country’s financial system and economic development would not suffer severely from inflow surges or disruptive outflows. Sun pointed out that after the financial crisis IMF became more pragmatic on capital flow management, acknowledging its rationality under certain conditions. But IMF also noted that capital flow management was only a temporary measure because there were prerequisites.

Capital account convertibility, in Sun's view, was an important part of China's financial reform and opening up. Theoretically, less government interference in the financial system and market would help turn idle funds into productive investment outlays and channel funds to more productive sectors and regions. Therefore, financial development and economic growth could mutually support each other. Generally, the changes in global economic landscape gave China favorable opportunities and environment for financial reform and opening up. Sun believed that China should seize the "window period" of such changes to step towards financial liberalization. Specific measures included ending any form of financial repression that still existed, forming a market-oriented financial system, further promoting market-based interest rate and exchange rate, and progressively realizing RMB capital account convertibility. These required reformers to be courageous and farsighted enough. Meanwhile, RMB capital account convertibility needed overall planning, gradual improvement, and space for adjustment.



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. 3): Lessons Learned from the 2008 Financial Crisis

On March 25, Tao Xiang International Finance Lectures (No. 3) was held in Renmin University. Geng Qun, the general manager of the asset management department of Huaneng Trust, made a speech on “Insight and Inspiration – Lessons Learned from the 2008 Financial Crisis”. Wei Benhua, former deputy administrator-in-bureau of SAFE; Wang Fang, assistant dean of the School of Finance; and Xu Yisheng, CEO of Hangzhou China Soft New Dynamic Asset Management Company attended the lecture and made comments accordingly. Prof. Tu Yonghong, deputy director of IMI, chaired the lecture.

The 2008 global financial crisis, though struck 8 years ago, provides lessons for China, argued Dr. Geng. He spelled out, in chronological sequence, how the crisis developed, why it happened, and how the governments around the world tried to tackle it. He also introduced how this crisis inspired China's development.

He believed that America's subprime mortgage crisis was mainly attributed to the

government's policies that encouraged home ownership and to the relatively easy monetary policy. China was not severely impacted by the crisis, which helped it demonstrate its capability to the world. The reason was that China hadn't implemented capital account liberalization at that time. After several years of reform and opening up, China now faces more challenging problems such as controlling the real estate bubbles, implementing supervision after capital account liberalization, developing the financial system, innovating financial products, and adjusting economic structure. He encouraged the students to fully utilize their knowledge in their work and play their part for China's future development.

Mr. Wei fully recognized the importance of comprehensively understanding the financial crisis in a period when the global economy remains weak, and made additional remarks on why the crisis happened. He stressed that China needs to gain more voice in the international community, especially in financial area, and to enhance the development of financial institutions so as to guard against potential financial crisis. Prof. Wang held that when crisis occurs, the government's intervention is necessary, but the government still needs to improve its ability to carry out such intervention. Mr. Xu proposed several issues and discussed them with the guests there. These issues include the responsibility of the FED during the crisis and its spillover effects.



Exchange

IMI Research Team Visits Taiwan

On January 12 and 13, the Cross-Strait Financial Cooperation Forum co-hosted by IMI and Bank SinoPac was held in Taipei. Tu Yonghong, deputy director of IMI; and He Qing, Wang Fang, and Qian Zongxin, researcher fellows of IMI, delivered keynote speeches. Many financial experts in Taiwan attended the forum including Qiu Zhengxiong, former minister of Finance in Taiwan, Chairman of the Board of Bank SinoPac; Xu Jiadong, former minister of Finance in Taiwan, chairman of Taiwan Academy of Banking and Finance; Zhou Ading, former deputy governor of the central bank of Taiwan, chairman of the board of Taipei Foreign Exchange Market Development Foundation; Zhang Jinyuan, senior research fellow of IMI, president of Bank SinoPac, etc. The forum was chaired by Cai Yingyi, professor of the Department of Applied Economics at National University of Kaohsiung.

Prof. Tu Yonghong centered on the mainland's marketization reform of interest rate, exchange rate and capital account and reviewed the entire process in which the mainland's marketization reform had been launched, promoted, and deepened during the past 37 years. She particularly explained why and how reform policies were made based on the macro situation and momentous events in each stage so as to accommodate the overall reform goals. She resumed to summarize historical experiences and put forward sensible suggestions for the future direction of China's marketization reform.

Prof. Wang Fang gave a keynote speech under the title of "New Triffin Dilemma and RMB Internationalization". She started with the US current account deficits, laid special stress on analyzing the causes of the exacerbation of the US current accounts, and pointed out that there exists a long-term imbalance between economic imbalances and currency imbalances in the US. She mentioned that under the Jamaican currency system, the exacerbation of the US current accounts leads to the "New Triffin Dilemma", which gives rise to frequent occurrence of international financial crises, as well as a "balance of terror" in the global economic and financial systems. Meanwhile, she expressed her suggestions and expectations for the RMB internationalization.

Prof. He Qing delivered a keynote speech on the Belt and Road Initiative and mechanisms for cross-strait cooperation, in which he pointed out the advantages and opportunities for Taiwan to join the Belt and Road Initiative, and laid special stress on analyzing the characteristics of the six modes of cross-strait economic cooperation under the Economic Cooperation Framework Agreement (ECFA). He pointed out that cross-strait economic cooperation still faces many restrictions, and came up with five suggestions for enhancing the cross-strait economic cooperation and the regional integration.

Prof. Qian Zongxin centered on the determinants of the offshore financial center's core business and their reference for cross-strait financial cooperation. Based on regression analyses, he introduced the factors that determine the different development levels of offshore bonds business, money market business, and stock business in different offshore financial centers, and put forward policy suggestions for business development of the offshore financial center in cross-strait financial cooperation.

Guests from the financial industry in Taiwan gave constructive comments on the speeches by IMI members. Mr. Qiu Zhengxiong reviewed the rate of change in capital intensity (NK/L) and the GDP growth rate of Taiwan manufacturing industry 1967 – 2013. He mentioned in particular that the most important objective of monetary policies is to increase employment, so in the future when making policies concerning interest rate and exchange rate people's livelihood, employment and inflation should be the main focus. Mr. Xu Jiadong pointed out that RMB internationalization still needs to confront the "Triffin Dilemma". He largely agreed with Prof. Wang Fang on her analyses of the exacerbation of the US current accounts and understanding of the role of the RMB internalization. He pointed out that the financial reforms in the mainland and in Taiwan share many similarities in interest rate liberalization, exchange rate reform, opening up of capital account, etc. He also put forward constructive views on the outlook of the mainland's move to "comprehensively deepen the reform of financial system". Mr. Zhou Ading reviewed in detail the history of the interest rate liberalization of Taiwan Dollar (TWD) and the opening up of capital account, and he put forward that in a small open economy, foreign investment determines stock prices and the exchange rate. He analyzed the increasingly important role of RMB in Taiwan's financial market. Mr. Zhang Jinyuan reviewed how US dollar has established its credit system,



analyzed what impacts strong currencies would have upon other economies after becoming international currencies, and gave his suggestions on RMB internationalization.

This forum is an important event during IMI's study tour in Taiwan. Cross-strait financial cooperation and communication is the objective requirement of economic globalization and the inevitable choice of the cross-strait economic and financial relations. However, the financial circles of the two sides lack mutual understanding of each other's financial policies and reform practices, and thus they could neither accommodate the changes of the environment for the cross-strait economic and trade exchanges and financial cooperation, nor grasp effectively the opportunity for cooperation. Therefore, IMI visited Taipei for a one-week study tour to local financial industries and institutions, aiming to acquire an in-depth and full understanding of Taiwan's financial development, systematically summarize the experiences in financial reform and development, and compare the overall lines of thinking and mechanisms for making decisions of the two sides during their financial reforms, so as to explore feasible directions and modes for cross-strait financial cooperation. During the study tour, the team also visited influential local financial institutions including Small and Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG) and Bank Sinopac, and had an in-depth exchange of ideas with local experts and scholars.

FCEE Joins Hands with IMI as the First Partner in Latin America

School of Business Studies and Economics at University of Montevideo (FCEE) signed the Memorandum of Understanding with IMI on February 10, becoming the first partner of IMI in Latin America. Alejandro Cid, the head of FECC, signed the memorandum with Herbert Poenisch, member of the IMI academic committee and former senior economist of the Bank for International Settlements.

FCEE is an integral part of the University of Montevideo, specializing in tertiary education and research in the fields of business, finance and economics with emphasis on their international aspects. It is considering the establishment of a research center focusing on economic ties between the Southern Cone of South America and Asia—building on the increased trade and financial relationships between these areas in recent years and seeking to provide public and private sectors with analysis of relevant trends and policy issues.

Further down the road, FCEE will conduct close cooperation with IMI in such areas as academic activities, talent exchanges, joint research, and information sharing.



Executive Director of IMI Attends the Inauguration of Raisina Dialogue in India

From March 1st to 4th, Ben Shenglin, executive director of IMI, was invited to the inauguration ceremony and first conference of Raisina Dialogue sponsored by Indian Ministry of Foreign Affairs and Observer Research Foundation at New Delhi.

Raisina Dialogue is established imitating Singapore's Shangri-La Dialogue. As a high-level forum, it aims at enhancing India's international and regional influence. The conference was attended by government officials and scholars around the world including the presidents of Afghanistan and Sri Lanka, and former president of Republic of Seychelles. Li Zhaoxing, China's former Minister of Foreign Affairs made a keynote speech on the conference.

Prof. Ben made a speech entitled "the role of emerging Asia in global trade governance" on the Competing Globalization Forum. During the conference, he also discussed with Dr. Jaya Josie, member of IMI Academic Committee and Head of BRICS Research Center of Human Sciences Research Council, on the implementation of Memorandum of Understanding between IMI and HSRC.

During his visit in New Delhi, Prof. Ben was also invited to deliver a speech at the Chinese Embassy in India on the new normal of global economy and China's supply-side financial reform. He also met with Ambassador Liu Jinsong and Counselor Zhou Yuyun. He visited the School of Management at the University of Delhi and discussed with Professor Simrit Kaur on joint research and student exchange opportunities.

Deputy Director of IMI Appointed as Visiting Professor at ZUEL

On March 14, Xiang Songzuo, Deputy Director of IMI and chief economist with the Agricultural Bank of China, gave an academic report at Zhongnan University of Economics and Law (ZUEL). Prof. Yang Canming, president of ZUEL, conferred Dr. Xiang appointment letter of visiting professor. Song Huaqing, dean of the Department of Finance at ZUEL, chaired the ceremony. More than 200 university staff and students attended the ceremony.

In his report, Dr. Xiang started by talking about the new global economic and financial architecture following the global financial tsunami. He expounded on three aspects: how the rapid rise of China has shocked and upset the world; how the persistent US dollar hegemony has confused and disappointed the world; and how the volatile global finance has bewildered and disheartened the world.

Dr. Xiang believe that the inherent imbalance in the global economic structure today came into being because ever since the collapse of the Bretton Woods system in 1971, the inherent structure of the world economy has seen a major transformation, that is, industrial capitalism has been gradually replaced by financial capitalism over the past 40 years. Dr. Xiang pointed out that given the new global economic and financial architecture, the priority of China's overall financial strategy should be to ensure that monetary finance better serve the real economy; China's industries and trade obtain greater competitiveness; China's huge market obtain greater competitiveness while being transformed into an international financial center; RMB enjoys a better say in the global monetary finance; and China set up an enabling framework for investment and capital. Dr. Xiang believed that as the world's second largest economy, major manufacturer and trading power, China needs to take up a vantage point in the global monetary and financial system, and obtain a better say and more pricing power. The key to this is a better and stronger domestic financial market.



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