

HKUST 20th Anniversary Celebrations
China Economic Development Forum, 23 March 2011

Summary of Questions Raised by Participants at the Forum

The Keynote Speeches at the China Economic Development Forum were very well received. An inspired audience has submitted a large number of highly relevant questions to the Panels. While some were addressed at the Panel Discussions, many were not due to time limitation. The Forum Secretariat has summarized the collected questions in the list below for sharing and to let the inspirations continue. We thank all participants for their enthusiastic response.

China in the Global Arena

1. How will the recent tragedy of Japanese earthquake and nuclear crisis affect the competitive landscape globally, and especially the Chinese economy?
2. Given China's ever growing economic power and political influence, will there be a new economic world order and what kind of a system can be expected? If so, what do you think the US will do to secure its influence over China and in Asia?
3. Why does China have double surpluses in its current account and capital account? And what can be done to have a healthier balance of payment?
4. To what extent the Chinese model of development can be replicated by the other developing countries to achieve economic growth?
5. Should there be any new institutional designs for the integration of China's financial market into the global financial system?
6. How will China's rise in the next 20 years affect the US economy and the world?

Political, Economic, and Social Reforms in China

1. What new social reforms are necessary to sustain a healthy growth of the Chinese economy in the next 5 years?
2. More and more people are demanding higher level of democracy in China. What will be the impacts of China's democratization on the Chinese economy and the world?
3. If new reforms cannot be carried out to improve the current fiscal distribution between the central government and local governments, how can the local governments get rid of their reliance on selling lands to finance their expenditures?
4. To ensure a sustainable development of China, what should be done to tackle the problems of income inequality, regional development inequality and political inequality? And what should be the first step in the coming reforms?

5. How could a reform of the health care system be engineered to improve social welfare?
6. Does China need a tax reform to achieve better development?

China's Sustainable Development

1. "Rich Country and Poor People": How do policy makers utilize the wealth of the nation to really benefit its people?
2. Is our educational system, especially higher education, able to support a sustainable development of China in the next 20 years?
3. Do you think the monopoly or the dominant role played by state-owned enterprises will hamper the competitiveness in the mainland market and thus harm the sustainable development of China?
4. How will China serve its role in the development of green technology? Can China sustain its growth in an environmentally friendly way?
5. How long do you think the central government will sustain its suppression on the Chinese property market before the housing prices drop? Do you think the current policy towards the property market works? If the current measures by the Chinese government fail to cool down the property market, what other methods can be used?
6. Although China is now the world factory, the value added part in export is still very small. How can we upgrade the position of Chinese firms in the global value chain?

The 12th Five-Year Plan

1. What is the focus of the 12th Five-Year Plan?
2. Will there be any concrete plans for adjusting the import and export imbalance?
3. What are the difficulties in the new economic reform?
4. It seems that political reform in addition to economic reform is necessary in the new phase of China's socio-economic development. What are the difficulties facing China's leaders to take on a political reform and what can be done to improve them?
5. Which is the greater focus of this Five-Year Plan—maintaining GDP growth rate, or restructuring and upgrading the existing industries, like from manufacturing to financial services?
6. Emphasis has been put on increasing domestic demand in the coming years. How can the central government encourage domestic consumption so as to make it a larger contributor to the growing GDP?

Monetary Policy in China

1. What is the fundamental cause of China's high inflation rate now?
2. 4% CPI target looks quite loose. Some other countries, such as New Zealand and Canada, have 2% CPI target. What are the considerations to set 4% as our CPI target?
3. Please comment on the current quantitative easing policy of the central banks worldwide.

4. How will the policy makers deal with “hot money” from around the world?
5. The Central Bank has started to raise interest rates last year. Being a clearing bank for RMB transactions, is there any room for Bank of China, Hong Kong, to raise interest rates on its settlements.
6. Inflation has been a major concern over the past few months. Will continued inflation hurt the Chinese economy and how do we tackle the problem?

Yuan Exchange Rate and RMB Market Development

1. What will be the pace and extent of appreciation of Yuan against USD in 2011?
2. It is considered the key of the strategic internationalization of RMB lies in how to improve and enrich our offshore RMB centers and the related flow-back channels, which is now the No.1 priority of the People’s Bank of China. Any views on this?
3. How long do policymakers expect the offshore RMB markets to exist?
4. Do policymakers anticipate the emergence of additional offshore RMB centers other than Hong Kong?
5. Can RMB ever replace USD to become the global reserve currency?
6. Can you give a timeline for the internationalization of RMB in the next 5 years, 10 years, and 20 years?

Hong Kong’s Role in China’s Economic Development

1. What will be the latest moves of the Hong Kong Monetary Authority in pushing forward the offshore RMB market construction in Hong Kong?
2. What are the latest policy directions for RMB-denominated IPOs in the Hong Kong equity market?
3. What are the challenges facing Hong Kong to become a successful offshore RMB market?
4. What can be the potential benefits to all stakeholders brought by the issuance of RMB-denominated bonds in Hong Kong?
5. To facilitate exchange of talents, more and more Hong Kong residents are going to work in Mainland China. Will there be a system to facilitate RMB flowing back to Hong Kong as the residents are earning RMB?
6. What is the future role of the Hong Kong dollar in China’s economic development?

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Thank you again for your support to the China Economic Development Forum.