

(Translation)

Only an Open and Inclusive Nation Can be Strong

By Wen Jiabao
Premier of the State Council, People's Republic of China
At National University of Singapore

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Minister Mentor Lee Kuan Yew,
Mr. Shih Choon Fong, President of the National University of Singapore,
Students and Faculty Members,
Ladies and Gentlemen,
Friends,

I am delighted to have this opportunity of meeting you, leading public figures in Singapore and representatives of faculty and students of the National University of Singapore (NUS). Let me begin by conveying the warm greetings and best wishes of the Chinese people to you, and through you, to the people of Singapore.

NUS has a long history and is internationally renowned. "Advance knowledge and foster innovation, educate students and nurture talent, in service of country and society." Guided by this motto, NUS has produced many outstanding graduates well grounded in knowledge and with inquisitive mind. NUS has a "no walls" culture, that is, no walls around minds and no walls to talent. At its centenary, NUS committed itself to unleashing minds and transforming lives in keeping with the vision of fostering innovation and the spirit of enterprise for the betterment of society. I am convinced that guided by its mission and vision and with its first class faculty, strong scientific research capability and a network of partners around the world, NUS will, through its quality education, contribute more to Singapore, to Asia and to the whole world.

This is my fourth visit to Singapore. Though my visits have all been short, I have never failed to be impressed by changes and progress made in Singapore. Thanks to its efforts made over the past 40 years since independence, Singapore has the busiest container port and airport in the world. It has grown into the world's third largest commodity trading center and oil refinery center and the fifth largest foreign exchange

trading center. It is also one of the three largest financial centers in Asia. Singapore today is noted for prosperity, public order, clean government, high efficiency and a beautiful environment. Singapore's development achievements are attributable to your most valuable assets. And this is how Minister Mentor Lee Kuan Yew put it, "Our greatest asset was the trust and confidence of the people. The other valuable asset we had was our people – hardworking, thrifty, eager to learn." Your success is also attributable to Singapore's way of survival as advocated by the minister mentor, "to be better organized and more efficient and competitive than the rest of the region." Another important cause for Singapore's success is that it has long pursued an open policy. A small country becomes big when it embraces the world. By opening itself to the outside world and drawing upon others' successful practices, Singapore has come a long way in development, with growing international influence.

Ladies and Gentlemen,

Opening up has worked not only for Singapore. A review of China's history leads to the same conclusion: Only an open and inclusive nation can become strong and prosperous, while a nation that shuts its door to the world is bound to fall behind. There were proud chapters of opening up in China's history. As early as 2,000 years ago in the Han Dynasty, China opened the famous Silk Road and started exchanges with West Asia. During the prime time of the Tang Dynasty in the 7th and 8th centuries, the country was engaged in frequent interaction with the outside world. In the early Ming Dynasty in the 15th century, Zheng He, the famous Chinese navigator, led a fleet on seven expeditions to the Western Seas, reaching as far as the east coast of Africa. He brought tea, silk and porcelain to the local people. These voyages demonstrated China's strong maritime capabilities and overall national strength at that time. Zheng He's expeditions were almost a century earlier than those of Columbus or Da Gama. But after Zheng He, the Chinese feudal rulers at the time turned inward and began to restrict and later completely banned ocean-going voyages, missing out on an important opportunity for development.

The Qing Dynasty reached its apex in the period between late 17th century and the end of the 18th century, noted for unprecedented peace and prosperity during the reign of Emperors Kangxi and Qianlong. At that time, China was a leading industrial producer in the world. It was, however, during this period that European countries embarked on the path of modern capitalist revolution and the Industrial Revolution. They unleashed productive forces and overtook China. The Chinese rulers at

that time, ignorant of this historical transformation, continued to indulge in complacency. They dismissed Western science and technology as “clever but useless”. In the 100 years and more after Emperors Kangxi and Qianlong’s reign, China was left far behind in development and its international standing plummeted and it became a semi-colonial country subjected to humiliation by foreign powers.

The founding of the People’s Republic of China marked the independence and liberation of the Chinese nation and brought about profound changes in the country. The Chinese people took their destiny into their own hands. But in the 1960s and 1970s when waves of dynamic economic growth and scientific and technological revolution were sweeping across much of the world, China was in the grip of the decade-long “Cultural Revolution”. It thus lost another good opportunity for development. Fortunately, we changed course in the late 1970s and embarked on the track of reform and opening up, that is, to carry out reform domestically and open up externally. Opening up is also a part of China’s overall reform efforts. By pursuing the policy of reform and opening-up, we have seized the new historical opportunity and achieved fast development for almost 30 years. As a result, China’s overall national strength has been greatly enhanced, the living standards of its people have significantly improved and the country’s international standing has steadily risen.

China has made remarkable achievements in its opening-up endeavor in the past three decades. Its import and export in goods, only US\$20.6 billion in 1978, reached US\$1.76 trillion in 2006, registering an 84-fold increase. This turned China into the third largest trading nation in the world. China’s foreign exchange reserves, which never exceeded US\$1 billion before 1978, surpassed US\$1 trillion at the end of 2006. Foreign trade has become a key pillar underpinning China’s economic development. By introducing foreign capital, technologies and managerial expertise and using them as a basis for making innovation, we have greatly boosted productivity and narrowed the gap between China and developed countries. We have increased exchanges with other countries in education, culture, science and technology and other fields. A great number of Chinese students have studied overseas and many of them have returned to China, contributing their share to its development endeavor. By drawing on the strengths of others, the people in China have freed their minds and broadened their visions and become more open and creative. China joined the World Trade Organization in 2001, which marked a new stage in its opening up drive.

This is what we have learned from China's success in development over the past nearly 30 years: The world today is an open one. No country can achieve development in isolation or seclusion. We in China are working to build socialism with distinctive Chinese features, and our fundamental objective is to boost productive forces and meet the increasing material and cultural needs of the people. To meet this goal, we must address issues arising in the course of domestic development and reform and remain committed to opening up.

China's opening up policy is a long-term one. Opening up has brought great benefits to more than one billion Chinese. It is the right policy for China and has the support of the people, and it will therefore not change. To deviate from this policy will only impede China's development and we will lose popular support. This is the fundamental reason why China will stay on the track of opening up. Opening up is crucial to China's reform and modernization endeavor. It is a basic state policy, not expediency. Though the specific measures and means to implement this policy may differ in different stages, the basic policy will not change. At the beginning of China's reform and opening up, we assured the world that China's opening up policy would remain unchanged in the 20th century and the first half of the 21st century. After the mid-21st century, China will have more frequent economic interactions with the rest of the world, and the two will become even more inter-dependent and indivisible. This will make it even less likely for China to reverse its opening up policy.

China's opening up is comprehensive in nature. We are open not only to developed countries, but also to developing countries. We are open not only in the economic field, but also in the scientific, technological, educational, cultural and other fields. China first introduced the opening up policy in its special economic zones on a trial basis. Following their success, we proceeded to implement this policy in coastal cities and areas, and then in the hinterland. The opening up policy has been pursued in a gradual way – from selected cities to regions and then to the whole country. Openness and inclusiveness are two sides of the same coin. Only by opening China can we bring in advanced and successful practices. And only by being inclusive, which calls for respect for different cultures and mutual learning, can we enrich and strengthen ourselves. We should boldly absorb and draw upon all the achievements of the human society, including those of the capitalist countries, build on them and make innovations.

China's opening up policy is based on mutual benefit. We are

developing a socialist market economy under the conditions of economic globalization, and this naturally means we should open ourselves to the world, build inter-dependent economic ties with other countries, gain close access to the international market and integrate ourselves into the world economy. We are committed to carrying out mutually beneficial cooperation on an equal footing with other countries in accordance with the law of the market. Opening up not only benefits China's development, but also contributes to development in the world. By introducing foreign capital, technologies and managerial expertise, China has upgraded its production capacity, and this has also enabled other countries to gain benefits and increase their market shares in China. Only on the basis of mutual benefit and win-win progress can opening up endure and be conducive to the fundamental interests of all peoples and peace and prosperity of the world.

The Communist Party of China held its 17th National Congress not long ago. The Congress reviewed and affirmed the achievements we have made and experience we have gained in the course of reform and opening up over the past nearly 30 years. The Party Congress highlighted China's resolve to pursue reform and opening up and build socialism with distinctive Chinese features and its confidence in accomplishing this endeavor. We will unswervingly follow the opening up policy, move up the value chain as we participate in economic globalization, and focus on addressing new issues in opening up that have arisen under the current circumstances. We stand for free trade and oppose protectionism. We will speed up changing the mode of trade growth, improve trade mix and strive to reduce trade imbalances. We are committed to the basic policy of using foreign capital and will develop innovative ways of using foreign capital, improve its structure and raise its efficiency. We will continue to follow an independent, gradual and controllable approach in improving the RMB exchange rate mechanism, increase its flexibility and gradually make RMB convertible under capital account. We take product quality and food safety seriously and work to uphold the interests of both Chinese and foreign consumers. We comply with international standards in production and have enhanced law enforcement of and supervision over product testing and inspection. We are fully committed to protecting intellectual property rights and have made a lot of effective efforts in this area. We stand ready to deepen cooperation in IPR protection with other countries. We are ready to work with all other countries to jointly tackle climate change within the framework of the *UN Framework Convention on Climate Change* and the *Kyoto Protocol* and in accordance with the principle of "common but differentiated responsibilities". We have put in place the legal framework governing opening up and will continue to

improve it to place foreign investment activities in China under the rule of law and protect the lawful rights and interests of foreign investors.

Ladies and Gentlemen,

Opening up and inclusiveness have both created Singapore's success and contributed to China's development. Mutual opening up and inclusiveness between China and Singapore have led to rapid growth in our cooperation. Last year, China-Singapore trade totaled US\$40.85 billion, 15 times the figure of 1990 when our two countries established diplomatic ties. Last year saw 1.8 million mutual visits between China and Singapore, a 19-fold increase over 1990. The Suzhou Industrial Park has become a success story not only in China-Singapore cooperation, but also among China's industrial parks. Our two countries are exploring the building of an eco-city. This will be a good initiative to be taken by China and Singapore to promote sustainable development in keeping with the trends of the times. Back in the early 1990s, Mr. Deng Xiaoping highly commended Singapore on its public order and said that China should draw upon its experience. In the past decade and more, over 9,000 Chinese officials have received training in Singapore. By drawing on their respective strengths and maintaining close cooperation, China and Singapore have both become winners. Responding to the proposal made by Minister Mentor Lee Kuan Yew, the Singapore Chinese Chamber of Commerce and Industry has recently set up an organization known as "Business China", which offers a new platform for conducting cultural and business exchanges between the two countries. We hope "Business China" will create more opportunities for the growth of China-Singapore relations.

Reviewing the past and looking ahead to the future, we have every confidence in the future of China-Singapore relations. Guided by the Scientific Outlook on Development, we in China are striving to build a moderately prosperous society in all respects, and you are pursuing the strategy to remake Singapore. This has provided new opportunities for our two countries to carry out cooperation in development. We will continue to increase exchanges and cooperation with Singapore. The foundation of China-Singapore friendship was laid by Mr. Deng Xiaoping and Mr. Lee Kuan Yew, and new generations of leaders in both countries have worked hard to build this friendship. We are confident that our friendship will be carried forward from generation to generation, and our cooperation will have an even brighter future.