

# Creating New Miracles in Asia

Ahead of the Boao Forum for Asia (BFA) Annual Conference, to be held on April 8–11, *Beijing Review* interviewed **Zhou Wenzhong**, Secretary General of the BFA, about his views on Asian development and the world's prosperity.

Founded in 2001, the BFA is a nongovernmental, nonprofit international organization committed to promoting regional economic integration. Its annual conferences take place in the resort town of Boao, in south China's Hainan Province.

**Beijing Review: The theme of the 2018 BFA Annual Conference is An Open and Innovative Asia for a World of Greater Prosperity. How was this theme formulated? What is the BFA expecting to achieve at this year's conference?**

**Zhou Wenzhong:** In May 2017, the BFA started to solicit advice from its 29 founding countries, its board of directors, council of advisors, members, partners, think tanks and media on the theme of the annual conference and topics of discussion. We also held three seminars and a special meeting of the board of directors to discuss the theme.

During the process of consultation, we had a common understanding that—given the fact that anti-globalization sentiment and trade and investment protectionism are on the rise, and that globalization is partially facing setbacks—Asia, as well as the whole world, needs to be more open and connected than ever before, rather than being isolated and closed. The world needs to be more inclusive and balanced, rather than being divided between the rich and poor.

Currently, world economic growth is still fragile; there are many uncertainties and complicated situations in the world economy. Asia and the world need to change their ideas of development to economic growth driven by innovation instead of simply by factor input. Under the current situation, peace and development remain the call of our day. It should be the common mission of Asia and all the countries of the world to build a community with

a shared future for mankind, and to advance the common development and prosperity of the world.

To push forward Asia's adaptation to the new situation, the BFA invited officials, industry and business professionals and academics from around the world, especially from the Asia-Pacific region, to gather at this year's annual conference to review the past and discuss prospects for openness and innovation in Asia. The discussions at sub-forums will focus on a variety of aspects, including sustainable development, macroeconomic policy, corporate responsibilities, social and cultural advancement, scientific and technological innovation, promotion of the Belt and Road Initiative and the strengthening of regional cooperation. We hope that the 2018 conference will become a multi-lateral event of exchanges that will build greater consensus within Asia, let its voice be better heard and boost internal cooperation in the region and collaboration between Asia and the rest of the world.

**How would you evaluate the development of Asia?**

In the past decades, Asia has played an increasingly important role in world economic development and has created "Asian miracles" one after another. It has not only transformed itself following a long period of poverty and underdevelopment, but has also injected energy into the world economy.

However, the 2008 global financial crisis gave a heavy blow to Asia's economy,

posing an unprecedented challenge to the economic growth of the continent. On the one hand, the previous development mode could hardly continue, while on the other, a new way of development that fits the new situation has not yet been found. At the same time, a technological revolution led by mobile internet and artificial intelligence has been booming and gaining momentum, changing conventional ways of production, living, economic operation and even global governance.

Against such a backdrop, with so many changing factors overlapping, it is impossible for Asia to continue its success in the traditional way. To sustain prosperity in the post-financial crisis period, Asia needs a new round of opening up and innovation. Asian economies need to strengthen bilateral and multilateral cooperation and promote regional and sub-regional trade and investment liberalization. Asia needs to create an environment with a fully open market that is suitable for sustainable economic development.

With a new round of technological innovation, Asia needs to boost innovation in basic scientific research and applied technology. Meanwhile, Asian economies need to adjust development thinking and explore innovative ways of implementing institutional, business-model and structural reforms. In this way, they can deepen structural adjustment while maintaining stable growth; resolve the structural problems that restrict the sustainable development of the continent; and ultimately realize innovative, coordinated, green and open development for everyone.

**How would you rate Asia's status in global economic development?**

The growth of Asia has been higher than the average growth of the world economy in the past decades. Currently, Asia's economic aggregate accounts for more than 33 percent of the world's total, ex-



Zhou Wenzhong, Secretary General of the Boao Forum for Asia (BFA), speaks at a press briefing on the 2018 BFA Annual Conference in Beijing on Jan. 25.

ceeding North America's 28 percent and Europe's 22 percent. In particular, in the process of globalization, Asia has become the largest market of trade in goods and services and an important source and destination for foreign direct investment (FDI), thus making it the region with the most emerging economies since the start of the 21st century.

The rapid development of Asia's economy has benefited from two elements: the openness and innovation of Asia, and the lasting wave of globalization.

While following the trend of globalization and regional integration, Asian economies have become more and more mutually dependent, with trade volume between them far exceeding the total volume between Asia and external economies. The phenomenon is more prominent in East Asia, where before the 1980s, the trade volume between East Asia and North America was much higher than that within the region itself, which is no longer the case. Now, the trade volume within the region has exceeded the region's trade volume with North America and the euro-zone combined.

At the same time, Asian economies have not confined themselves to the region, but have been active in pursuing economic integration with other areas of the world. The increasingly close interdependence among economies in Asia and the closer connection between Asia and the rest of the world show that Asia cannot

realize prosperity and development all by itself.

The wider and deeper openness and innovation in Asia are based on the foundation that interdependence within Asia has been unprecedentedly high, which means Asian economies must cooperate in order to realize their common goals. Because of the diversity in the history, culture, religions, politics and economic development levels of Asian economies, Asia does not have a continent-wide organization, which is different from other continents such as the Americas, Africa and Europe. But given the deepening regional economic integration, Asian economies have become close partners, creating a good environment for them to further strengthen regional cooperation through policy and mechanism connectivity.

Although the anti-globalization trend has been on the rise in recent years, globalization is irreversible. Asian economies must further embrace the global tide of opening up and innovation and try to lead the current. Technological advancement, which is the major driving force for the development of productivity, will result in innovation in a wide range of areas including institutions, policies and business models. Such innovation will go beyond the limits of national boundaries and will need to be carried out through coordination and cooperation among different countries and regions. We have reasons to believe that Asia, led by a new round of opening up and innovation, will become

the most important source of dynamism for the world's economic prosperity.

**This year is the fifth anniversary of the Belt and Road Initiative. What kind of role will it play in promoting regional cooperation in Asia?**

The Belt and Road Initiative, proposed by Chinese President Xi Jinping, is based on the principle of achieving shared growth through discussion and collaboration. It provides a convenient and wide cooperation platform for opening up and innovation in the new era. It includes not only construction of "hardware" such as infrastructure and industrial parks, but also development of "software" such as institutional arrangements and mechanisms.

The Belt and Road Initiative is aimed at promoting policy coordination, infrastructure connectivity, unimpeded trade, financial integration and mutual understanding among people in countries along and beyond the ancient Silk Road routes. It could be a solution to realizing sustainable prosperity for the entire world economy.

Thus, themes such as the Belt and Road Initiative, openness, innovation and cooperation will become the keywords for many of the activities at the 2018 BFA Annual Conference. ■



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