A bullet train travels through Duchang County in China's Jiangxi Province on October 6, 2018.

As China's top lawmakers and political advisers convene their annual sessions in Beijing in March, economic issues are at the top of their agenda. The events, officially known as the sessions of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference, are occasions when such issues of national importance are deliberated and decided upon. China's economic health has been in the spotlight lately, and major concerns include a lack of growth impetus, the stability of growth and the future of economic development.

China's 2018 macroeconomic data helps put matters into perspective. It shows that China's economy has generally maintained temperated growth and made progress in transforming from a high-speed growth model to high-quality development. China has also deepened domestic reforms and further opened up to foreign investment and trade, testing itself to achieve the nation's long-term goals.

**Growth and progress**

In 2018, China's GDP was approximately 90 trillion yuan ($13.3 trillion), an increase of 6.6 percent from 2017, allowing the set target of around 6.5 percent growth.

Although growth slowed slightly in 2018, intrinsic growth drivers were further strengthened, and consumption became a crucial pillar for economic development, accounting for 76.2 percent of China's GDP growth in 2018, up 1.8 percentage points from the previous year. The structure of consumption has been enhanced, and the trend of consumption upgrading continues.

In 2018, primary industry accounted for 7.2 percent of GDP, down 0.4 percentage point from 2017, while secondary industries accounted for 40.7 percent and 52.2 percent of GDP, up 0.2 and 0.3 percentage points, respectively. This indicates a continuous optimization of China's economic structure.

Innovation-driven development played a key role in 2018. The value-added output of high-tech industries increased by 8.9 percent and 1.7 percent respectively year on year—2.7 and 3.5 percentage points faster than the growth rate of leading industrial enterprises. Online retail sales also surged. The nation's industrial structure is also being optimized as new growth drivers account for a bigger portion of China's economy. This, in turn, stimulates relevant industries. For example, the information and communication technology investment increased as information and communication technologies also play a crucial role. Since the U.S. has put the export of hi-tech products under increasingly severe scrutiny, indigenous innovation will become even more important. China is converting pressure into driving forces, strengthening basic scientific research, promoting the shift from science to technology and creating a new engine for economic and social development.

Further steps

As China celebrates the 70th anniversary of the founding of the People's Republic of China this year, the world is ushering in the brand new era of Globalization 4.0, defined by the World Economic Forum as being characterized by pluralism, multipolarity, ecological challenges and the fourth industrial revolution.

For China, there are tremendous opportunities and challenges, along with motivations and pressures. In order to achieve sustainable and healthy development and deal with the uncertain external environment with ease, the country will focus on improving quality and efficiency.

Looking at the history of world economic development, we know that high growth rates cannot last forever. Many economic powers have entered a period of long-term low growth after a truncated economic boom. However, a low growth rate does not necessarily indicate a deteriorating economy. Instead, it often signifies high-quality, competitive growth. As long as employment rates remain stable, there is no need to obsessively focus on ever-increasing GDP figures.

The depth of China's opening up is of great importance. The foreign investment negative list detailing the sectors where foreign investment is not permitted or restricted, was published on June 28, 2018 by the Ministry of Commerce and the National Development and Reform Commission, provides a roadmap and a schedule of opening up the financial and automobile sectors—gradually widening the opening-up process and allowing the transition of relevant industries.

A new foreign investment law is expected to be adopted at this year's plenary session of the National People's Congress. The law will help attract more foreign investment, protect foreign investors' legitimate rights and interests and foster an environment favorable to doing business. Independent innovation of key technologies also plays a crucial role. Since the U.S. has put the export of hi-tech products under increasingly severe scrutiny, indigenous innovation will become even more important. China is converting pressure into driving forces, strengthening basic scientific research, promoting the shift from science to technology and creating a new engine for economic and social development.

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