

World Bank Group President Jim Yong Kim's Remarks at the Opening Ceremony of the First China International Import Expo

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First China International Import Expo

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President Xi, Heads of State, Heads of Government, your Royal Highness, excellencies, ladies and gentlemen,

It's an honor and a pleasure to be here at the first China International Import Expo.

This year China celebrates 40 years of reform and opening up, and this event signifies the tremendous progress that China has made in those four decades by opening the country to trade, foreign investment, and ideas.

By embracing reforms and openness in its development model, China has increased its per capita income 25-fold, and more than 800 million Chinese people lifted themselves out of poverty as a result—more than 70 percent of the total poverty reduction in the world.

As evidence of China's continued commitment to reform, it has moved up 32 spots on Doing Business. Congratulations, President Xi.

The pro-poor impact of trade liberalization in developing countries is clear; but in recent years trade liberalization has stalled, and in just the last few

months we have seen an acceleration in the return to protectionism. The escalation of tariffs will negatively affect the entire global growth outlook and slow down the pace of poverty reduction at a time when we can least afford it. A reversal of trade openness would hurt many poor households in both developing and developed countries. And protectionist trade policies can cause a chain reaction, as more countries adopt similar measures. The global recovery is built on investment, and there is a real danger that businesses will decide to wait for more clarity before engaging in new projects. Recent World Bank analysis shows that in a scenario where investor confidence is shaken, and investments drop, every country will feel the negative effects.

We need to continue to support trade reforms that can deliver greater shared prosperity. That includes removing trade barriers in areas such as services, agriculture, and e-commerce, and reducing subsidies and other measures that distort trade. The overall aim is to strengthen the multilateral trading system. China has done this in the past, and the country is committed to continuing its policy of opening up in the future. This has not been without domestic pain—China's entry into the WTO in 2001 caused significant hardship among workers of State enterprises that were no longer competitive, and farmers that faced lower world market prices.

But China persisted with opening up and helped those affected with better safety nets, active labor market policies, and lower agricultural taxes and fees. By ensuring that all layers of society gained from opening up, China ensured continued support for its reform program.

This is a lesson for everyone: within countries, policy packages should ensure that trade gains are shared widely. Trade contributes to creating jobs overall, but many people and entire regions can be left behind. With trade, we don't have to choose between inclusiveness and economic growth. When we're working to boost and invigorate trade, those workers and those

communities that aren't benefitting from globalization need to be at the front of our minds.

That's because the debate about embracing market forces is over. In his speech at Davos in 2017, President Xi Jinping spoke about another kind of ocean even larger than the ocean that is China:

"Whether you like it or not, the global economy is the big ocean that you cannot escape from. Any attempt to cut off the flow of capital, technologies, products, industries and people between economies, and channel the waters in the ocean back into isolated lakes and creeks is simply not possible."

For us, the challenge is to put every country in a position where it can swim in this ocean, where its people have the human capital to compete, and countries have the institutions that make their economies resilient, competitive, and caring.

For the international community, the challenge is to resist the temptation to try to divide the ocean back into small lakes, rivers and seas. We know that will fail, but the global economy – and billions of people – will suffer in the attempt.

During my recent visit to Guizhou, I witnessed how trade can reduce poverty. Poverty in Guizhou was reduced from 30% to 8% in five years. Two of the most important drivers of this poverty reduction were e-commerce in the form of a Taobao village and big data. Now agriculture products like kiwi and spicy chicken from Guizhou are shipped to many provinces in China and all over the world.

I hope that the discussions at this milestone China International Import Expo will bring new ideas and avenues to pursue reforms, make the global market system work for everyone and the planet, help end poverty and ensure equality of opportunity for everyone in the world.