

WHITE PAPER: WHOLE-PROCESS PEOPLE'S DEMOCRACY IN FULL SWING P.26

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FINGER ON THE PULSE

China celebrates two decades of WTO membership

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Trading and Trending

December 11, 2021, marks the 20th anniversary of China's accession to the World Trade Organization (WTO). Over the past 20 years, China has won widespread recognition for honoring its commitments to and obligations under the WTO, becoming a country that practices and defends globalization.

Since 2001, China's overall tariff rate has dropped from 15.3 percent to 7.4 percent, lower than that in most developing countries and on par with the opening level of developed countries. China has also continuously cut its negative list of foreign investment access, and opened up as many sectors as possible to international trade. Today, China has unlocked some 120 sectors to foreign investors, both exceeding the 100 it had guaranteed upon WTO entry as well as outnumbering the average 108 promised by developed countries.

The facilitation of trade and investment proves that China is opening wider to the outside world, which in turn has promoted the rapid growth of the Chinese economy. In the last two decades, China's GDP went from ranking sixth to second in the world,

its trade in goods rose from sixth place to first and trade in services climbed from 11th to second place. The nation's paid-in capital tops that of all developing countries and its outbound investment soared from 26 to No.1 worldwide.

During China's eighth trade policy review in October, the WTO spoke highly of the nation's important role as a driver of global growth and its commitment to safeguarding the multi-lateral trading system and participating in the various segments of WTO undertakings.

As the years progressed, China contributed an average of 30 percent to world economic growth. In 2020, specifically, the global economy declined owing to the impact of the COVID-19 pandemic, yet China became the only major economy to sustain positive growth, putting the nation in pole position to drive the world's steady economic recovery. It is also the first country in the world to host a national-level expo centered on import, providing more impetus to the universal economic revival by sharing more opportunities with countries from all corners of the globe. **BR**



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BETTER CONNECTED

A photo taken on December 3 shows the Yuanjiang Grand Bridge, part of the China-Laos Railway, which spans the Yuanjiang River in Yunnan Province.

The China-Laos Railway, a 1,035-km line connecting Kunming in Yunnan Province with the Lao capital of Vientiane was inaugurated that day.

Trains on the 50-station line can reach a top speed of 200 km per hour. It is the first overseas railway project that is mainly invested, constructed and operated by China and linked to China's domestic rail network since the launch of the Belt and Road Initiative.



Cross-Sea Bridge

The construction site of the Xicungang cross-sea bridge in Beihai, Guangxi Zhuang Autonomous Region, on December 7. The 2,544-meter-long bridge was successfully connected that day and will be opened to traffic in October 2022.

Meeting the Press

The three astronauts of China's *Shenzhou-12* crewed mission met the press on December 7, the first such appearance since their initial recovery after returning to Earth in September.

At the press conference held at the Astronaut Center of China in Beijing, Jing Haipeng, head of the Astronaut Corps of the Chinese People's Liberation Army, introduced the *Shenzhou-12* crew's recovery and follow-up plans.

According to Jing, the recovery following the astronauts' return to Earth has three stages: quarantine, recuperation and observation. So far, the crew has completed the second stage. They are emotionally stable and in a good psychological

condition, their weight is at the same level as before the flight, and they have further restored their muscle strength, endurance and cardio functions.

Jing said the three astronauts have entered the observation stage and will resume their regular training after completing the health assessment.

Nie Haisheng, who has flown into space three times, is China's first astronaut to stay in space for more than 100 days. He said that he would transform his achievements and the honors he has received into greater motivation and passion, and he would not give up on his goals due to aging.

Liu Boming is the country's first astronaut to complete extravehicular activities (EVA) twice. He said he was calmer and more

confident about his second EVA during the *Shenzhou-12* mission, and that he believes Chinese people will leave more footprints in space in the future.

The *Shenzhou-12* mission was Tang Hongbo's first voyage to space. He said he is already ready to go back.

Launched on June 17, *Shenzhou-12* sent astronauts to China's space station core module *Tianhe*, where they lived for three months, the longest time Chinese astronauts have spent in space so far. The three returned to Earth on September 17.

Orchid Species

Chinese researchers have discovered 31 new species of wild orchids in China, according to the National Forestry

and Grassland Administration (NFGA), reported Xinhua News Agency on December 7.

In recent years, the number of wild orchids has decreased sharply while some varieties have even become regionally extinct due to the exploitation and degradation of their native ecosystems.

In order to reinforce the protection of orchids and establish a scientific management and monitoring system, the NFGA launched a special investigation project targeting the nation's wild orchids in 2018.

So far, the project has discovered 31 new orchid species and 12 orchid species recorded for the first time in China. The species and distribution of wild orchids were investigated across 16 regions including Yunnan Province, Guangxi Zhuang Autonomous Region and Tibet Autonomous Region.

The project, which is expected to end in 2023, has recorded close to 1,260 orchid species, among which around 800 native orchid species are under ex-situ conservation in botanical gardens, and about 65 percent are distributed in national or provincial nature reserves, according to the NFGA.

The orchid family has important economic value and unique ornamental value. China is among the countries home to the most diverse collections of orchids on Earth, with 1,745 species belonging to 181 genera recorded so far.

Sci-Tech Talent

Shanghai has rolled out a series of measures to support female talent in playing a greater role in sci-tech innovation, reported Xinhua News Agency on December 7.

Launched by 17 local departments, these measures include

recommending female talent to work in international sci-tech organizations, raising their retirement age and allowing them to have deadline delays during pregnancy and nursing periods.

The measures particularly support female scientists to make achievements in the fields of integrated circuits, biomedicine and artificial intelligence.

Gender equality has also received special emphasis in the measures, which specify a ratio of no less than 25 percent of female experts in sci-tech awards panels and talent projects.

Local universities are also encouraged to make more effort to cultivate female talent in science and technology.

New Railway

A high-speed railway linking the cities of Mudanjiang and Jiamusi in Heilongjiang Province began operation on December 6, stretching 372 km across the frigid region.

As the country's easternmost high-speed railway, it extends the existing Shenyang-Mudanjiang Railway in northeast China to link with more cities, including Jixi, Qitaihe, Shuangyashan and Jiamusi.

Running across 173 newly-built bridges and through 34

tunnels, the Mudanjiang-Jiamusi Railway has a designed speed of 250 km per hour, shortening the inter-city travel time to two hours and 10 minutes.

Niu Yongping, chief engineer of the railway project of China Railway Design Corp., said the Mudanjiang-Jiamusi Railway is the most frost-resistant high-speed railway in China. All power and signal tools are made with cold-resistant materials.

Eighteen pairs of trains will ply the railway daily. The trains can operate at temperatures of minus 30 to minus 40 degrees Celsius, running through areas of frozen earth, ice and snow.

Horns Intercepted

Qingdao customs in Shandong Province said it has intercepted six pieces of endangered Saiga antelope horns and related products, Xinhua News Agency reported on December 5.

Customs officers detected abnormal images during an X-ray screening of two inbound packages, which were declared as "gifts."

Upon further inspection, a pair of antelope horns were found in one parcel and two antelope horns and a stone knife decorated with horn were found in the other parcel. The customs



Free Lunch

Senior citizens enjoy a free lunch at a community canteen in Nanchang, Jiangxi Province, on December 7. As part of a social action designed to provide public services to the elderly, the canteen was opened with the help of various organizations. Volunteers also send meals directly to the doorsteps of elderly people who are unwell or have mobility issues.

officers later found another Saiga antelope horn at the suspect's house.

Criminal coercive measures have been initiated against the suspect, and further punishment is pending.

Saiga antelope, a top-class protected wild animal in China, is listed on the Convention on International Trade in

Endangered species of Wild Fauna and Flora.

Except when holding relevant import and export certificates, it is illegal to transport endangered species and their products into or out of China by any means of trade or mail, and serious violations are liable for criminal prosecution.



Science Carnival

An activity themed Aiding Winter Olympics With Sci-Tech takes place at Beijing No. 5 High School, during which students and teachers produce artificial clouds and snowflakes, on December 6.

Foreign Trade

Total imports and exports of China expanded 22 percent year on year to 35.39 trillion yuan (\$5.55 trillion) in the first 11 months of 2021, according to official data released on December 7.

The figure, which has already surpassed the 32.16-trillion-yuan (\$5.05 trillion) total for entire 2020, marked a 24-percent increase from the pre-pandemic level in 2019, according to the General Administration of Customs of China.

Both exports and imports continued double-digit growth in the months, surging 21.8 percent and 22.2 percent from a year earlier, respectively.

In the period, China's trade with its top three trading partners—the Association of Southeast Asian Nations, the EU and the U.S. stood at 20.6 percent, 20 percent and 21.1 percent, respectively.

Private enterprises saw the

fastest growth rate in imports and exports, up 27.8 percent to 17.15 trillion yuan (\$2.69 trillion), accounting for 48.5 percent of the country's total. That of foreign-invested and state-owned enterprises rose 13.1 percent and 27.3 percent, respectively.

In November alone, the country's foreign trade volume rose 20.5 percent year on year to 3.72 trillion yuan (\$585 billion), up 11.4 percent from that in October, the data showed.

Grain Output

China secured yet another bumper harvest this year, with grain output reaching nearly 683 million tons, the National Bureau of Statistics (NBS) said on December 6. It increased 2 percent, or 13.4 million tons, from last year.

This is the seventh consecutive year that the country's total grain production has exceeded 650 million kg.

The bumper harvest comes

despite extreme regional weather conditions, including record rainstorms in Henan Province and periodical droughts in the northwestern areas, Wang Minghua, an NBS official, said.

It has laid a solid foundation for China to cope with complex and volatile domestic and international environments, overcome risks and challenges, and achieve high-quality development, Wang added.

Tackling Default

The Guangdong Provincial Government agreed to dispatch a working group to China Evergrande Group at the request of the company, following a regulatory talk with its chairman Xu Jiayin on December 3. The meeting came after the property developer filed to the Hong Kong Stock Exchange that it might be unable to continue to perform its financial obligations.

Later, regulatory authorities released statements responding to the Evergrande default, saying it is an individual case and will have little impact on the market.

They attributed Evergrande's risk to its mismanagement and blind expansion in diverse directions, noting that most property firms in China are focusing on and properly managing their main lines of business.

Overall, China's real estate market has maintained sound development and the financing channels for real estate firms in the bond market continue to operate in a smooth and orderly way, according to the regulators.

"The government's lawful participation will help to effectively control risks and losses and lower uncertainties in the process of risk resolution," Liu Hongyu, Director of Tsinghua University's Hang Lung Center for Real Estate, said.

NUMBERS

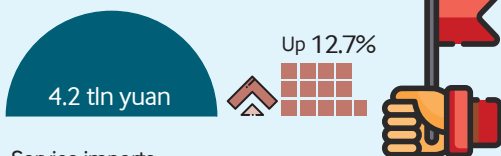
(\$1=6.38 yuan)

China's Service Trade in January-October

(All growth rates are y.o.y.)

Service trade

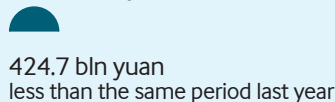
Total service trade



The growth of service trade exports outpaced that of imports by 27.9 percentage points



Deficit of service trade
203.17 bln yuan



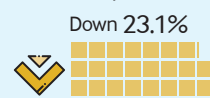
Compared with the same period in 2019



Service imports



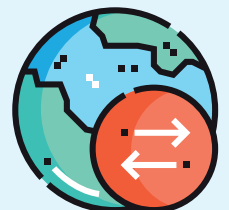
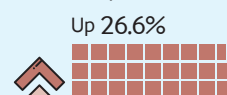
Service imports



Service exports



Service exports



Evergrande, one of the country's leading developers, saw its contracted sales jump 20.3 percent year on year to 723.25 billion yuan (\$112 billion) in 2020, according to the company.

RRR Cut

The People's Bank of China (PBC) said on December 6 that the reserve requirement ratio (RRR) for financial institutions would be cut by 0.5 percent on December 15, except for those that already implement a 5-percent RRR.

After the reduction, the weighted average RRR for financial institutions will stand at 8.4 percent, the PBC said in a statement.

About 1.2 trillion yuan (\$188.4 billion) in long-term funds will be released through the cut. The PBC said financial institutions will use part of it to repay the maturing medium-term lending facilities and channel the remainder to replenish long-term

funds to better meet the needs of market entities.

The reduction will also lower the fund costs for financial institutions by around 15 billion yuan (\$2.35 billion) per year, according to PBC calculations.

The central bank said it will continue to implement a prudent monetary policy, prioritize stability and avoid flood-like stimulus. It will also make efforts to maintain reasonably ample liquidity, strengthen cross-cyclical adjustments and promote the consistency of macro policies for 2021 and 2022.

Airport Support

The Civil Aviation Administration of China (CAAC) will continuously implement supporting policies and provide subsidies to small and medium-sized civil airports with an annual passenger throughput of fewer than 2 million passengers, according to the administration.

The measures will help

ensure the airports' safe, smooth and continuous operation, especially those in remote and border regions that are underserved by transportation infrastructure.

Each of these actions are expected to help sustain regional economic development and facilitate easier travel, the CAAC said.

Small and medium-sized airports have a key role to play in facilitating travel, sustaining economic growth and facilitating emergency rescue. However, most of them have struggled to make ends meet due to their small scale and the impacts of the pandemic.

As of the end of 2020, certified civil transport airports and general airports in China totaled 241 and 313, respectively, according to data from the CAAC.

Boeing's Project

Boeing and Taikoo (Shandong) Aircraft Engineering Co. Ltd. (STAECO) will expand capacity

for the 737-800 Boeing Converted Freighter (BCF) in China, Boeing China announced on December 7.

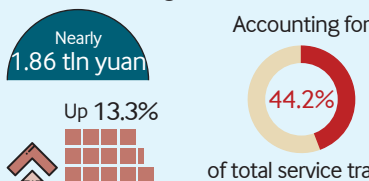
According to the company, in 2022, it will add two aircraft conversion lines of 737-800BCF at STAECO's facility in Jinan, Shandong Province.

The new lines will begin passenger-to-freighter aircraft conversion work in the first quarter and by midyear of 2022, respectively. When both are operational, STAECO will have seven conversion lines focusing on the 737-800BCF, a narrowbody-converted freighter model, which has received more than 200 orders and commitments from 19 customers worldwide.

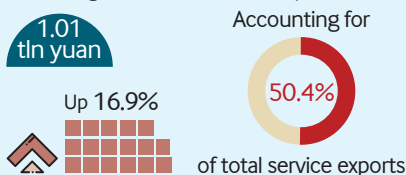
Boeing forecasts that 1,720 freighter conversions will be needed over the next 20 years. Among those, 1,200 will be narrowbody-converted freighters, with 40 percent of demand expected to come from Asian carriers.

By sector

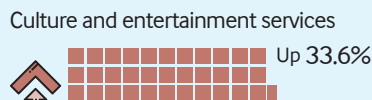
Trade in knowledge-intensive services



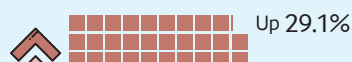
Knowledge-intensive service exports



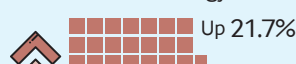
Exports of



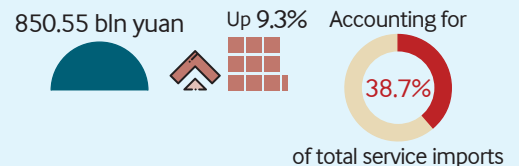
Intellectual property rights



Telecommunications and information technology services

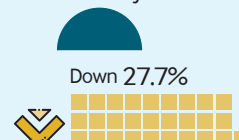


Knowledge-intensive service imports



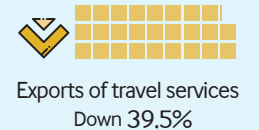
Trade in travel services

631.68 bln yuan



Imports of travel services

Down 26.1%



Exports of travel services

Down 39.5%



(Source: Ministry of Commerce)

THIS WEEK **WORLD**



CAMBODIA

A section of the National Road No.11 inaugurated on December 6. Linking Prey Veng and Tboung Khmum provinces, it was developed by China Road and Bridge Corp. under a concessional loan from the Chinese Government



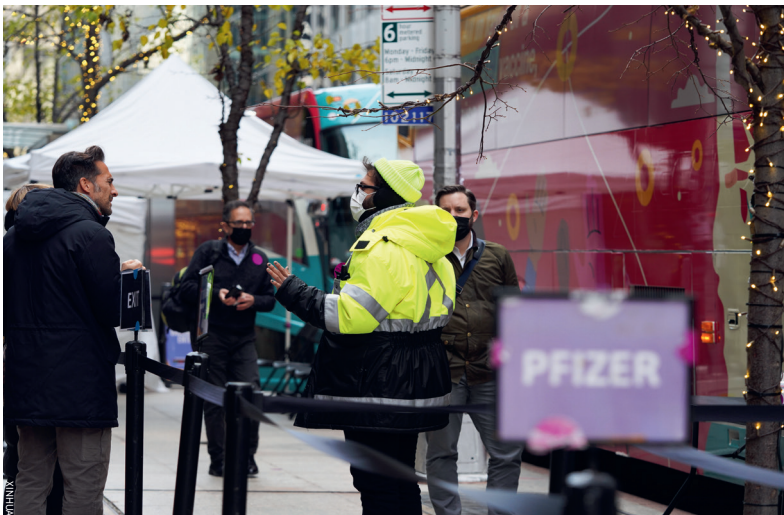
UNITED STATES

A staff worker talks with a man outside a mobile vaccine clinic in New York City on December 7. Mayor Bill de Blasio issued a new vaccine mandate for private sector employees on December 6, applying to some 184,000 businesses



RUSSIA

Performers interact with the audience during a circus show in St. Petersburg on December 3, marking the International Day of Persons With Disabilities





GERMANY

Olaf Scholz is sworn in as German chancellor at the Reichstag building in Berlin on December 8. He replaces Angela Merkel who held the post for 16 years



INDIA

Indian Prime Minister Narendra Modi (left) meets with visiting Russian President Vladimir Putin at Hyderabad House during the 21st annual summit between the two countries in New Delhi on December 6



INDONESIA

Rescue teams evacuate bodies of victims during a search and rescue operation in Curah Kobokan Village of Lumajang, East Java, on December 7, following Mount Semeru's eruption. At least 34 people were killed



A port in the Yangpu Economic Development Zone, Hainan Province, on May 26

COVER STORY

GROWING TOGETHER

China's WTO entry entails great opportunities for all By Li Xiaoyang



improving its business environment, and increased its investment in other countries,” Gu Baozhi, Director of the World Economy Research Institute at the Chinese Academy of International Trade and Economic Cooperation, told *Beijing Review*.

With a market that is expanding and improving, China has continued to embrace global businesses. Despite the COVID-19 pandemic, the Fourth China International Import Expo (CIIE) on November 5-10 saw \$70.72 billion worth of intended deals signed.

Sprouting attraction

French luxury group LVMH has witnessed China’s market growth and opening up since its WTO entry allowed global fashion brands to gain access to Chinese domestic retail business. Antonio Belloni, LVMH Group Managing Director, told a forum during this year’s CIIE that the company has seen the changes in Chinese consumers’ preferences as well as its market rules over the past two decades. LVMH has made efforts to attract young people, the major group of luxury consumers in China, and developed online channels to make use of China’s booming digital economy, according to him.

U.S.-headquartered technology and manufacturing company Honeywell International Inc. initiated its business in China in the 1970s and was one of the first multinationals to establish offices in Beijing. Steven Lien, President of Honeywell China and Aerospace Asia Pacific, told *Beijing Review*, China is Honeywell’s largest single market outside the U.S. as well as its largest growth market. With its core business perfectly aligned with local demands, such as its growing middle-income group, industrial digitalization and decarbonization, Honeywell is well-positioned ►►

Microsoft established the Microsoft China Research Institute in 1998, after first entering the Chinese market in 1992. By 2001, the institute had grown into Microsoft Research Asia, the U.S. tech company’s largest overseas research facility. In the same year, China joined the World Trade Organization (WTO), despite controversies that the entry would pose challenges within the domestic market. Since then, two decades of success have proved both China and Microsoft have

chosen the right paths.

“[China’s] joining the WTO has only allowed and opened up more fair trade. Ultimately, we’re all part of a global and innovative marketplace,” Joe Bao, President of Microsoft China, told *Beijing Review*. According to Bao, Microsoft, which is the first multinational to bring its cloud services to China, aims to increase its overall service business 12 times through launching new data centers, and bringing more talent, digital transformation and innovation to the Chinese market.

“China has seen great changes since its accession to the WTO. Its GDP jumped from around 11 trillion yuan (\$1.3 trillion) to over 100 trillion yuan (\$15.7 trillion) between 2001 and 2020. It has become a magnet for foreign direct investment (FDI) by

to participate in China's high-quality development as the country further deepens its reform and opening up. As China further opens up to the world, Honeywell will also further increase investment, enhance local research and development (R&D) capabilities, and bring products developed in China to overseas markets, Lien added.

According to Lien, about half of Honeywell's new R&D investment is directed toward products that improve environmental and social outcomes for customers. China's targets of peaking carbon emissions before 2030 and becoming carbon neutral before 2060 will bring more opportunities for the company's local cooperation.

China's opening-up efforts have increasingly received international recognition. Yves Reymond, head of the Economic, Financial and Commercial Section of Embassy of Switzerland in China, told *Economic Information Daily* that China-Switzerland

economic and trade cooperation has expanded into many high value-added fields. The improvement of intellectual property protection in China has notably benefited Swiss medical and machinery enterprises.

Many foreign enterprises have pledged to contribute more to China's development. According to U.S. agriculture and food company Cargill, it will invest more than \$78.5 billion in China to help improve farmers' income and skill training, and enhance water resource conservation. Japanese cosmetics company Shiseido has established three R&D centers in China, saying the country is turning itself into a global innovation hub for cosmetics.

While the participation of foreign businesses has increased competition within the Chinese market, Chinese competitors are rising to meet the challenge. Their performance has also exceeded the expectations of many. In 2001, only 12 Chinese companies made it onto the *Fortune* Global 500 list. This number rises to 143 this year, and China is home to more companies on the list than any other country. The country has grown into a hub of global value chains and the largest manufacturing economy in the world.

Andrew Delios, a professor at the National University of Singapore Business School, told *Beijing Review*, the boom of Chinese enterprises and China's

technological progress in recent years have weakened the competitiveness of foreign companies in the Chinese market compared with several decades ago. To do business in China, foreign enterprises need to understand the local business environment on its own merits, and drop assumptions and biases about how markets and societies should operate and have operated successfully in other parts of the world, he concluded.

According to Delios, the tremendous changes of the Chinese market can be attributed to its shifting emphasis from an economy founded on manufacturing and infrastructure construction to one focusing on innovation. The opportunities in the Chinese market now lie in its increasingly sophisticated consumers and tremendous wealth that drives consumption.

Efforts paying off

The WTO accession has allowed

