

## Yi Gang: Welcome address - Tenth Lujiazui Forum

Welcome address by Mr Yi Gang, Governor of the People's Bank of China, at the Tenth Lujiazui Forum, Shanghai, 14 June 2018.

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Secretary Li Qiang,

Vice Chairman Zhou Xiaochuan,

Distinguished guests,

Ladies and gentlemen,

Good morning!

It is a great pleasure to join friends both old and new at the 10th Lujiazui Forum, which is jointly organized by the People's Bank of China (PBC), China Banking and Insurance Regulatory Commission (CBIRC), China Securities Regulatory Commission (CSRC) and Shanghai Municipal People's Government. On behalf of the organizers, I would like to extend a warm welcome to you all!

This year marks the 40th anniversary of China's reform and opening-up. The development of socialism with Chinese characteristics has entered a new era, and China's economy has been transitioning from a phase of rapid growth to a stage of high-quality development. The city of Shanghai is an international financial center with a rich history of financial sector development and a full-fledged, sound financial market system, and has been a pioneer in China's financial reform and opening-up. The development as international financial center is an important mission that the Party Central Committee and State Council has entrusted to Shanghai, based on the overall arrangements of China's reform, opening-up and modernization. In recent years, Shanghai has made steady progress in a series of financial pilot programs including the reform measures adopted in the pilot free trade zone, cross-border use of RMB, Shanghai-Hong Kong Stock Connect, Bond Connect, and crude oil futures, and has, in these valuable experiments, accumulated replicable and expandable experiences for financial reform and opening-up in the country. Therefore, the theme of this forum as "Shanghai's Development towards an International Financial Center in the New Era" is of great significance.

On April 10 this year, Secretary-General Xi Jinping pointed out at the Boao Forum for Asia that China will continue its fundamental national policy of opening-up, and that the door of opening-up will never shut and will only open wider. Meanwhile, he also stated that China will significantly broaden its market access, including in the financial sector. The PBC has attached importance to and supported the development of Shanghai as an international financial center. Going forward, the PBC will implement the decisions and arrangements of the CPC Central Committee and State Council, take effective measures to further support the pilot programs of financial reform and opening-up in Shanghai. First, to facilitate the RMB internationalization, we will support Shanghai in innovating and carrying out pilot programs in cross-border RMB business and products following the market-driven principle. We will give full play to the RMB in pricing and settlement of commodities. Besides, Shanghai can tap its advantages as an international financial center to provide financing support for the Belt and Road Initiative. Second, in the context of promoting RMB capital account convertibility, we will support Shanghai in the pilot reforms of foreign exchange management, increasing the functions of free trade accounts in the Shanghai Pilot Free Trade Zone, and promoting convenience in capital account management and convertibility of capital account. Third, we will support Shanghai's efforts to further improve the financial market and financial services. As an international financial center, Shanghai has

been playing an important role in various financial markets, including the stock, bond, money and foreign exchange markets. We will make more efforts in infrastructure development to expand the scope and depth of market, make trading more convenient and efficient, improve the legal framework, market environment, custody and settlement of transactions, in an effort to increase the appeal of the financial markets in Shanghai and promote its status as an international financial center and a hub of financial markets. Moreover, Shanghai has huge potential in development of financial services, given its advantage as a talent pool, its appeals to foreign-funded institutions in payment and settlement businesses including third-party payment, bank card services and rating businesses, and vast space for business development. Fourth, going forward, the financial sector opening will follow the principle of national treatment to gradually lift caps on foreign ownership and limits on business licenses. Given Shanghai's unique competitive advantages, many foreign banks, securities companies, insurance companies, and investment banks have chosen Shanghai as a focal point in their plans for global business development. Therefore, Shanghai will be the highlight of both China and the world in the development of financial institutions. The fifth is that Shanghai also has considerable potential and advantages in leading the development of financial technologies. Financial institutions and relevant companies in Shanghai are forerunners in the country in R&D and innovation of financial technologies and we expect they will continue to do so in the future.

Shanghai's development as an international financial center calls for concerted efforts of all parties. The PBC will continue to support Shanghai to focus on institutional innovation, to open up its financial sector, to build an internationally competitive financial market, and to bring the open economy to a higher level, all for the purpose of providing better services to the real sector and promoting trade and investment facilitation.

To conclude, I wish the forum a crowning success!

Thank you!