



# Tsinghua PBCSF Chief Economists Forum

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Turbulent 2022

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*Edited by*  
Jiandong Ju

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# Introduction

*Jiandong Ju*

**Abstract** Tsinghua PBCSF Chief Economist Forum, known as Wudaokou Forum, holds annually in PBC School of Finance at Tsinghua University, hosted by Center for International Finance and Economic Research (CIFER). The Forum was founded in March 2019, in cooperation with JD.Com. Due to COVID-19, the annual meeting in 2020 was missed, and the second annual meeting held in April 2021. As the third annual forum, consisted with the style before, twenty leading chief economists were invited to give their opinions on the main theme which is the outlook in economy and policies in China and a changing world order in 2022 this year. The forum consists of four roundtable discussions with themes of (1) Outlook on the World Economy, Finance and Global Order, (2) China's Economic and Policy Outlook, (3) Innovation, Finance and Tech Competition, and (4) Monetary Policy and Economic Growth. In the roundtable, each speaker first delivered his/her main opinion and then speakers went to heated discussions. This volume is an overview of the forum.

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**Keywords** Tsinghua PBCSF · Chief Economist Forum · Economy · Policy · World Order

**Tsinghua PBCSF Chief Economist Forum**, known as **Wudaokou Forum**, holds annually in **PBC School of Finance at Tsinghua University**, hosted by **Center for International Finance and Economic Research (CIFER)**. The Forum was founded in March 2019, in cooperation with **JD.Com**. Due to **COVID-19**, the annual meeting in 2020 was missed, and the second annual meeting held in April 2021.

This is the third annual forum, which was held online on May 14, 2022. Twenty leading chief economists were invited to speak in the forum. Over 11 million audiences attended the forum online, and there were more than 30 thousand reports of the forum in the media. The forum is viewed as the highest level of economic forum with the largest audiences in China.

**The main theme of the forum is the outlook in economy and policies in China and a changing world order in 2022.** The forum consists of four roundtable discussions with themes of (1) **Outlook on the World Economy, Finance and Global Order**, (2) **China's Economic and Policy Outlook**, (3) **Innovation, Finance and Tech Competition**, and (4) **Monetary Policy and Economic Growth**. In the roundtable, each speaker first delivered his/her main opinion and then speakers went to heated discussions.

**Mr. Ray Dalio**, the founder of **Bridgewater Associates**, delivered the keynote speech about “the Changing World Order” and then discussed current Russian-Ukraine conflicts and issues of changing world order with **Justin Yifu Lin**, **Shijin Liu**, **Yongding Yu**, **David Daokui Li**, and **Jiandong Ju**.

At the roundtable one, **Justin Yifu Lin**, professor and the dean of **Institute of New Structural Economics at Peking University**, emphasized the importance for China to maintain high growth rate and explained why he believed that China still has high growth potential. **Shijin Liu**, Deputy Director of the **Committee on Economic Affairs of CPPCC National Committee**, talked about three ways to respond to the climate change, and in particular, the importance of transforming the climate change pressure into green technology innovations. **Yongding Yu**, a Senior Fellow of the **Chinese Academy of Social Sciences**, shared his understanding

of the post-Bretton Woods international monetary system and why he believed that it is necessary to adjust the structure of China's foreign assets. **David Daokui Li**, Mansfield Freeman chair professor of economics and the director of the Academic Center for Chinese Economic Practice and Thinking (ACCEPT) at Tsinghua University, shared his interesting studies on benefits and costs in terms of life expectancy about the epidemic control and decreases of consumptions.

At the roundtable two, **Jianguang Shen**, the chief economist at JD Group, discussed issuing consumption vouchers to boost the domestic demand. **Ting Lu**, Chief China Economist at Nomura, discussed his view on the economic impact caused by the ongoing COVID-19 outbreak and the effectiveness of expansionary policies. **Tao Guan**, the Global Chief Economist at BOC International (China) CO., argued that China should allow the RMB exchange rate to fluctuate in both directions, letting the exchange rate serve as a "buffer" to internal and external shocks. **Xunlei Li**, Chief Economist at Zhongtai Securities, discussed through subsidies for residents and through the fiscal policy stimulating consumption, to improve the income distribution, and to promote the sustainable growth of China's economy. **Qing Wang**, Chairman & Chief Economist of Shanghai Chongyang Investment Management CO., called for the attention about the Impact of the Epidemic and the situation in real estate market.

At the roundtable three, **Qifan Huang**, former Mayor of Chongqing Municipality, emphasized to change the focus of innovation in China, from the past customer-centric innovation and efficiency-driven innovation to engineering technology innovation and scientific research-based innovation, and discussed three structural and fundamental problems in China's capital market. **Xiaohui Zhang**, Dean of PBC School of Finance at Tsinghua University, discussed that the major challenge facing China's technological innovation lies in how to properly guide capital into the fields of basic research and technological innovation to promote the development of the real economy. **Lan Xue**, Dean of Schwarzman College at Tsinghua University, discussed the technology competition and cooperation between the U.S. and China. **Wensheng Peng**, Chief Economist at China International Capital Corporation, proposed two viewpoints, the separation of industry and finance, and to handle well the relationship between monopoly and competition. **Jiandong Ju**, Unigroup Chair Professor at PBC School of Finance in Tsinghua University, explained his theory of a virtuous circle of "Innovation-Scale" and argued that

China's technological innovation and industrial upgrading cannot be achieved without breaking the monopoly of international technology on the Chinese market.

At the roundtable four, **Yiping Huang**, Sinar Mas Chair Professor of Finance and Economics at Peking University, proposed his heated debated view that policies should be adopted "to save the economy at all costs." **Songcheng Sheng**, former Director General of the Financial Survey and Statistics Department, the People's Bank of China, forecasted 2022Q2 GDP and its growth under different scenarios, and explained the lost consumption during lockdown with his now well-known hair cut example that "my hair has not been trimmed for three months. After the lockdown is lifted, it is impossible for me to trim my hair three times a month." **Haizhou Huang**, Managing Director at China International Capital Corporation, explained reasons for the inversion of the U.S.-China yield spread and argued that it should be sooner rather than later for China to stabilize growth. **Jianhua Zhang**, former President of Hua Xia Bank Co., discussed his understanding of structural monetary policies. **Bin Zhang**, Deputy Director at Institute of World Economics and Politics at Chinese Academy of Social Sciences, argued that in the epidemic environment, how lowering interest rates play the roles as fire prevention, firefighting, and disaster relief.

Most of chief economists come from the market, working in investment banks, big firms, and financial organizations. Thus, Tsinghua PBCSF Chief Economist Forum is mainly policy and real issue driven. The forum focuses on cutting-edge economic and financial issues in China and the world. Usually in the first half of each year, we bring leading chief economists, together with other leading experts in policies, gathering in PBCSF at Tsinghua University and discussing the most important economic, financial, technology, and other policy issues at the time.

Tsinghua PBCSF Chief Economist Forum is an open, free, and neutral platform for leading policy experts all over the world to exchange and communicate, to discuss and debate, to enhance and deepen our understanding of the most important policy issues in this beautiful planet. Of course, each speaker in the forum speaks his/her own opinion, neither representing organizations they are working, nor Tsinghua University.

I would like to thank President Xiqin Wang of Tsinghua University and Dean Xiaohui Zhang of PBC School of Finance at Tsinghua University. Without their supports, this forum will not be possible. I thank research fellows at CIPHER, who helped me editing this book: Ms. Sijia Li helped

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