

China Development Forum 2026

China in Its 15th Five-Year Plan Period: Advancing High-Quality Development and Creating New Opportunities Together

Symposium on High-level Opening-up of Service Sector (Second Half of Panel Discussion)

The China Development Forum 2026, hosted by the Development Research Centre of the State Council and organized by the China Development Research Foundation, was held on March 22-23, 2026 at Diaoyutai State Guesthouse in Beijing. On the afternoon of March 23, the Symposium on High-level Opening-up of Service Sector was convened. The panelists for the second half of the Panel Discussion were ZHAO Zhongxiu, President, University of International Business and Economics; Sebastian Wood, Chair, China Britain Business Council; Jeffrey Sachs, Professor, Columbia University; and Bert Hofman, Professor, East Asian Institute of the National University of Singapore. The session was chaired by FANG Jin, Director-General of the Research Department of Foreign Economic Relations, Development Research Centre of the State Council.

ZHAO Zhongxiu observed that China's service trade has seen steady growth, a narrowing deficit, structural improvement, a rapidly increasing share of knowledge-intensive services, and an expanding "circle of friends." These developments reflect the significant untapped

potential of China's service sector in terms of structural adjustment and opening-up. He noted that with the upgrading of income structures and rising income levels, both the supply capacity and the demand structure of China's service sector have undergone major changes, altering the original scale, model, and competitiveness of its service trade.

Regarding how to enhance the competitiveness of China's service sector, ZHAO Zhongxiu proposed the following six areas of focus: First, we should extend strengths and address weaknesses, narrow the deficit, and optimize the structure. In areas with a surplus, we should strengthen our advantages, while enhancing competitiveness in areas with a deficit. Second, we should accelerate the servitization in manufacturing, with breakthroughs made in producer services such as R&D, industrial design, logistics, finance, and legal services. Third, we should enhance the competitiveness of financial service trade, deepen RMB internationalization, and promote the innovation of digital finance. Fourth, we should improve the competitiveness of digital service trade and expand the export of digitally delivered services. Fifth, we should accelerate the development of service trade related to green and low-carbon initiatives, creating a new track for digital and green service trade. Sixth, we should promote service exports and drive foreign consumers to spend in China, while simultaneously boosting high-end domestic service consumption through high-level imports of services. Finally, he put forward several policy recommendations, including steadily expanding the institutional opening-up in service trade, continuing to build high-level platforms and carriers for the innovative development of service trade, promoting the orderly global expansion of industrial chains, and optimizing the policy framework to support the growth of service trade.

Sebastian Wood stated that the evolution of China's economic

structure, the achievements of its service sector in consumption, employment, investment, and innovation, and the relevant arrangements to boost the service sector in the 15th Five-Year Plan represent historic opportunities for China-UK cooperation. The overseas expansion of Chinese enterprises has integrated supply chains more deeply into the global economy. China's efforts toward its carbon peaking and carbon neutrality goals and its deep integration into global capital markets will usher in a golden period for UK-China economic relations. Members of the China Britain Business Council have the following key expectations regarding China's high-level opening-up of its service sector: First, deregulation in China's pension and wealth management sectors will help better manage the pension ecosystem. British companies hope that more of their pension funds can be approved by Hong Kong authorities and that they can enter the Chinese mainland market through the mutual recognition of funds. Second, they hope to deepen cooperation with China in the insurance and reinsurance sectors. Third, they hope China will make continued efforts on mutual recognition of standards to reduce transaction costs and support higher-quality growth. Fourth, they hope China introduces further preferential policies for foreign experts regarding work permits in China. Fifth, they hope China establishes a better feedback platform for British companies operating in China to communicate with the Chinese government, such as industry associations or consultation mechanisms. Sixth, they hope China relaxes access restrictions to allow more UK-based market entities to enter China.

Jeffrey Sachs believed that the opening-up of financial services is highly correlated with China's capabilities in the manufacturing sector. In this regard, he offered the following observations: First, China, as the world's manufacturing base, is dominating global manufacturing. Second, in the process of global low-carbon development, China is promoting the

green transition by providing affordable and high-quality green and digital technologies. Third, given the changing returns on domestic infrastructure investment, China's domestic savings could be invested overseas to achieve higher returns. Fourth, the relaxation of capital controls may lead to further growth in the current account surplus, and capital flows need to be properly channeled. Fifth, to support overseas investment, China should further advance RMB internationalization and raise its level. Sixth, China's economic policy should prioritize RMB settlement to help improve settlement efficiency, better facilitate investment, and avoid exposure to US sanctions. Seventh, the opening-up of financial services requires major international institutions and corporations to use RMB more extensively in their transactions, thereby expanding the scale of RMB transaction settlement. In addition, the opening-up of financial services can bring more specialized management experience and technology, and promote knowledge exchange and innovation.

Bert Hofman expressed several views on the development of China's service sector: First, the share of the service sector in China's GDP will continue to rise, and this trend will go deeper in the future. Second, as an economy becomes richer, the cost of services tends to increase. Third, the deficit in China's service trade may be partly explained by the fact that there is still significant room for productivity improvement in the service sector. Fourth, total factor productivity (TFP) growth in the service sector is faster than that in manufacturing. Therefore, promoting the development of the service sector can further enhance the overall TFP of the economy. Fifth, further opening-up of the service sector, including cooperation with foreign enterprises, can enhance the competitiveness of China's service sector. He also suggested that restrictions should be relaxed as much as possible in every subsector

of the service sector. He noted that China's negative list items are being reduced every year, which is a very positive sign. He expressed the hope that China will continue along this path and steadily and progressively raise the level of opening-up of its service sector.

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— Background Information —

The China Development Forum (CDF) is hosted by the Development Research Centre of the State Council and organized by the China Development Research Foundation. Since its inception in 2000, the Forum has been dedicated to the mission of “engaging with the world for common prosperity.” It has served as an important platform for high-level, professional dialogue among China's senior government officials, global business leaders, representatives from international organizations, as well as scholars from both China and around the world.



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