

# Annual Report 2017

Beijing Cairncross Economic Research Foundation's operation in 2016 was followed up with the government requirements for none profit organizations and carried out the research projects related to the economic policy development and reforms. The objectives and aims of all activities have been achieved by the end of the year.

## 1. Study on “Accelerating China’s Growth by Strengthening Competition: Some International Perspectives”

This is an international collaborative economic policy research project. The project was led by Cyril Lin, Sir Derek Morris (former chairman of the UK Competition Commission) and William Kovacic (former chairman of the US Federal Trade Commission), and involved leading international and Chinese experts. The senior Chinese advisors to the project were Professor Wu Jinglian, Chairman Peng Sen and Minister Chen Qingtai. The project was undertaken within the framework of the 3rd Plenum decision on “letting the market play the decisive role in resource allocation” and the 4th Plenum decision on advancing the rule of law. It examined issues and options for strengthening competition in China in two key areas: first, improving China’s Anti-Monopoly Law and its enforcement process; and second, measures to address the anticompetitive impacts of administrative monopoly, vertical industrial policy and the lack of competition among SOEs. The project team engaged in dialogues with China’s three competition policy enforcement authorities: the NDRC, MOFCOM and SAIC. The project’s main report and the reports by Chinese and international experts were submitted to relevant Chinese government departments, and were published as a book in Chinese by Citic Press in April 2017.

## 2. Study on “Strengthening China’s Fair Competition Review System (FCRS): Lessons of International Experience”

This is an international collaborative project. The project is a follow-up study to the previous project on “Accelerating China’s Growth by Strengthening Competition: Some International Perspectives”. It is being undertaken following consultations with the NDRC and other relevant government departments, and after the State Council’s issuance of Document No. 34 (June 2016) on “Opinions on Establishing a Fair Competition Review System in the Development of Market System”. The project is led by Cyril Lin, Sir Derek Morris and William Kovacic, and is aimed at examining issues and options for the further development of China’s FCRS in the light of international lessons with similar systems for addressing anticompetitive policies and regulations. The international experiences covered by the project includes the Organisation for Economic Cooperation and Development (OECD) Competition Assessment Toolkit, the EU State Aid Control Regime, the UK Market Investigation System and the US Competition Advocacy Programme. The project team includes leading Chinese and international experts, including current and former officials of the OECD, the European Union Directorate-General for Competition, the UK

Competition Commission (now the Competition and Markets Authority) and the US Federal Trade Commission. The project is scheduled to be completed by the end of 2017.

### 3. Study on Modelling the Predictive Macro-impacts of International Financial Conditions: The Case of China.

The Foundation is funding a research project on “Modelling the Predictive Macro-impacts of International Financial Conditions” which is led by Professor Qing Duo, Department of Economics, SOAS, University of London. This project aims to provide the first systematic analysis of the predictive impacts of international financial conditions for the purpose of enhancing the macroeconomic forecasting capacity of China’s economic performance. Specifically, the project aims to develop a practical procedure of constructing aggregate international financial conditions indices (IFCI), which are shown to have: (a) predictive macro-impacts on a number of key macroeconomic variables; and (b) comparable properties to aggregate indices widely used outside the academic circle, such as the consumer price index.

### 4. International collaborative study on innovation

The Foundation has provided partial support to the Technology and Management Centre for Development at the University of Oxford for a collaborative policy research project with the Chinese Academy of Sciences on how innovation globally is initiated, applied commercially and disseminated. The Foundation funded Chinese academics to go to the University of Oxford to work together with Oxford academics on the project and to participate in various seminars and other project activities.

### 5. A Study on China’s Industry Policies: Form, Implementation and Results

The Foundation is funding the Market and Network Economic Research Centre of Peking University to undertake a research project on “China’s Industrial Policies: Form, Implementation and Results”. The study analyses China’s industry policies over the past 30 years and assesses the industry policy development processes, implementation mechanisms and the outcomes and economic effectiveness of policies. It will also review the economic theory of industrial policy and international experiences to offer suggestions on how China’s industrial policy could be redesigned to achieve better economic results.

### 6. New Bashan Lun Annual Conference 2017

Beijing Cairncross Economic Research Foundation, in collaboration with the International Cooperation Center of the National Development and Reform Commission, held the New Bashan Lun Annual Conference 2017 in Beijing in October 2017. The topic for 2017 Conference is China and world after Nineteenth Party Congress.

Over 100 people including senior officials from relevant government agencies, experts and scholars from research institutions, international organizations and students from the People’s University attended the Conference. About 50 media reported the Conference.

### 7. The Cairncross Foundation Scholarship Program

The Foundation has supported 6 students from Hunan University and Northwest University to attend the courses in Oriel Summer School of Oxford University through the Scholarship Program. These students are all from poor families.

By the end of 2017, the Foundation has funded 37 students from poor families from poverty provinces and regions to the courses of Oriel Summer School of Oxford University. The program has achieved the aims of supporting China government's poverty alleviation initiatives.

#### 8. The Lecture in the Chinese Universities

Beijing Cairncross Economic Research Foundation is organising an academic lecture in the universities who are implementing the Foundation's scholarships program. In May 2017, the lecture was held in the Business School of Hunan University. Professor Wang Yuan, Board member of the Foundation, gave a lecture on "The Belt and Road Initiative – Policy Consideration and Prospect". Over one thousand teachers and students attended lecture.

The Foundation has achieved the targets set up in the annual plan for 2017. All activities are implementing smoothly and according to its time schedule. The Foundation has passed the annual audit and annual review in 2017. The Foundation will continue its efforts to achieve the targets in 2018.