

# Forum opens, insurance sector talked up

**A**ccelerating the development of the insurance industry will help improve China's financial market structure, optimize the allocation of financial resources, and enhance the stability of the financial system, Li Yunze, head of the National Financial Regulatory Administration, said at the 2024 Lujiazui Forum, which was held in Shanghai on Wednesday and Thursday.

The 15th Lujiazui Forum was themed "promoting world economic growth with high-quality financial development."

Li said that from the perspective of financial structure, China's insurance industry assets only accounted for 7 percent of its total financial industry assets, while the international average was around 20 percent, indicating the sector's growth potential.

In a speech that focused on promoting the insurance sector's high-quality development to push forward China's modernization, Li said that in the process of building a modern socialist country in all respects, the insurance industry was facing a historic opportunity for high-quality development and would play an irreplaceable role.

"As people's demand for elderly and medical care as well as the need to support others in society increase constantly, demand for diversified insurance protection is also rapidly rising," Li said.

Pan Gongsheng, governor of the People's Bank of China, meanwhile, said that China will continue to keep its monetary policy accommodative as well as strengthen counter-cyclical and inter-temporal adjustments.

The move will help facilitate economic recovery and create a favorable monetary and financial environment for economic and social development, said Pan.

Looking ahead, while undergoing continued recovery, the Chinese economy is still confronted with some challenges, as the effective demand is still insufficient; there are blockages to domestic economic circulation, and the complexity, severity, and uncertainty of the external environment have risen significantly, he said.

Since the beginning of this year, global inflation has started to cool down, but it is still strongly sticky, Pan said, adding that some central banks such as the European Central Bank have begun



The 2024 Lujiazui Forum opened in Shanghai on June 19. — Dong Jun

their rate cuts while others are still observing developments and may cut rates later.

On the whole, central banks are sticking to their high interest rate and restrictive monetary policy stance, while China differs somewhat from them, Pan said. "Our monetary policy stance is accommodative, providing financial support for the continuous economic recovery."

He pointed out that the PBOC has adopted a variety of monetary policy instruments, such as cutting the required reserve ratio and policy rates, and bringing down market rates such as the loan prime rates, which created a favorable monetary and financial environment for the high-quality development of the economy.

China Securities Regulatory Commission Chairman Wu Qing told the forum that China will roll out new measures to deepen the reform of the Science and Technology Innovation Board, or STAR, market.

The measures aim to better serve the country's scientific and technological

innovation and promote the development of new quality productive forces, Wu said.

Furthermore, they will focus on improving the board's institutional mechanisms for issuance and underwriting, mergers and acquisitions, equity incentives, and trading.

Since its launch in 2019, the STAR market has become the preferred listing destination for "hard-tech" companies, as its magnetic effect continues to grow.

As of May 31, a total of 572 companies were listed on the STAR market, with a combined market capitalization of 5.17 trillion yuan (US\$726.5 billion).

The total amount raised through initial public offerings has reached 909.1 billion yuan.

The commission will work with relevant parties to create favorable conditions to attract more medium- and long-term funds into the capital market, Wu said, adding that efforts will be made to optimize support policies throughout the entire investment and financing cycle.

Earlier, the International Monetary Fund announced the launch of its Shanghai Regional Center.

The IMF Shanghai Regional Center will strengthen cooperation and exchanges within the Asian region, promoting stability and development of the global economy.

"I'm glad to witness this important initiative in cooperation with the People's Bank of China," said Kristalina Georgieva, managing director of the IMF.

"I believe the center will further strengthen the work of the IMF in the dynamic Asia-Pacific region, contribute to a deeper understanding by the IMF of the views of member countries, and promote international economic cooperation."

It is expected to bring more international resources and experience to China's financial market and help further opening up and internationalization of the financial market.

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