

Center for Strategic and International Studies

Statesmen's Forum: Wang Yi, Minister of Foreign Affairs, PRC

Speaker:
Wang Yi,
Minister of Foreign Affairs,
People's Republic of China

Welcoming Remarks:
John J. Hamre,
President and CEO,
CSIS

Moderator:
Christopher K. Johnson,
Senior Adviser and Freeman Chair in China Studies,
CSIS

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JOHN J. HAMRE: Good morning, ladies and gentlemen. Thank you. We're delighted that you're all here. This is a great privilege.

When we have public events like this, we always begin with a little safety announcement. I am the responsible safety officer. I'm going to be taking care of you. And so if I do ask you to follow my directions, please do that. The exits to – are right here behind me. There are three exits. The stairway is right in this corner, and you'll just follow my instructions. I'm going to first take care of Foreign Minister Wang, but – (laughter) – but I will come back for you, I promise. (Laughter.) All right. (Laughs.)

Let me just say, first of all, you were all given some cards for questions. And let me tell you why: because frequently when people want to ask a question of a prominent person like the foreign minister, they'll give a speech rather than a question. And the rest of us don't want to hear the speech. So what I'd like you to do is write out your questions. Just hold them up. We've got people that'll bring them up. And Chris Johnson is going to do the Q&A period, and he'll go through and make sure that we have good-quality questions for the foreign minister.

All of you know the importance of foreign ministers. I've been close enough to them to know how crucial a role they play. They're great navigators for relations between countries. But this is not navigation where the sky is clear, you can see all the stars, the waters are calm. This is when it's choppy and turbulent, and that's when it takes great navigation skills. And Foreign Minister Wang is a great navigator. He has – been impressive to see how he has been leading his Foreign Ministry these last years. We've had choppy times. It's not always been easy. But I know that he's committed to a path where China and America and everyone else in Asia are able to work through problems peacefully and constructively, and I think we're going to hear about that today.

So would you please, with your very warm applause, welcome the foreign minister of the Republic of China – People's Republic of China, Wang Yi, please? Thank you. (Applause.)

(Note: Minister Wang's remarks are provided through an interpreter.)

FOREIGN MINISTER WANG YI: Good morning. I appreciate the opportunity to come to the best think tank, and to tell you about China and China's diplomacy.

Whenever I'm in the United States, friends here always suggest that I give a public speech. But almost always, I had a very crowded schedule. And I'm glad this time we can have this opportunity to be with you, and I really look forward to a productive exchange.

I want to talk about a changing China and its diplomacy. Talking about change and development in China, the biggest there is is that for over 30 years we have registered double-digit growth in our economy. And that's a miracle for the world to see. We have now become the second-largest economy in the world, and we have lifted over 600 million people out of poverty. This is the biggest achievement in accomplishing the Millennium Development Goals.

On the other hand, we realize the old development model is no longer sustainable. For the sake of the world of our posterity, we must change our development model. So we took a decisive decision, without any hesitation, to press ahead with structural reform, despite all the pains and sacrifices. And we want to take a circular, green, sustainable path of development. And let me say to you all that we have already made visible progress.

Last year, the tertiary industry accounted for over half of our economy, and environmental degradation has been kept under control. Most notably, consumer spending is contributing to a larger and larger share of the economy. The figure last year was 66 percent. In other words, you have the three drivers of growth, investment, export and consumption, and for the first time consumption has emerged as the biggest driver of the economy. This is a more healthy and sustainable pattern of growth.

Of course, in the absence of large-scale investment, the GDP growth rate might moderate a little bit. Yet, we're now talking about a 10 trillion U.S. dollar economy, and last year we achieved 6.9 percent growth. Every percentage of growth last year was equivalent to 2.6 percentage points of growth a decade ago. So China continues to be the important engine for the world economy.

Of course, in the recent period, we are against some economic headwinds. This has a lot to do with the global economic environment, because we're now a very open economy. We hear some concerns about the Chinese economy, but let me make it very clear to the friends here that there will not be economic hard landing in China. China will not close its door of openness, and the reform in China will not come to a stop. We have relied on reform and opening for our past growth, and the entire party and country in China agree that we need to continue with reform and opening. There shouldn't be any doubt about that. And this year, the economy will be even more healthier and efficient. And we're looking at mid to high rate of growth for a considerable period of time, and the economy will move to the middle to the higher end of the value chain.

Where does our confidence come from? I'm no economist, but let me talk about the three key advantages of the Chinese economy.

First of all, we have a huge market potential in China. Yesterday afternoon I was up on Capitol Hill, and some members of Congress said to me that the United States has a serious trade imbalance with China; we're buying too much from China, you are buying too little from us. And I said to him, Mr. Congressman, just wait a little longer and the situation will change, because the Chinese market is potentially four times the size of the American market and it is emerging rapidly to become a real market. It's a market of 1.3 billion people. It's going to mature very soon. And when that day comes, China will run a large deficit and we will buy lots of goods from the United States – high-quality and inexpensive goods from this country. And that day is sure to come.

The second key advantage of the Chinese economy is the pace of urbanization. Well, developed economies have an urbanization rate of around or above 80 percent. But when you look at China, the registered urban population is less than 40 percent. In other words, we have enormous potential and room to tap. And herein lies enormous business opportunities.

The third key advantage of the Chinese economy is expansion of the service sector. Normally, the service sector would account for over 70 percent in developed economies. And in China, it's just past the 50 percent mark. So in this area, as well, there is enormous potential.

China will surely continue to grow and develop, and we will provide many more business opportunities for the United States and other countries. And China and the United States will surely become long-term economic and trade partners.

Moving on to China's diplomacy, diplomacy is the extension of domestic affairs. We have already set out the two centenary goals, and we're uniting all the people in China in a common effort to realize the Chinese dream of national rejuvenation. And Chinese diplomacy will serve this overriding domestic objective. We want to do all we can to facilitate the accomplishment of our goal, and we want to create a more stable, enabling and friendly external environment for China's development. We want to harness more external resources for the benefit of China's development.

I'm sure you're all impressed with China's development in recent years. You have every reason to be. In the last three years, President Xi Jinping built on the good tradition of China's diplomacy, and articulated a whole series of new ideas and concepts. In our diplomacy, we are more proactive in defending China's legitimate and lawful national interests. We're more proactive in shouldering our due international responsibilities and obligations. And we are more proactive in working with other countries, particularly the United States, to pursue win-win interstate relations.

At present and in the period to come, what are the main tasks for the Chinese diplomacy? You may have read lots of material and commentary. Well, today I want to give you my understanding and interpretation of it. In my view, China's diplomacy will have five key tasks.

Number one, we want to help more countries and nations to better understand China's social system and development path. China is a member of the international community. We want to be more deeply integrated into the international community. At the same time, we will remain committed to socialism, with distinct Chinese characteristics, for we believe this choice is in tune with China's national conditions and the people's needs. It has the strongest support from all sectors of Chinese society.

Socialism with Chinese characteristics, in the simplest nature, has its basic features as the following. We try our best to mobilize billions of people's initiative, and on that basis we are committed to common development as the general objective. That is to say, every Chinese, whether in towns or in countryside, in hardships or in good times, born from good families or not, despite all of this, every Chinese people can have hopes and expectations for the future, and can realize their dreams through their hard efforts. This is a goal that we aim to realize. This is a general objective of what we mean by common prosperity. And it is because of this the socialism with Chinese characteristics as a path has received the support from most people.

And, at the same time, one also needs to notice that in a country of 1.3 billion people, and in a country with quite strong and uneven development and disparity of development, realizing of modernization would require and must require a staunch force. A force with idealism, with a sense of responsibility can devote and make dedicated efforts. And such a staunch force is the Communist Party of China, having a membership of 86 million at present.

If 86 million party members can follow the requirements of the party constitution, and take the national interests seriously and in a very important position, and be pioneers in all fronts, then any kind of difficulties or challenges will not prevail over China. Any kind of difficulties will not hinder China's development.

At the same time, and more importantly, the 86 million CPC members need a strong leadership core. And that core is the CPC Central Committee, with General Secretary Xi Jinping – with Xi Jinping as the general secretary. And under such a leadership, the massive ship of China is going forward in a steady way, and we will realize the two centenary goals. We have ample confidence about that.

And at the same time, China's development is related to every Chinese well-being and happiness. It's also related to every other country's and every other people's happiness. It's very closely related with that. We very much hope that, when we further integrate in the international community, we can receive more countries' and more peoples' understanding.

China will never export our social systems or development concepts because we are always convinced that every country has the right to choose development paths which are compatible with its own national conditions. At the same time, we believe that, on the basis of equality, we can conduct exchanges with each other over this.

Now, you know that there is a book on "The Governance of China." It started publication in 2014, and it became very popular – now in more than 100 countries and regions it was published. It had a publication number of more than 5 million copies, Xi Jinping on "The Governance of China." We are confident that, as China develops its exchanges with other countries in the world, there will be more countries and more people who understand and support the development path that China has chosen and the system that China has chosen, as well as the development models China has chosen. This is the number-one task of China's diplomacy.

And the second task is to firmly safeguard the international order and the international systems established since the victory of the Second World War. We will not start something else because in those years China was the first country to sign on the Charter of the U.N. China paid a cost of more than 35 million people's lives to have won the peace of the world, and the first thing for us is to staunchly safeguard the U.N.-centered international contemporary system, as well as the basic norms governing international relations represented by the Charter of the U.N.

In our view, the fact that so many disabilities are happening is because the principles and purposes of the U.N. Charter have not really been implemented and actualized. Non-interference in other countries' domestic affairs and the peaceful settlement of disputes, these concepts have been thrown away and thrown aside. Therefore, an important task of China's diplomacy is to,

through our own practice, to really implement the purposes and principles of the U.N. Charter in the concrete and specific practices of state-to-state exchanges. In our view, this is an international responsibility and obligation that China shoulders.

And another thing for us to do is that we must defend a free and open world trade system. It is relying upon trade and opening up that China has achieved rapid development. We are building an open-minded economy. We hope the world will do so. We are opposed to any kind of trade protectionism.

And in the face of the current and the frequent regional and sub-regional FTA arrangements, at this moment we don't hope to see development of a fragmentation. Rather, we hope that, no matter what kind of arrangement – TPP or ICP – they should become – they should become pathways leading to broader FTA system. And that point has already been affirmed at the declaration during the APEC summit held in Beijing. China and all other APEC members have expressed their commitment to such a principle.

Not only do we need to defend an open and a free trade system, but we want to extend that further into the field of investment because, as you know, so far there's not yet rules of investment in the world. Therefore, the G-20 summit that will be taking place in Hangzhou in China this year has an important agenda, which is for the G-20 members to discuss jointly how to explore and form global investment rules observed by all and open to all. And this is not something that can be achieved overnight; yet, we want to get it started.

Another point is that we would like also to defend and improve the current world economic and financial governance system. China has already deeply involved itself in the existing international financial and economic system. For example, the IMF reform proposal, which has been there for five years, has been adopted this year by the Congress at the United States. Our quota and voting has increased significantly. And China has also become a full member of the EBRD, European bank. And we will continue to play our role in the existing international financial and trade order.

And at the same time, we do advocate and initiated the AIIB, the Asian Infrastructure Investment Bank. From the outset, some countries have anxieties or worries over that, and they are suspicious whether China's doing Monroe Doctrine of an Asian type. But now it's very clear that from the very beginning we embraced all other countries of the world to join the AIIB rather than limiting AIIB to the regions where China finds itself.

Now, AIIB membership has – half of them and more are from countries outside of Asia. For the developed countries other than the U.S., all other countries have – developed countries have joined, although that might imply a decrease of our equity in the AIIB. Still, we are willing to make it an open mechanism. And now there are some 40 countries that are waiting and queuing to join the AIIB. We will, together with all AIIB members, turn the AIIB into an international standard, a professional, and at the same time less of a bureaucracy, and an institution that really devotes itself to Asia's infrastructure development and address the financing bottlenecks in those aspects, and turn it and make it something which supplements and

improves on the existing investment scheme. We are not starting something new in this connection.

So that's my second point. That is, overall, we defend and we will defend the international system established after the victory of the Second World War.

Let me come to the third task of China's diplomacy – that is, to actively serve China's own development. By this point and at this moment, the most important work to do is to work with more and more people and promote the development of the Belt and the Road Initiative. The Eurasian continent that China is located has, over the thousands of years, is full of the swords and fires and blood and chaos. However, today the commonality of all Eurasian countries are to develop industrialization, to accelerate industrialization, and improve their capacity for development. And exactly because of this, China can provide them advanced equipment, mature technologies, as well as management, financing and human resources training experiences. So this is a completely win-win and complimentary initiative of the Belt and the Road Initiative. China and all other countries joining this initiative will be provided new prospects for development, and they will find new concepts for development. This is beneficial not only for China, but for all other countries. Now more than 70 countries have expressed support and willingness to join in the building of the Belt and the Road Initiative.

There are three pillars of the Belt and Road Initiative. The first is connectivity. Therefore, China is actively working together with other countries to clear the corridors of mutual connection. Not only we want to clear the Eurasian connectivity roads, but we want to build in a good way the Pan-Asian railway networks. And we hope and we are willing to echo the aspirations of African countries and link the 54 African countries with high-speed railway in the future. Now China has more than 18,000 kilometers of high-speed railway domestically, and we have this ability to work with other countries to achieve connectivity.

The second pillar of the Belt and Road Initiative is the cooperation of production capacity. We've signed with more than 20 countries on the agreements over international cooperation on production capacity. And we hope that, through this, we can accelerate our respective industrialization process and realize a higher level of development, and also by doing this to cope with the challenges on all countries' economy. In fact, in the U.S. there's a re-industrialization plan. Europe has the same. Our production capacity cooperation plans are open. We are willing to – open to any kinds of cooperation, including the tripartite cooperation on production capacity. China has advanced equipment and ample sources of funding. If we can combine that with other countries – for example, the U.S. core and critical parts or components – then such a kind of cooperation on production capacity can be advanced in a more effective way, to the benefit of development of all countries' economy, and in that way contribute to the world's prosperity.

And, of course, the third pillar of the Belt and Road Initiative is people-to-people and cultural exchange. There are diverse civilizations and cultures on the Eurasian continent. None is superior to the others. We hope in the process of pursuing the Belt and Road Initiative, these different civilizations can learn from each other in an inclusive way, contributing to human progress.

The fourth task of China's diplomacy is to effectively protect China's ever-growing overseas interests. Like other major countries before us, China has come to a stage where more of our businesses and citizens are going abroad to develop themselves in other countries. Now, over 30,000 Chinese companies have set up shop in other countries. Several million Chinese are now working or living in other countries. And every year non-financial outbound investment is rising rapidly. Last year it reached \$120 billion U.S. Of course, if you're counting financial investment, the figure would still be greater. And this figure is close to or may even be bigger than inbound investment into China, and it's growing rapidly every year.

And every year 120 million of our people travel abroad. This may be the largest migratory population in the world. So the Chinese government has a responsibility and an obligation to protect our overseas interests to make sure the overseas Chinese institutions and personnel are well-protected. But to be honest, we don't have the resources and capability to do that. So this is an urgent task for China's diplomacy. We must continue to enhance our ability to protect the lawful rights and interests of our companies and personnel. And we want to draw on international resources, working with other countries, to better protect our ever-growing overseas interests, which are lawful and legitimate.

The fifth task of China's diplomacy is to play a more active part in the settlement of international and regional issues. We are one of the permanent members of the U.N. Security Council, so we have a responsibility for maintaining international peace and stability. And in our view, the resolution of hot-spots issues can create a more enabling environment for China's own development, besides being a good thing to the world. In Africa, we're helping to mediate the dispute between parties in South Sudan. In Asia, we are facilitating the peace talks in Afghanistan and the national reconciliation process in Myanmar. Of course, we have worked with United States and others to arrive at the Joint Comprehensive Plan of Action on the Iranian nuclear issue, and we are an active participant in the political settlement of the Syrian issue. We're in frequent communication with both the government and opposition in Syria.

And I gather the issue that's foremost on your mind at this moment is the situation on the Korean Peninsula. I'm prepared for questions on this after my speech, but let me say this: First of all, we're against the development of nuclear weapons by the DPRK. We cannot allow nuclear weapons on the Korean Peninsula, either in the north or in the south, either developed indigenously or introduced from the outside. Should there be nuclear weapons on the Korean Peninsula, it would be detrimental to the interests of all parties. And it's not in the best security issues of the DPRK itself. So the Korean Peninsula must be denuclearized. This is China's firm goal.

Secondly, there can be no war or turbulence on the Korean Peninsula, otherwise there will be horrible consequences. How to achieve denuclearization? Ultimately, we have to go through negotiation, just as in the case of the Iranian nuclear issue, where 10 years of negotiation has produced the comprehensive agreement. I know Wendy Sherman is in the audience. She, on behalf of the American government, made an enormous contribution to the negotiation. And we admire her for her hard work. In the case of the Korean nuclear issue, the Six-Party Talks has been stalled for eight years. And in that period, we've seen multiple nuclear tests. There will be

a new U.N. Security Council resolution entailing further actions to limit the development of nuclear missile technologies in the DPRK. Yet, at the same time, we must not give up on peace talks, which provide the only viable solution to the nuclear issue.

China is the chair of the Six-Party Talks. We are fulfilling our responsibility and obligation. And we have put forward the idea of pursuing in dual tracks the denuclearization of the Korean Peninsula, and the replacement of the Korean armistice with a peace agreement. In other words, without denuclearization there will not be a peace agreement. On the other hand, without a peace agreement and without addressing the legitimate concerns of the parties, including those of the DPRK, then denuclearization cannot be achieved in a sustainable way. So we have to pursue both in parallel to achieve denuclearization and to address the concerns of the parties in a balanced way. We're prepared to work with the relevant parties to work out the pathway and steps for this dual track approach.

And thirdly, I must say, China's legitimate national interests must be upheld in the process. And many of you may have in mind the deployment of the THAAD missile defense system. The United States is likely to deploy THAAD in the Republic of Korea. Of course, it's up to the ROK government to make a final decision. To some extent, it's their internal affair and China does not interfere in the internal affairs of other countries. And we understand that in a very complex environment, the United States and the Republic of Korea want to ensure their own security.

But I must point out that the X-band radar associated with the THAAD system has a radius that goes far beyond the Korean Peninsula, and reaches into the interior of China. In other words, China's legitimate national security interests may be jeopardized or threatened. So after the news broke that the U.S. and the ROK may discuss the deployment of THAAD, we believe China's legitimate security concerns must be taken into account, and a convincing explanation must be provided to China. I don't think it's too much to ask. It's a reasonable position.

I know you still have many questions on this issue, but let me now move to the next issue, the situation in the South China Sea. Let me say to you, the general situation there is stable. No commercial vessel has complained that its freedom of navigation has been threatened or jeopardized – none. While it's true that there is a dispute over some of the islands and reefs in the Nansha Chain, or some might call the Spratlys, and fully two of China's islands and reefs as part of the Spratlys have been illegally taken by others.

Still, China's position is we want to have a peaceful resolution of the issue through dialogue and negotiation, in accordance with international law, including UNCLOS. This is a firm commitment from the Chinese government which has ensured the general stability of the situation in the South China Sea. In the meantime, we're working with ASEAN countries to implement the DOC. And we're speeding up the COC consultation. China and ASEAN countries have every capability to maintain peace and stability in the South China Sea on our own.

We have made quite a few proposals. First of all, the disputing parties, in accordance with the DOC, must peacefully resolve their disputes through negotiation. Article 4 of the DOC

makes it clear that the dispute must be resolved by the directly concerned states. And the leaders of China and 10 ASEAN countries signed off on the DOC. So it should be a binding requirement. The Philippines has closed the door of dialogue with China. Still, China and the other ASEAN countries are doing our best to implement Article 4 of the DOC.

Secondly, countries in the region, claimants or otherwise, who border the South China Sea must work together to maintain peace and stability in the South China Sea, and to uphold the freedom of navigation in accordance with international law. And China will play its due role. Thirdly, countries from outside of the region, it is hoped will support the resolution of the disputes through negotiation between the directly concerned parties, and will support the efforts of China and ASEAN to maintain peace and stability in the South China Sea. We hope outside countries can play a constructive role. Now, if all the three points are satisfied, then we can continue to maintain peace and stability in the South China Sea. And you needn't be too worried about it.

Finally, let me speak about the China-U.S. relationship. I think I may have spoken for half an hour already, and I know there is a Q&A session to follow. But before I do, I will talk about our relationship. This is the most important bilateral relationship in the world. It's a relationship between the world's largest developed country and its largest developing country. A good China-U.S. relationship will benefit both nations and the world at large. However, if the relationship is mishandled, then we might fall into the so-called Thucydides trap.

President Xi Jinping has suggested that the two countries work together to build a new model of major country relationship. The goal or vision is to build a win-win China-U.S. relationship. I think that's the right way to go. And we're working with the United States in this direction, to deepen our mutual understanding, to increase our dialogue, and to advance the process of building a new model of relations. And we hope this vision will also be shared by our two societies, and enjoy ever more support from Chinese and American people.

Recently there have been quite a lot of discussions on China-U.S. relations, as well as coverages of the media. It seems that – how come so many differences and contradictions have emerged in such a relationship? Yesterday after my meeting with Secretary Kerry, when I met the press, I made it clear that both Secretary Kerry and I reaffirm that the common interests of our two countries far exceed our differences. Never mind that there are differences, we can address them through consultations.

There is, indeed, one argument which merits our attention. Some friends in the States are worried. They view China as the real and the major adversary of the United States, and that one day China will replace the U.S. In fact, such a kind of argument has behind it a lack of – strategic mistrust, strategic suspicion in the long term. And if such a strategic mutual mistrust develops, then it will make us concerned, because smaller problems will grow into bigger ones. And if there are no problems, someone will try to pick some. On the other hand, if we can establish strategic mutual trust and remove misunderstanding and strengthen strategic operations, then we can over any problems find mutually acceptable solutions through consultation and discussions. Would China become the U.S.'s principal adversary someday, or even replace the U.S.? I think this argument is a pseudo-argument.

First of all, although China is the world's second-biggest economy, in per capita terms we are ranking behind the 80th place in the world. Human development is the basis for national development. And that's why we say we remain to be a developing country, and we still must focus our efforts on development. And for a very long time to come, we must project our main energy on our own development. We will not compete with or against others, nor do we have the intention to replace others.

Secondly, between China and the U.S., just as I said and chatted with old friends when I entered the door, China-U.S. relations are now in a period of mutual dependence. Almost all American businesses have developed themselves in China. More Chinese enterprises are entering the U.S. And in almost all states of America there are Chinese companies creating job opportunities locally for America. Last year, China became the U.S.'s biggest trading partner, with a trade volume of some \$550 billion U.S. And such a number still increasing every year. Mutual visits amounted to more than 4.75 million. And every day tens of thousands of visitors between the two countries are flying across the oceans.

How could one imagine that these two countries would run into conflicts? If that happens, it will be a lose-lose situation. Only cooperation will lead to a win-win situation. If everyone could realize this, there is no reason that we should have confrontation. There is no reason that we should engage in zero-sum competition. There is every reason that we can cooperate. And we are entirely able to do that. In fact, there's a high complementarity between our two countries. We should constantly explore the potential and the new space for China-U.S. relations growth.

Moreover, why do we think that we will not replace the U.S.? The reason is simple, because we're not the U.S. (Laughter.) China is China. China will not become another United States. In the blood and the veins of China, there is no veins of expansionism. There is no mentality or urge to be saviors of the world. Starting from 2,000 years ago, we built and built the Great Wall of China for self-defense. That is the special characteristics and the very typical expression of the features of the Chinese culture. And such a feature, ingrained in the blood or the genes of China, will continue.

Even if, in the future, China would become stronger and more developed, and even maybe someday very far away from now – because we have 1.3 billion people – the aggregate economy will become the world's biggest by some people's projection or estimates – but even if that day should come, China will still not be the United States. China will still be in the way of the Chinese people and in the mindset and the thinking of the Oriental people, and take a more – an even more harmonious and inclusive attitude to deal with other countries and to play our due role in international relations. And by time, cooperation between the China and the U.S. will grow deeper and closer. In my view, what's most needed is the mutual understanding of each other. That is the main point I wanted to inform all of you today. Thank you for your attention. (Applause.)

CHRISTOPHER JOHNSON: Thank you. That was excellent. OK, well, thank you very much, Mr. Foreign Minister, for that very comprehensive speech. There's certainly a lot for us to chew on in there. Thank you for that.

I did want to push you a little bit on one of the subjects you raised. I think it's fair to say that there are two issues that have pretty much set the backdrop for your visit here. One is, of course, North Korea and what's been happening on the Korean Peninsula. And the other is the South China Sea and developments there, especially in the last few weeks, some of which have been highlighted by our own institution here, CSIS.

I think it's interesting that on the one hand China has repeatedly defended its right to emplace military defensive equipment on the South China Sea reefs and islands that it claims, and while at the same opposing, as you mentioned, or having questions anyway, about South Korea's right to have defensive military equipment placed on its sovereign territory in the form of THAAD. Some would see this perhaps as a contradiction in China's positions. (Laughter.) Can you elaborate a little bit on each of those issues? And in particular, I think the audience would like to hear a little more elaboration on what's happening with – on these facilities that China has in the South China Sea. Perhaps you can share with us a little more information about the recent news reports that have been out there.

MIN. WANG: Well, I think you have said just now that China doesn't hope for the THAAD system to be established, that we have a different view on the establishment of the THAAD anti-missile system, and that on the South China Sea we have some of our own facilities, including defensive facilities. Are the two contradictory? I don't think they are contradictory. I think they are common in that China needs to defend our legitimate national security and our legitimate national interests, be it in addressing the Korean Peninsula or addressing the South China Sea.

I have said on the THAAD, and I won't elaborate on that, I could make some further – perhaps some more information on that. On the South China Sea, it's true that we have had some facilities, but I would like to inform you that for these facilities very long ago other countries did that. China was later by 20 years or even 30 years than those countries. China's reclamation after meeting our own needs, and we have stopped the reclamation already. So I would like to inform you that other countries, today they are continuing the reclamation and have not stopped that. The CSIS has very strong intelligence capability, including satellite images. And I would advise you to look into that.

The third point, it's true that China – that we have some defense facilities on islands and reefs. But what you should see is what the islands surrounding China and reefs surrounding China have more military facilities on them. There are various kinds of artilleries, guns, amphibious tanks, airstrips, runways, planes. There are missiles, war and gun helicopters. And for China's stationed islands and reefs towards all these, and so many military facilities surrounding us, we certainly need considerable, or certain defense facilities. This is the right of self-defense bestowed by the international law.

Yet, I would like to inform you that our purpose is to have and to build more civil use facilities. China is the biggest littoral state, or coastal state, of the South China Sea. We have the responsibility or obligation to provide the international community more public goods. Therefore, we have built the lighthouses to protect the navigation security. We are prepared to build meteorological stations to provide meteorological ships – to all ships. We are also prepared to build emergency harbors for ships that have run into dangers, including the rescue, the health facilities, and the maritime observation, research, and environment protection facilities.

These are all the public good that in the future China would like to provide. Therefore, as I said at the press conference, I hope people's attention will more focus on these civil purpose and civil use facilities, and their construction in the future. That's my elaboration. I don't want to dwell on that, because I think there are – there will be more questions on the list, right?

MR. JOHNSON: You mentioned in your remarks a lot about U.S.-China cooperation, and how certainly China does not seek to replace the United States. But, obviously we do have different social systems. And so the question is, what is the crux of the difference between U.S. and Chinese views of the international order today, and going into the future?

MIN. WANG: What is the difference between China and the U.S. views on the international systems? I would more take that as an academic issue. I think that CSIS is more in a position to draw – to elaborate on that. But in terms of foreign policy, indeed the U.S. adopts a global foreign policy, while China pays more attention to our neighborhood, more attention to developing countries, more interested in developing economic cooperation for when in cooperation.

We are more hopeful to see that in accordance with the U.N. charters and the purposes, to develop a new type of international relations among countries. We more would like to follow a path of partnership without coalition, dialogue without confrontation, to have such a path of state-to-state exchanges. So if the point is on that, then China is working in that direction. In other words, and if I could add onto my presentation, I mentioned the five tasks. And for these five tasks or missions, they compose or they form China's diplomacy as a major country. And by diplomacy of China as a major country, that means that we need to constantly explore and advance a path to make our country stronger, represented by peace and development, because we want to find a way of making the country strong different than previous powers, and their symbol is peaceful development.

Secondly, we would like to explore and advance a new type of international relations featuring – (within ?) cooperation. That is, we want to have partnership rather than alliance. We want to have dialogue rather than confrontation.

Thirdly, we want to protect our overseas interests in a legitimate and lawful manner.

Number four, we want to explore constructive resolution of international and regional issues.

These are the basic approaches of Chinese diplomacy. While they might differ from those of the United States but I think it would also be fair to say we have a lot in common. China and United States are both permanent members of the U.N. Security Council. We shoulder important responsibilities for international peace and security. So there is every reason for us to have more cooperation on the world stage, each leveraging its own strengths.

The United States will host the Nuclear Security Summit next month. Our two countries have excellent cooperation on this front and there are many concrete examples. If Africa, China and the United States are working together to help other countries and we've partnered with each other to help Africa contain the Ebola outbreak. And the list goes on.

While it's OK for you to focus on the difference of views between China and United States, but even more importantly, you should not lose sight of the ever-expanding cooperation between China and United States, which has a bright prospect.

MR. JOHNSON: (Off mic) – on the Korean Peninsula and discussed it in terms of the Six-Party Talks and the need for additional dialogue. This question zeroes in a little bit on the bilateral relationship between China and the DPRK. And the question is, how would you describe China-DPRK relations? How have they changed in recent years? And what are the key factors that will influence that relationship in the future?

MIN. WANG: The DPRK is an important neighbor for China. We share common mountains and rivers. In history we have forged a traditional friendship, but anyway we are two separate, sovereign countries. So the DPRK will go in the direction it has set for itself – it's up to them to decide – whereas China has its own development path and model.

Like other countries, we are willing to have exchanges with the DPRK to share with them our successful experiences for their reference, but ultimately it is up to the North Koreans to make their own decision. The most fundamental principle in China's diplomacy, one we will stick to, is that we do not interfere in internal affairs of other countries. China and the DPRK have maintained normal interactions, but when the new Security Council resolution is adopted – as I said, China and DPRK are neighbors that have routine exchanges, and these will be affected by the new resolution. We can foresee that.

On the one hand, we're saying to the international community – and we have the understanding of other members on the Security Council – that the normal exchanges, especially those affecting the livelihoods of the North Korean people, should not be adversely affected. On the other hand, in order to uphold the international nuclear nonproliferation regime for the sake of denuclearization, our exchanges will be affected to some extent. And this has not come as a surprise to us.

The key point is, as we pursue denuclearization and try to resume the peace talks, China's relationships with the DPRK and the ROK and other neighbors will enjoy healthy and normal development.

MR. JOHNSON: (Off mic) – didn't directly come up in your remarks in some areas. It didn't come up directly in your remarks. The first, and obviously one of a lot of concern or interest here in the U.S. is – and you, of course, before becoming foreign minister, were head of the Taiwan Affairs Office of the State Council – how does Tsai Ing-wen's election affect Beijing-Taipei relations?

MIN. WANG: While this is China's internal affair, so it's not in my purview or responsibilities, but let me say it's just a change of government in Taiwan. It's the result of electoral politics. It's something natural. It should not come as too big a surprise. We do not care that much who is in power in the Taiwan region of China. What we care about is, once someone has come into power, how he or she handles the cross-straits relationship, whether he or she will maintain the peaceful development of cross-straits relations, whether he or she will recommit to the political foundation of cross-straits relations.

The One China principle, this is what we care about. There is still some time to the handover of Ma, which will come on May the 20th. I hope and expect that before that time comes, the person in power in Taiwan will indicate that she wants to pursue the peaceful development of cross-straits relations, and that she will accept the provision in Taiwan's own constitution that the mainland and Taiwan belong to one, the same China. She is elected on the basis of the current constitution of Taiwan, which still recognizes the mainland and Taiwan as one, the same China.

It will be difficult to imagine that someone who is elected on the basis of that constitution should try to do anything in violation of Taiwan's own constitution. If she should attempt to do that, the international community will not accept it. The mainland of China will not accept it. And the people in Taiwan will not accept it because they want to see the continued peaceful development of cross-straits relations. They want to see more mainland visitors. They want to pursue more business ties with the mainland. And they want to live in a climate of peace and tranquility. The next government in Taiwan must think about these issues in a serious way.

MR. JOHNSON: (Off mic) – didn't come up directly but – in your comments, but certainly has a lot of interest for people. How would you characterize the current state of China's relationship with Russia, and how do you think it will develop this year?

MIN. WANG: Russia is China's biggest neighboring country. In history there is twists and turns or recurrences in China-U.S. relations. Both sides, after drawing upon those lessons, have built a new type of bilateral relations, which is a relationship featuring no alliance and no confrontation, not targeting a third country, mutual understanding, mutual support and mutual help. And at the same time, the two countries, in their respective ways, jointly contribute to regional peace and world peace, and play their roles respectively.

China and Russia have built an all-around strategic and cooperative partnership, in our view. Such a relationship is developing in a good way. And to use our words, it's operating at a high-quality level. The presidents of the two countries meet each other frequently. The two countries have established various – a large number of dialogue mechanisms. In fact, it is with

the U.S. and Russia that China has the largest number of dialogue mechanisms. With each country there are more than several hundreds.

They play, on a daily basis, a very important role of communication. So in our view, we are satisfied with the development of China-U.S. relations. We are having confidence in the prospect and the future development of China-Russia relations. Exactly because of past lessons we will not return to the situation in the past. Both will dearly cherish the current situation of mutual respect, mutual support and mutual help. And we will continue to develop that.

MR. JOHNSON: You spoke in your remarks about China's interest in having a free trade system internationally, an open trade system. This question relates to that. Does China want to join the TPP? And how does China best see the architecture in the East Asian region developing for global trade? Would it be bilateral free trade agreements with other countries? The RCEP, TPP? How does China think about these various options?

MIN. WANG: In fact, I think I have elaborated on that.

Now, there is a kind of tendency of fragmentization. That is, various kind of bilateral, tripartite, plurilateral, regional free trade arrangements are emerging. However, our proposal and our proposition is that no matter what kind of arrangements, they should be open, they should be inclusive. They should not be closed or exclusive. Therefore, TPP, well, recently it was adopted and an agreement was reached. We of course are following that very closely because almost all members of the TPP have their biggest trading partner of China. So it's quite a strange phenomena.

Now, there is one argument. Now, China cannot join the TPP at this moment. We can join them in the future after the TPP is well done. We don't understand the logic or the specific implications by that argument. However, for us, when we do any kind of FTA arrangement, we adopt an open attitude. Aspirational countries are welcomed. All of them are welcomed by China.

And at the same time, we need to notice that the East Asia and the Asia, we were finding ourselves, is in regional diversity with different levels and stages of development, with different cultural backgrounds and historical and cultural traditions. So it's true that in a short period of time it will be difficult to establish a unified FTA agreement or arrangement, yet we need to establish an objective.

The year before last, after China's pushing, the APEC reached a consensus of trying to build an Asia-Pacific FTA and at the same time TPP or RECP or China-Japan-ROK, or others, should all be pathways leading to the Asia-Pacific FTA rather than being outside of this process. In our view, that is the right choice and the parties need to make efforts in this direction. So that's my response to your question on this point.

MR. JOHNSON: (Off mic) – to a domestic consideration, but that has drawn a lot of attention from foreign audiences, and that's the foreign NGO law that is currently making its way through the National People's Congress in China. The question is, there's been a lot of

concern with regard to the intention and implementation of the law and its impact on foreign organizations including think tanks like CSIS. Can you share your thoughts on the law's sort of impact and implications?

MIN. WANG: Let me make some – provide some information.

In the past there were few NGOs in China and so there was not a consideration to have a law on NGO. But as China integrates into the international community, and as China opens itself up further and increases international exchanges, a large number of foreign NGOs are entering China.

And, domestically speaking, there are many Chinese NGOs, many volunteers. You may recall the year when the major and devastating earthquake hit Sichuan of China. Hundreds of thousands of volunteers went to Sichuan for disaster relief, including both foreign ones and Chinese NGOs. So the existence of both Chinese and foreign NGOs in Chinese is a necessary and inevitable momentum.

However, there is no law governing them. Is that a sustainable situation? Is that beneficial to NGOs when there is no law on NGO? I think both Chinese or foreign NGOs may be worried whether what they are doing is in keeping with China law, whether they violate or whether they may violate Chinese law. Therefore, that is the motive for enacting an NGO law – the same with other countries.

And enacting such a law is also a necessary step for China to run the country on the basis of the rule of the law, because our objective is to build a country under the rule of law, to comprehensively strengthen the rule of law in the country and act in accordance with the law. I think this is a very natural and a normal phenomena.

When other countries are enacting an NGO law, no countries – no people are paying attention. When China is doing this, it has drawn attention. But that's good. We may draw upon the views of other countries, friends in the U.S., in the U.K. or ROK. We will listen to all of them. We take a very open-minded approach to all those views.

In the process of enacting such a law, we hear from the views from the outside in greater depth and width than other countries in similar occasions. And that process is still ongoing. We are still inviting comments and listening to the views from domestic and the foreign audience in order to enact a really useful and effective law, a reasonable and sensible law as well.

And after having this law, foreign NGOs or China NGOs will both feel more assured of themselves. In other words, as long as one acts in accordance with that law there will be no hindrance. CSIS will continue to act in accordance with the law, just as you are doing in all countries. Do nothing that violates any law of the countries. So there should be no worries about that.

If there are such worries, then we should have a question mark: What is the intention? Is the intention of doing any illegal matters? If it's legal, there is no ground for worries. We

welcome CSIS to further develop healthy and sound relations and interaction with China. Thank you.

MR. JOHNSON: Coming back to the South China Sea, this question. China has said it will reject the ruling of the tribunal in The Hague that has been constituted to hear the Philippines case in the South China Sea. This risks damaging China's reputation since the ruling is considered binding. Would there be any circumstances under which China would reconsider its position if the ruling were to go in that –

MIN. WANG: Well, there is some commentary that China has not accepted the Philippines' request for mandatory arbitration and therefore China does not abide by international law. But let me say to you, the truth is the opposite. China actually abides by international law when we reject the Philippines' request for arbitration.

We joined UNCLOS according to Article 298. Every state party has the right to make a declaration excluding mandatory arbitration. And 10 years ago, back in 2006, when we joined UNCLOS, we made that declaration in accordance with UNCLOS. And not just China. Over 30 other countries, when acceding to UNCLOS, made similar exclusionary statements. And they include Britain, France, Russia, which are all permanent members of the U.N. Security Council.

The United States is not yet a state party to UNCLOS, so of course you don't need to issue an exclusionary declaration, but over 30 UNCLOS state parties have done so, of ruling out mandatory arbitration. So of course the current government won't go back on its own statement. There has to be consistency. No matter who initiates an arbitration, be it the Philippines or some other countries, we can't accept it.

My second point is that what the Philippines has done is against international rules. People all talk about a rules-based international and regional order. Then what are the rules here? Well, the bilateral agreements that Chinese and the Filipino leaders have signed, aren't they rules? All the bilateral agreements say that we must peacefully resolve our bilateral disputes through peaceful negotiation. The Philippines has violated these agreements. They have rejected dialogue and talks with China. Instead, they want to take us to international court.

The second rule the Philippines has broken is that any international arbitration, common international practice would entail that it has the mutual consent of both parties, but the Philippines has not notified China of the arbitration and has not secured our consent before initiating the arbitration.

And the third rule the Philippines has broken is Article 4 of UNCLOS. The Filipino president has signed off on the DOC, so they should have followed it. Article 4 says that the directly concerned states should resolve their disputes through negotiation. So they violated that as well. So we cannot but question the credibility of that country.

In addition to that, they've also broken another rule, and that is you cannot bring an arbitration before exhausting bilateral avenues of discussion. The Philippines has asked the tribunal to rule on over a dozen issues, but they have not had any serious discussion with China

on any one of the dozen or so issues. So, obviously they have not exhausted bilateral avenues of discussion. They have not even started such discussion.

So what's the right way forward? It's for the Philippines to return to the negotiation table with China. And should we exhaust all the bilateral avenues, then they may request international arbitration. But even so, they must have China's permission to first amend the exclusionary statement we made 10 years ago.

We've made our position very clear over a decade ago. We won't accept any kind of arbitration, whether it's in China's favor or not. And it's impossible for us to go back on our own word. We are a responsible government. When we make a statement, we stand by it. And it's a statement or declaration issued according to UNCLOS. And the Philippines know we won't accept arbitration. Still they insisted on taking us to court.

They knew it was going to be "mission impossible," yet they still pursued it. So we cannot but question maybe they have some other motives, and maybe this is an act of political provocation to China. Excuse my wording. That's the only way we can make sense of it. But certain Filipino leaders who were making that decision is being irresponsible to the Filipino people and the future of the Philippines. There is no better explanation.

We hope the leader of the Philippines can return to a more sensible position. Our door of dialogue with the Philippines is still open. We are prepared to have a negotiation with them tomorrow or any time they should choose. We want to have equal-footed dialogue for which we can find a way to alleviate the situation and to manage our disputes, leading eventually to the resolution of our dispute.

The Philippines would tell you that we cannot negotiate with China because we are a small country and China is a big one, and China is bound to bully us and intimidate us. Well, this is a wrong accusation because all along China insists on the equality of all countries, large and small. And the same principle applies to the China-Filipino relationship. Big countries should not bully small ones. It's been our position for many, many years. And when you're a small country, you shouldn't reject reasonable requests from a big country. It's wrong for a small country to play a big one like that.

Let me give you some statistics. Last year the Philippines sent its military airplanes to the airspace of China's islands and reefs on over 50 occasions. Is that a big country bullying a small one, or the opposite? Well, they say that, China, you don't have an airstrip on the islands so you can't do anything about our planes. So maybe they give us a clue as to what we can do to prevent that from happening again.

So we advise the Philippines not to go down the cul-de-sac. We are neighbors, just separated by a narrow body of water. Our economies are complementary to each other. We want to contribute to the Philippines' economic development. We are going all the way to Africa to help build railroads. We are helping Latin America build power stations. We can do the same for the Philippines.

The Philippines is still a developing country. Many Filipino Chinese have origins from China. They welcome China's development. There are many Filipino investment in China. Why not we have a mutual investment, mutual cooperation for common development? Why must have a confrontation with China?

Therefore, we are of the view that if this – if the leader – the current leader of the Philippines, or if this can't work then the next leader of the Philippines, we are willing to have dialogue – increase our dialogue, remove the misunderstanding, and we'll manage the differences between the two countries.

If there is more time – do we have more time? The Philippines, back in 1978, drew Cara Yan (ph) Islands on the map, claiming that it was Cara Yan (ph) Islands – it was very close to the Philippines – and issued a presidential decree and enacted law to make it a territory of the Philippines. That happened in 1978. Then differences with China emerged. Some parts of the Nansha Qundao Islands belong to those differences.

What we would like to inform the Philippines is that it wasn't until 1978 that you raised the claim of sovereignty, but the Nansha Qundao Islands, or the Cara Yan (ph) Islands claimed by the Philippines, is under China's jurisdiction some 1,000 years in the Tang Dynasty, under effective jurisdiction of China. And it was at that time put the Nansha Qundao Islands, or the Spratlys, in China's jurisdiction. There was no state of the Philippines at that time.

Therefore, the scope of the Philippines' territory, as I've stated on many occasions – and today let me as well say that, again, according to the 1978 treaty providing the Philippines territory, and the second treaty and the third treaties later one, which defined the territories of the Philippines, they all define that the territory of the Philippines is west to 118 east longitude. And further west is not the territory of the Philippines. But the claims of the Philippines over the Huangyan Islands, or the Scarborough Shoals, is west of the 118 east longitude.

Now, if those treaties were colonial times treaties but then in the 1940s, '50s and '60s the laws of the Philippines, they all recognized these three treaties that I mentioned. Therefore, it wasn't until the 1970s that the Philippines raised claims over those islands on the grounds of geographical proximity, but is that a valid basis? Hawaii is so far from the continent of America but still territory of the U.S. Therefore, proximity is not a standard or criterion to judge on the sovereignty or the territory of a country.

Well, I may have spent too much time on this, but I would like to state the facts that we still would like to have a dialogue and peaceful ways to settle the existing and the specific differences and the disputes over territories with these countries. We have confidence in that. Thank you.

MR. JOHNSON: (Off mic) – to your next meeting. So if everyone would please join me with their warm applause in thanking the foreign minister. (Applause.)

(END)