

Urs Schöttli (CH)
 Foreign Correspondent
 for China
 Neue Zürcher Zeitung
 Beijing

Born in 1948. Urs Schöttli studied philosophy at the University of Basel.

In 1978, he was appointed Secretary General of the Liberal International, a world-wide federation of liberal and democratic parties, of which Urs Schöttli acted as its Executive Vice President from 1983 until 1993. Also in 1983, he joined the "Neue Zürcher Zeitung" and became its South Asia Correspondent in New Delhi. Between 1986 and 1990, Urs Schöttli served as Representative of the German Friedrich Naumann Foundation in India. In 1990, he left the "Neue Zürcher Zeitung" and became Head of Project of the Friedrich Naumann Foundation in Spain. Between 1993 and 1994, he served as Director of the Political Academy of the Friedrich Naumann Foundation in Portugal and, between 1993 and 1995, as Honorary Director of the Commission for the Greater Europe in Vienna and Moscow. Urs Schöttli returned to the "Neue Zürcher Zeitung" as its Correspondent in Hong Kong in 1996. Three years later, he moved from Hong Kong to Tokyo and worked as the East Asia Correspondent of the "Neue Zürcher Zeitung" until 2002. Since then, Urs Schöttli has been the China Correspondent of the "Neue Zürcher Zeitung" in Beijing.



Urs Schöttli was Co-editor of the reviews "Indo Asia", "Libro Aperto" and "Debate Abierto". He has published widely on topics of liberalism, development policies and international security issues in Latin American, American and European journals. Urs Schöttli is also the author of numerous books on South Asia, citizenship issues and the environment.

Theses
**Challenges of Growth
 to the Chinese Economy**

1. After years of rapid growth, the Chinese economy faces new challenges. The government has moved the emphasis of its economic policy from growth at any price to a more equitable growth, taking into consideration the social and political concerns about a growing wealth gap both between regions as well as between the urban and rural population.

Theses

Challenges of Growth to the Chinese Economy

2. The nature of China's recent economic growth points to the danger of overheating and of an emerging speculative bubble. The government has reduced the target rate for economic growth for the current year to 7%, after the Chinese economy had grown at an annual rate of 9.1% in 2003.
3. In late autumn 2003, China witnessed a spurt in inflationary pressure, which has continued into 2004. The main reasons for the rise in the consumer price index have been a rise in the price of raw materials and agricultural produce, namely grain. After years of focusing on industrial development China must give more emphasis to agriculture.
4. The Achilles heel of the Chinese economy remains the banking sector. It is plagued by a lack of transparency as well as a lack of efficiency and experience in management and, most importantly, by a huge load of non-performing loans. In spring 2003, the government set up a regulatory body, the China Banking Regulatory Commission (CBRC), which is producing first results.
5. The phenomenal growth of the Chinese economy during the last two decades is a result of China's integration into the world economy. This has great benefits but it also carries new risks and challenges.
6. China has the leading economy on the Asian mainland. In Asia as a whole, it is after Japan the second most important economy. Continued economic growth will further strengthen this position. This implies that China has a vital interest in the stability of the region, namely of East and South Asia.
7. Together with the United States of America, the European Union and Japan, China belongs to the quadrangle that has been emerging as the economic power diagram at the beginning of the 21st century. This has to be reflected in a new configuration of global responsibility and in a new global architecture.