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Reform in China and Global Opportunities: from the perspective of civil and commercial legislation

Keynote Speech at the seminar of “Modern Silk Road: China and Turkey”

Professor WANG Liming

**Executive Vice President of Renmin University of China ,
Chairman of the Civil Law Society**

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I. Establishing Market Economy through Legislation

1986 witnessed the birth of the *General Principles of the Civil Law of the People's Republic of China*

the first basic law regarding civil relationship reveals the practical need of private rights protection in China ever since 1978..



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I. Establishing Market Economy through Legislation

The Real Right Law of the People's Republic of China
issued in 2007

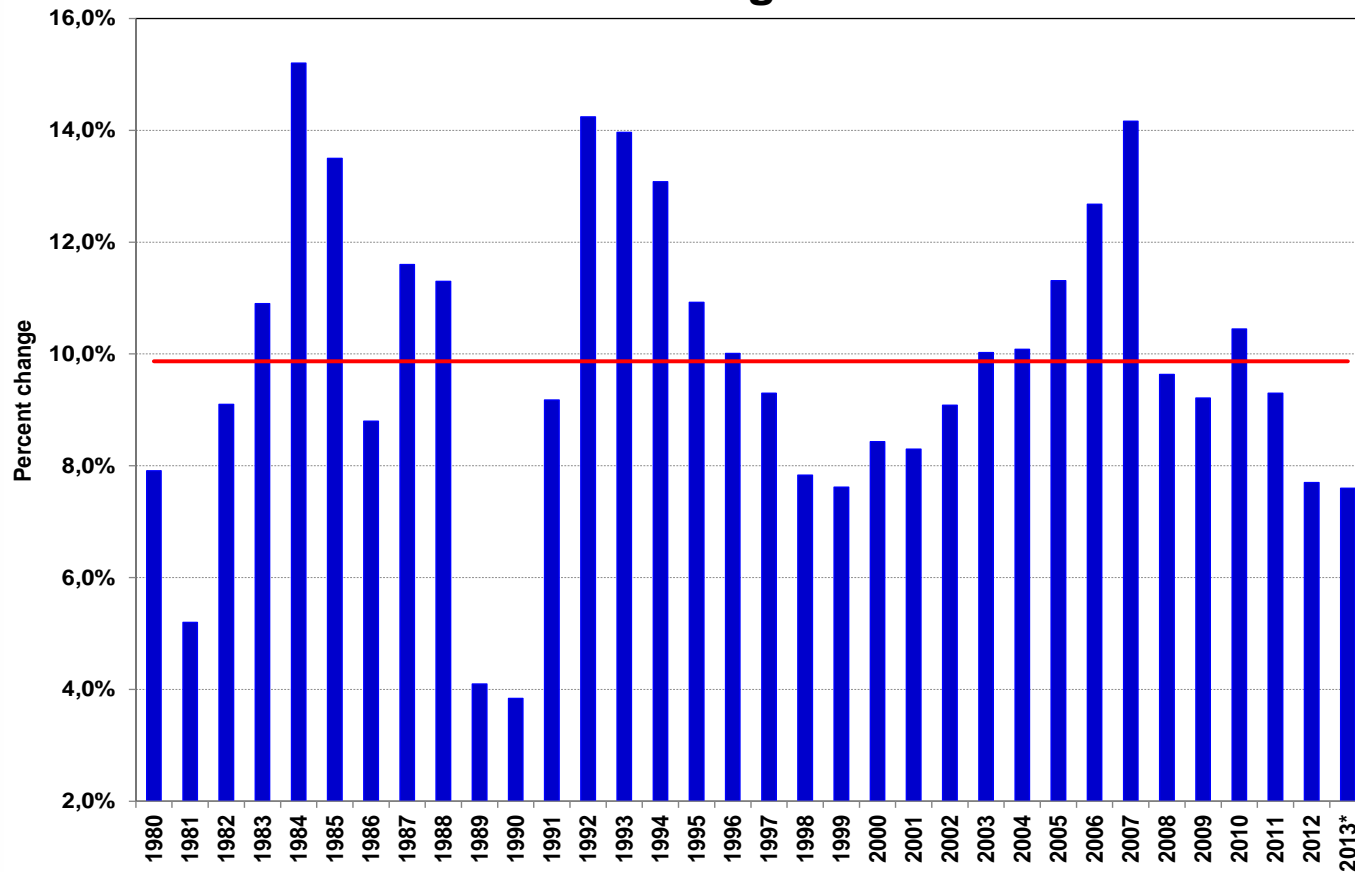
laid the legal groundwork for China's basic economic system.



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China GDP growth





II. Upgrade Corporate Laws to Facilitate SOE Reform

- 1993, the *Company Law of the People's Republic of China*, providing legal basis for SOEs going public.
- 2015, the *Guiding opinions on deepening the reform of state-owned enterprises*



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II. Upgrade Corporate Laws to Facilitate SOE Reform

- In 2014, the total revenue of Chinese state-owned enterprises reached 48 trillion yuan (or 8 trillion USD), paying 3.7 trillion yuan (or 600 billion USD) in profit and taxes and contributing over 30% to the nation's GDP. Among the top 500 enterprises in China, 131 are state-owned.



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III. Improve Foreign-capital Enterprises Laws and Legal System to Encourage Foreign Investment

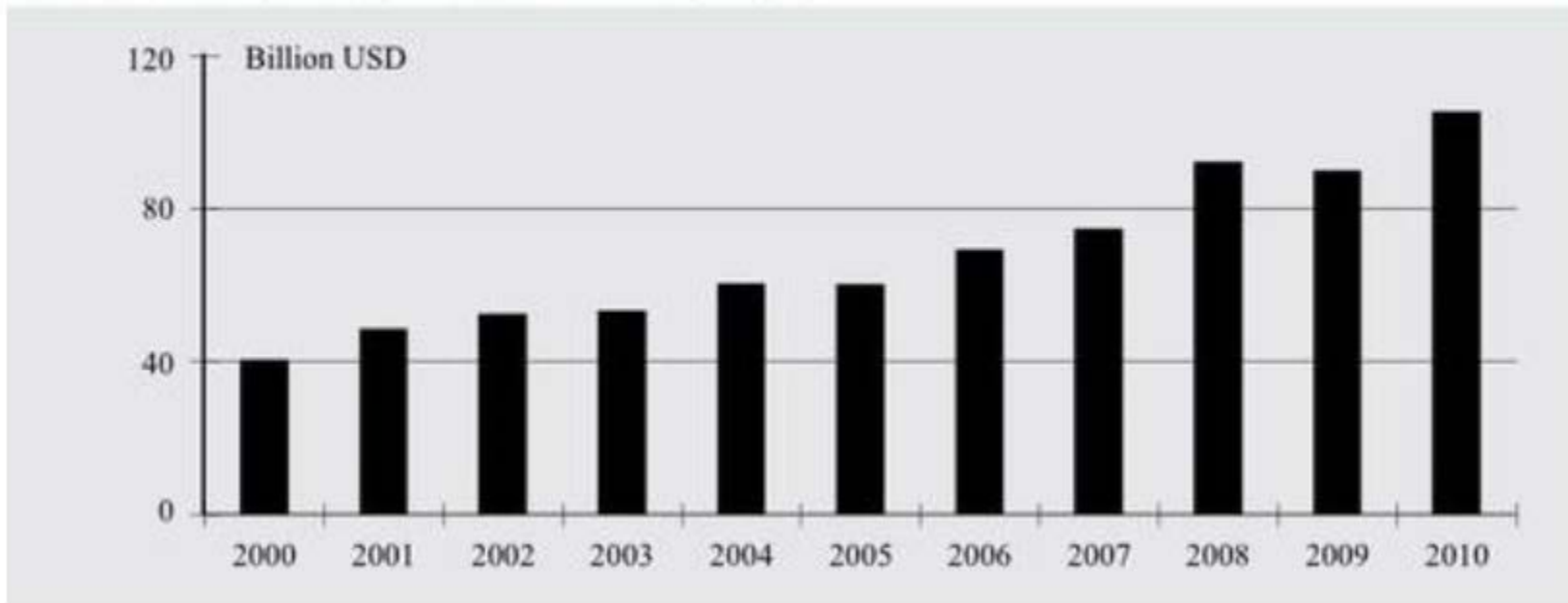
- *Law of Chinese-foreign Cooperative Joint Venture,*
- *Law of Chinese-foreign Equity Joint Venture*
- *Law of Foreign-capital Enterprises*



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FDI in China in the Years 2000-2010





IV. Establish Legal System to Equally Protect both Public and Private Property

- China has launched the *Law of Property Right* in 2007
- *Doing Business 2008* report, pointed out that the new property law improved the business environment in Chinese Mainland dramatically in 2007, therefore china was on the list of “Top 10 Reformers” that year



V. Legislate to Meet the Demand for Rural Reform.

- *The Law of Land Administration of the People's Republic of China (1986)*
- *nd Law of the People's Republic of China on Land Contract in Rural Areas (2002)*



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A new village in China





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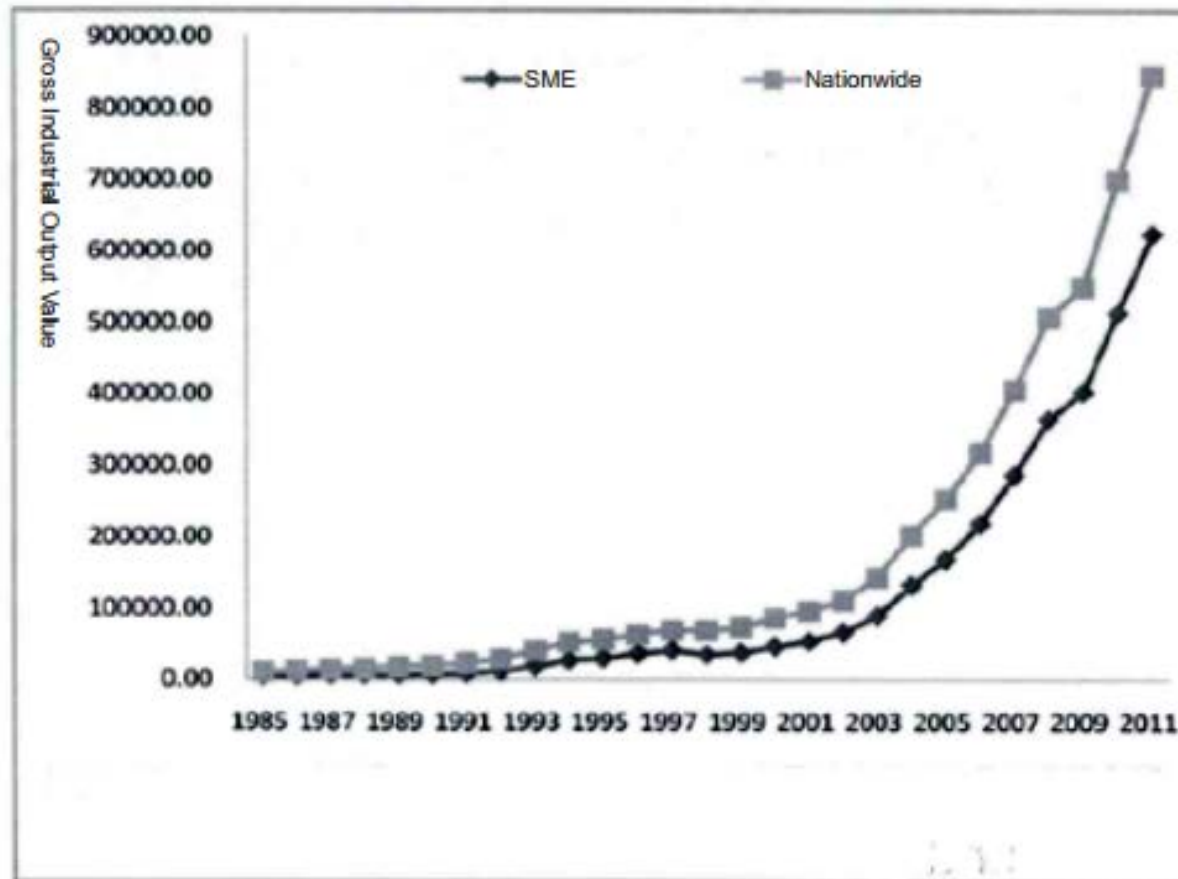
VI. Deepen Reform of Business Registration System and Encourage Mass Entrepreneurship and Innovation

The new engine of China's economy:

Mass Entrepreneurship and Innovation



Gross Industrial Output value of Industrial Enterprises above Designated Size and of SMEs above Designated Size (China, 1985-2011)





VI. Deepen Reform of Business Registration System and Encourage Mass Entrepreneurship and Innovation

- 2013, *Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening the Reform*
- New registered company increased by 45.88% in 2014. Now, there are over 10 thousand new companies started in China everyday.



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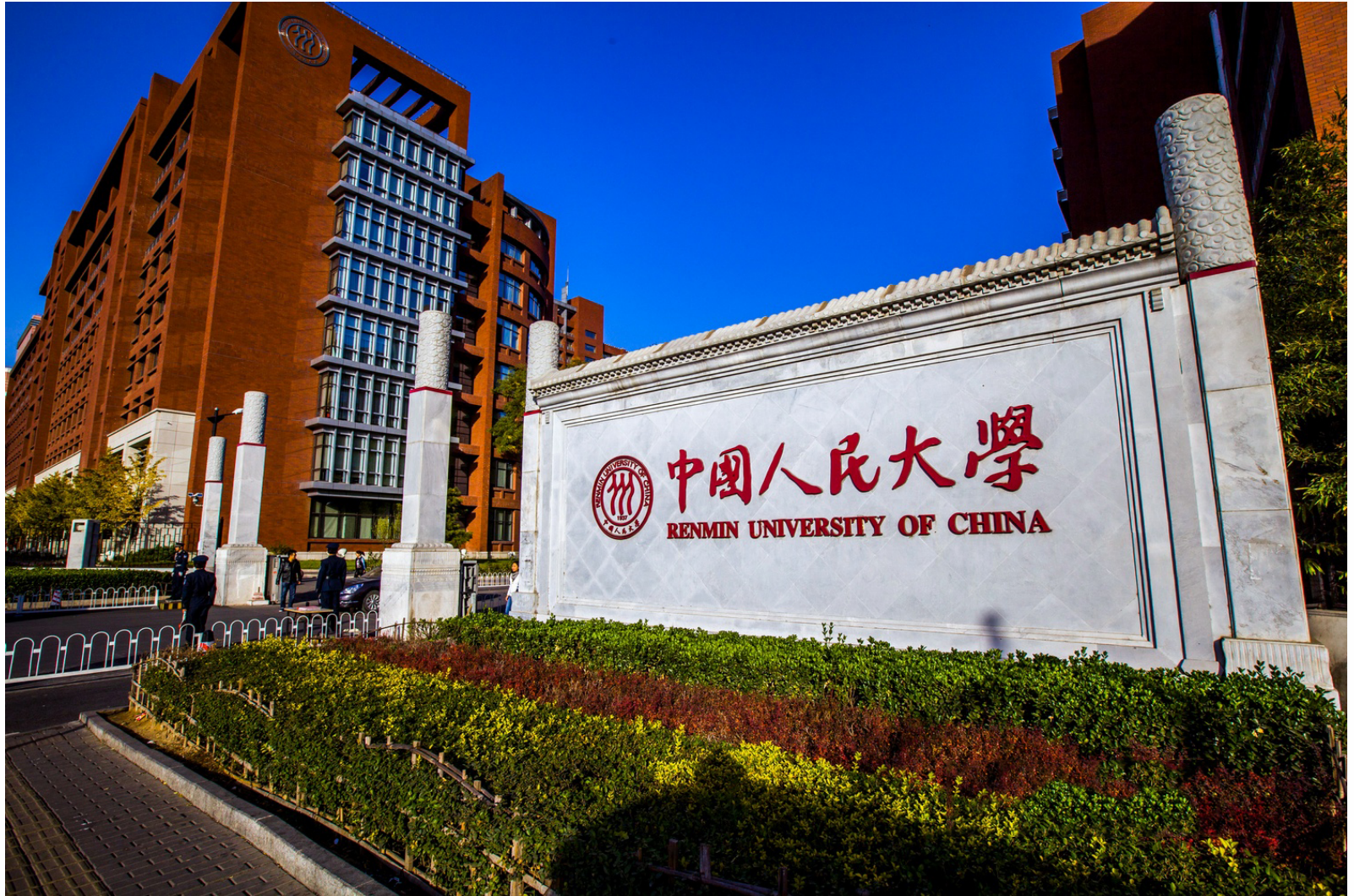
VII Rule of Law as the Fundamental Guarantee for China's Reform and Development

Role of legislation from six aspects:

- legislation establishes China's basic economic system
- promotes SOE reform,
- encourages foreign investment,
- protect private properties,
- protects farmers and gives incentive to entrepreneurship and innovation



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Chongyang Institute for Financial Studies,
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Thank you!