

《习近平新常态为何意义深远？》

????????????

BEIJING, May 29 (Xinhua) -- President Xi Jinping's recent remarks on China's economy put a spotlight on the term "New Normal," now deemed his new signature catchphrase.

"We must boost our confidence, adapt to the new normal condition based on the characteristics of China's economic growth in the current phase and stay cool-minded," Xi said during an inspection tour of central China's Henan Province in mid-May.

The idea of "New Normal," popularized by the bond fund giant Pacific Investment Management Co. to describe below-average economic growth following the global financial crisis, was used for the first time by a Chinese leader to refer to the status quo of the world's second-largest economy.

It is not surprising that the speech has created a big buzz. Analysts rushed to decipher the message and even coined a new term, "Pinormal."

Guan Qingyou, senior analyst at Minsheng Securities' research institute, laid out three key features of the "Pinormal": a much slower growth pace, a continuing structural reform, and a policy of no big stimulus.

Although "Pinormal" has yet to become well accepted, economists unanimously agreed that Xi's speech indicated a higher tolerance of slower economic growth.

China's economic growth dipped to 7.4 percent in the first quarter of 2014, the lowest level since the third quarter of 2012. Latest trade, manufacturing and industrial profits data has provided little hope that the economy is heating up.

While speculation is mounting about large-scale stimulus to steer the economy out of the decline, Xi's call to stay "cool-minded" dampened such expectations.

The president's remarks set the tone for the government to properly deploy its set of policy instruments. Heavy doses of stimulus will no longer be the primal choice, said Lu Feng, professor at Peking University.

In fact, China's leadership has reiterated its stance of maintaining continuity and stability in macroeconomic policies this year. Analysts still saw Xi's "New Normal" as the clearest sign.

An annual growth rate of 7 to 8 percent has become the "New Normal" for China, which means policymakers have to ditch the GDP obsession, said Huang Yiping, also a professor at Peking University.

Apart from a slower growth, Huang noted that China's "New Normal" will also present moderately higher inflation, fairer income distribution, more balanced economic structures, faster industrial upgrading and more volatile economic cycles.

As other economists pointed out, to help China fare well in the era of "New Normal," the government should step up reform measures in the second half of this year.

Kuang Xianming, an expert with Hainan's China Institute for Reform and Development, a non-governmental think tank, raised expectation of more progress in China's financial sector reforms, and hopefully some breakthroughs in reforming land laws and expanding rural people's rights.

Above all, when people have faith in reforms, then they can be really "cool-minded," said Kuang.

