

China's 70-year economic journey

By Mubarak Mugabo
in Beijing, China

The People's Republic of China (PRC) was born 70 years ago today. Over these years under the Communist Party of China (CPC), the Chinese economy has continued to grow rapidly.

These achievements have enabled China become the world's second largest economy that is assisting developing countries grow with it.

Through this economic transformation, China has managed to roll out global platforms such as the Belt and Road Initiative which has helped many developing countries, especially in Africa, improve their infrastructure.

Part of this progress is visible in countries such as Uganda where hydropower dams such as Karuma and Isimba, industrial parks, the Standard Gauge Railway and other mega infrastructure projects have taken shape under this framework.

China has also contributed troops to peacekeeping missions in Mali and Somalia, thus scooping numerous awards from the UN and the African Union.

Energy, infrastructure

At the founding of PRC in 1949, the country had been ravaged by years of war and the financial sector raised funds to support quick recovery and rebuilding of the economy.

China facilitated the improvement in agriculture, industrial equipment and infrastructure.

With over five million megawatts, China has the highest power generation capacity in the world. This was key to the growth and development of other sectors.

According to the national bureau of statistics, the mileage of railway services is raking in top positions across the world.

"The mileage of railways in service reached 132,000km, the mileage of high-speed railways reached 30,000km ranking second and first in the world respectively," Ning Jizhe, the commissioner of National Bureau of Statistics of China, said in a report.

This connectivity system reduced the cost of doing business in mainland China. It takes a few hours, for instance, connecting the capital, Beijing, to all the financial cities of China such as Shanghai, Guanzhou, Xi'an, Zhejiang and Changsha.



President Xi Jinping will lead celebrations in China today

AFTER SEVEN DECADES, OVER 750 MILLION CHINESE HAVE BEEN MADE TO ESCAPE POVERTY

Technology

China also joined the league of world leading nations in terms of economic strength, scientific and technological capabilities, national defence and comprehensive national power.

These achievements have mainly been made in the mobile communication industry seeing Huawei, a Chinese private multinational technology company, rise to the top with manufacturing fifth generation (5G) devices.

The technology sector is one of the biggest drivers of the Chinese economy, employing a significant number of urban youth.

Chinese outputs have also increased in areas of automobiles, TV sets, cloth, cement, fertilisers, iron and steel.

This productivity level has made China a top source of foreign direct investments for many countries, including Uganda.

Banking sector

China in 1950 had one financial institution called the People's Bank of China (PCB), but according to the governor of PCB, Yi Gang, China has over the past 70 years established a fully competitive financial system that provides a spectrum of services to the Chinese people.

"At the end of 2018, there were a total of 4,588 banks, 131 security companies, 120 fund companies and 229 insurance companies," Yi Gang told

journalists at a press conference recently in Beijing.

The aggregate assets of this financial sector are \$42.3 trillion and the banking sector aggregate assets reached \$41.2 trillion — the highest in the world. The growth of this sector and the country's economy was assisted by the late 1970s reform and opening-up policy which allowed China to open its market to the outside world.

Opening up policy

This policy saw the planned economic system replacing a socialist market economic system, altering the practice of "government determining everything".

The Chinese Gross Domestic Product (GDP) before this policy was about \$10b, it has since grown to 13.5 trillion Yuan accounting for 16% of the world economy.

Per capita GDP has also increased from \$17 to \$9,000, improving the standard of living of the Chinese people. Currently, over 300 million Chinese are middle income earners.

Gang said the opening-up unleashed the vitality and potential of the financial sector with the guidance of PRC's current president, also CPC's secretary general Xi Jinping.

"The financial sector has followed the guidance of Xi Jinping's thought of socialism with Chinese characteristics for a new era," Gang noted.

After opening up, China deployed various fiscal tools to increase its tax base to support this rapid growth. All the Chinese people sacrificed themselves and supported this.

Chinese finance minister Liu Kun said the focus of the fiscal policy was to support economic construction and expenditure related to capital construction investment that helped in times of scarcity.

"At a time of poverty and shortage during the early years of PRC, the fiscal system made significant contribution to the establishment of an independent and relatively complete socialist industrial system," Kun told journalists last Tuesday in Beijing.

PRC was one of the poorest countries in the world, with over 70% of her people living in abject poverty but after seven decades, over 750 million Chinese have been made to escape poverty — it is still a world record.

Today, Chinese President Xi Jinping will lead the grand celebration of this miraculous economic journey at Tian'anmen Square in Beijing.



中国水利电力对外有限公司
CHINA INTERNATIONAL WATER & ELECTRIC CORP.



Congratulations

Today, 1st October 2019, China commemorates the 70th anniversary of the founding of the People's Republic of China, as we also mark this day as the 194th day, since Isimba Hydropower Plant was officially commissioned.

Isimba Hydropower Plant was developed by the government of Uganda with a construction cost of US\$ 568 Million. The government of the People's Republic of China through Exim Bank of China provided 85% of the project costs in form of a concessional loan, while the government of Uganda financed 15% of the costs. The plant was constructed by China International Water & Electric Corp. (CWE). And on the 21st March, 2019, H. E. Yoweri Kaguta Museveni, the President of the Republic of Uganda, commissioned the 183.2 MW Isimba Hydropower Project. So far, the plant has produced 1,499,600.46MWh cumulatively.

Isimba Hydropower Plant, located in Nampanyiri Village, Busana Sub-County, 4km downstream of Simba Falls on River Nile, is the 3rd largest in the Uganda, with four vertical Kaplan turbine generator units having a capacity of 45.8 MW per unit, thus providing a combined Installed Capacity of 183.2 MW. The main body of the project consists of two parts, one is the 183MW Isimba Hydropower Plant with a length of 1599 meters in axis and a height of 26.5meters at a maximum which spans the Koova Island and connects both sides of the Nile river. The other is the 132KV Isimba Substation with a 42km transmission line.

The construction and completion of this project may not only be marked as a valuable achievement

in the field of technology transfer, but also a great achievement in increasing access to electricity in Uganda where less than 30 percent of the population were on the grid, powering industries which will serve in improving the livelihoods of the people, cutting power costs.

Under the Belt and Road Initiative of China, Isimba Hydropower Project has also been considered as one that has aided in strengthening the social relations between China and the Ugandan government, thus creating a sound base for establishing strong interactions between the two nations to benefit from each other, hence creating a harmonious friendship between Uganda and China.

The downstream bridge (Isimba Hydropower Project Component II) which is under construction will not only serve as a bridge linking communities on both sides of the Nile, but also serve as a bridge of friendship that links Uganda to China.

Bilateral relations between Uganda and China began in the early 1960s, the decades that followed, economic and trade cooperation between the two countries has grown steadily, and China has been supporting Uganda's development especially in the infrastructure sector, with soft loans and grants. China's assistance comes at a time when Uganda so much needs infrastructure development which is

a catalyst for economic development. China always executes her commitment to support Uganda's development in a respectful and equitable manner.

On this occasion of the Chinese National Day, we China International Water & Electric Corp. would like to extend our best wishes to Isimba Hydropower Plant and to the successful and faithful friendship between Uganda and China.

