1. Progress, which has been made in agriculture, was not sustainable, even though limited in reducing high tariffs and trade-distorting subsidies. And tariff peaks (tariffs at or over 15 percent) and escalation (tariffs rising with the degree of processing of imports) persist, impeding the diversification of developing country exports. Moreover, developing countries themselves maintain high protection in these same areas. Their tariffs on industrial products are three to four times as high as those of industrial countries. And use of contingent protection such as antidumping measures is now widespread among both developed and developing countries. Second, with the deepening of economic integration and the decline in tariffs and quantitative import restrictions, attention has shifted to other obstacles to trade that touch on domestic policies, such as industrial subsidies.

2. China's role in the international policy debate has been rising in tandem with its growing economy. As a key member of the G-20, China is helping to elaborate the global policy priorities for the future, and devise solutions to global problems. And at the IMF, China is supporting our efforts to adapt and serve the needs of our member countries even more effectively.

3. There have already been a number of valuable proposals for how to address concerns related to reserve currencies, including from prominent figures here in China. Some call for the creation of a new world reserve currency, possibly based on the Special Drawing Right (or SDR)—the composite currency issued by the IMF. Another possibility is for a multi-reserve currency system to emerge, with the euro, the yen perhaps serving as co-equal anchors.

4. International trade nonetheless expanded at rapid pace, helping to power sustained rapid economic growth in many emerging market and developing countries. At the same time, the changes in international finance have been nothing short of revolutionary. Not only has the value of cross-border financial transactions increased almost at an explosive pace, but markets also have incorporated innovative new risk transfer instruments—including all sorts of derivative securities—and new financial institutions—including hedge funds and private equity funds—that previously were virtually unknown.

The development of new risk transfer markets—that is, derivative securities—has helped to spread risk more broadly and with more accuracy. This, investors are able to control their risk profile with much greater efficiency than previously.
At the same time, new institutions—such as hedge funds and private equity funds—have been willing to utilize these new instruments and new risk management tools to broaden their investment horizons. If successful, these innovations should have helped to raise global growth and to have made the economy more flexible and more resilient.
To be sure, financial innovation and globalization also bring challenges with them. They have made the tasks of supervisory and regulatory authorities more complex. They have raised concerns—some well-founded, and others less so—that financial stability and transparency may be jeopardized.
5. Controls on foreign capital into emerging economies can be part of the policy options available to governments to counter the potential negative economic and financial effects of sudden surges in capital.

The main worry from the financial fragility perspective is that large capital inflows may lead to excessive foreign borrowing and foreign currency exposure, possibly fueling domestic credit booms and assets bubbles.
There are a number of policy choices governments can make when faced with a short-term or sudden surge in foreign capital. These include
• Allowing the currency to appreciate
• Accumulating more reserves
• Changing fiscal and monetary policy

• Strengthening rules to prevent excessive risk in the financial system, and
• Capital controls.
6. It is difficult to say expectations about Brain drain at the moment. Emigration of skilled working force is rising due to the financial crisis and it takes time to estimate real asset and impact on economies.

7. IMF should provide an analysis of this problem and then discuss about it with reliable specialists and governments.

8. IMF supports alternative energy resources and their significant position on world economy.