

# The Impact of SARS on China

by Xiaohong Xu

Before the war on Iraq subsided, a mysterious flu-like disease, first called “atypical pneumonia” and then named by the World Health Organization (WHO) as severe acute respiratory syndrome (SARS), was spreading quietly and making its way onto the world stage. Since the first spot of SARS in November 2002 till this June, the epidemic has inflicted a heavy and abrupt blow to the Chinese society and its economy. Though efforts by both the Chinese government and the international community, the negative impact of SARS has been successfully contained. Officials in Beijing declare that China’s economy would retain an approximate growth rate of 8 percent for 2003.<sup>1</sup> How China’s government and its public health system were challenged by SARS, and the actions they took to manage the crisis is the main focus of this article.

## I. THE EFFECT OF SARS ON THE CHINESE ECONOMY—A STEEP DECLINE OR A TEMPORARY SHOCK?

Asia, not including Japan, has been the growth engine of the world economy in 2002. However, the growth forecasts for Asia have been cut due to the abrupt outbreak of SARS.

Though the deadly virus has spread to at least thirty-one countries or areas ever since it was first spotted, the three worst-hit are all in Asia: China, with 5,327 confirmed cases as of September 26; Hong Kong with 1,755, and Taiwan with 346.<sup>2</sup> With patient numbers and toll rates growing, SARS cast a shadow over the economic prospects of Asia. Estimations made by the Asian Development Bank (ADB) in early May showed that GDP growth in East and Southeast Asian economies would be reduced by about 0.2-1.8 percentage points assuming the disease’s impacts did not run into the third quarter of 2003.<sup>3</sup> Recent Reports from ADB stated that the cost of SARS was around \$59 billion for the Asia and Pacific region, while that for China and Hong Kong amounted to \$17.9 billion and \$12 billion respectively.<sup>4</sup>

Asia’s travel and tourism industries have been particularly devastated by SARS. Airlines have reported sharp falls in traffic and tourist travel, especially in tourism-dependent areas. Singapore Airlines has asked all of its 6600 cabin-crew members to take unpaid leave and has cut capacity to barely one-third of normal levels. At one point, more than 40 percent of scheduled flights into Hong Kong were cancelled. As shoppers avoid crowded malls, retail businesses from restaurants to hotels have

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seen sales plunge. In March, with many restaurants either closed or taking extended holidays, the retail business of Hong Kong fell by 50 percent.

East Asia's export-oriented growth in recent years, coupled with China's rapid economic expansion, has been based on the forces of globalization. After more than two decades of rapid development, China's formal entry into the World Trade Organization (WTO) in 2001 has brought the country new rewards such as a stronger growth momentum. However, the same forces of globalization—including extensive trade, business travel, and tourism across national borders—have come back to haunt the region.

There is widespread concern among economists and businesspeople that SARS has inflicted a great blow to China's economy, causing a plunge in retail sales, a slump in demand for some Chinese exports, and a near-collapse in domestic and foreign tourism. According to the estimates from J.P. Morgan Chase, "after expanding at a torrid annual rate of 9.9 percent in the first quarter, the Chinese economy is actually shrinking at a rate of 2 percent in the second quarter of this year."<sup>5</sup> In addition, experts at China's Peking University Economic Research Center predict that SARS might cost China some 210 billion Yuan (\$25.4 billion) in lost economic growth—a figure equal to about 2 percent of its total economy.<sup>6</sup> Some even point out that the economic growth rate of the entire year would be merely 6 percent, hardly enough for the Chinese government to absorb millions of new workers who need jobs.

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Feelings of panic and uncertainty sparked by the epidemic are the major factors stalling China's economic engine. Due to fear of infection, people canceled their travel plans and reduced spending on dining-out and shopping. Consequently, the initial economic impact of SARS fell most heavily on businesses that provide services, which are most dependent on consumer spending, and thus most susceptible to the steep decline of consumer confidence. The tourist, entertainment, retail, and catering industries have suffered the most.

Guangzhou and Beijing have been among the biggest beneficiaries of China's economic prosperity in the past two decades, but they have been hardest hit by the fatal disease. According to statistics from the local tourism bureau in Beijing, more than 1,440 tour groups have postponed travel plans since the outbreak of SARS.<sup>7</sup> China Economic Monitoring Center under the National Bureau of Statistics (NBS) carried out a survey, showing that the occupancy rate of twenty 4- or 5-star hotels in Beijing has fallen 30 percent.<sup>8</sup> Guangdong Province, which usually garners a large annual income from tourism, saw retail sales of catering drop sharply to 6.5 billion Yuan in March, from 8.3 billion in January, and 8.0 billion in February. The Provincial

Statistics Bureau revealed that tourists arriving at Guangdong's major hotels dropped 0.4 percent from the previous year during the January-March period. At the Guanzhou Trade Fair in April, only 16,400 people attended, compared with 135,000 the previous year.

To curtail the further spread of SARS, the Chinese government has taken strict preventive measures, which inevitably negatively impact its economy. In an effort to contain SARS, the State Council trimmed what was to be the "Golden Week" to only three days this year. Citizens were advised to stay at home instead of taking mass travel. The China Securities Regulatory Commission announced on April 29 the closing of stock markets and futures markets in Shanghai and Shenzhen until May 12. The municipal government of Beijing also ordered the closing of all movie theaters, Internet cafes, and other places of entertainment on April 28. All these strict measures, though necessary, further weakened trade or economic activities.

Though China is the epicenter of the SARS outbreak and the country has witnessed a steep decline in certain economic sectors, there are people who deem it inappropriate to overestimate the disease's negative effects and remain optimistic about China's robust economic growth, in the belief that SARS is not likely to fundamentally change China's growth equation.

In a recent press conference, the chief economist of China's National Bureau of Statistics (NBS), Mr. Yao Jingyuan, demonstrated the marked increase in China's economic efficiency and the overall improvement of its economic structure by displaying a series of key indicators. According to Yao, China's GDP registered a 9.9 percent increase in the first quarter of 2003, the highest ever since 1997. Its fiscal revenue hit \$63 billion in this period, up 36.7 percent from the previous year. NBS figures also indicated that the per capita disposable income of China's residents had risen to about 8 percent; the private bank savings reached \$1.14 trillion by the end of March.<sup>9</sup>

Provided the Chinese government brings SARS under control quickly, some Western analysts predict that the epidemic will cause only a short drop for the Chinese economy. Robert A. Kapp, president of the U.S.-China Council in Washington, DC, expressed his confidence that "the broad fundamentals why China has become an important place for business haven't changed" and "the economic effects (of SARS) would recede rather quickly."<sup>10</sup> Vice-President for East Asia and the Pacific of World Bank, Mr. Jemal-ud-din Kassum, also says SARS is "in principle a temporary shock" and China is still generally expected to grow at robust rates.<sup>11</sup>

There are three reasons for the sound development of China's economy. First, China has built up an enormous manufacturing sector thanks to heavy foreign investment and soaring exports in the past two decades. Though the service businesses appear to be hit hard by SARS, the most fundamental components of the Chinese growth story—low-cost manufacturing, bolstered with investment from governments and multinational firms—have gone on more or less unabated.<sup>12</sup>

Factors that ensure China's cost advantage and thus make it attractive to business, including easy access to raw materials and a large pool of cheap skilled labor, will

endure beyond the SARS crisis. That partly explains why even in Guangdong province where SARS hit first, disruptions to the production lines and supply chains of factories have been small. Craig Pepples, the president of *Global Sources*, a company in Hong Kong that helps put foreign buyers in touch with Chinese factories, told the *New York Times* that China's exports to the U.S. didn't appear to be affected. In Pepples' words, "as long as people in the States are going to Wal-Mart and Home Depot, the buyers are going to have to get the stuff for the shelves."<sup>13</sup>

Some researchers believe that the economic consequences of SARS might have been more severe if China had a larger service sector which relied heavily on consumer spending. In the United States service businesses represent close to two-thirds of the economy, and in Hong Kong the ratio is five-sixths. In China, the service sector comprises one third of mainland China's economy.<sup>14</sup> This partially accounts for the uneven impact of SARS distributed in different areas. According to the World Bank, a 10 percent fall in tourist arrivals would have an effect of less than 0.2 percentage points of GDP in China, whereas it would be 0.5 percentage points in Hong Kong.<sup>15</sup> Since income generated by tourism in China only accounts for less than 0.3 percent of its total economy, even if the week-long holiday in May was shortened, the effect wouldn't be unbearable.

Second, the cumulative effects arising from adoption of the proactive fiscal policy, the stable currency policy, and the guidelines to enlarge domestic demand have strengthened China's growth momentum. In the views of Lin Yifu, a noted economist from Peking University, China's industrial development is mostly driven by its domestic demand, unlike Japan and the Republic of Korea. Ever since 1998, when all the above-mentioned measures were adopted, China's economic infrastructure has been notably consolidated with new "growth points" appearing, such as real estate and car manufacturing. According to figures from NBS, the sale of residential housing in China rose 52.7 percent in the past year.<sup>16</sup> Production and sales volume of automobiles increased by 54 percent and 99 percent respectively, with car sales exceeding one million for the first time in 2002.<sup>17</sup> "SARS may temporarily prohibit people's consumption of tourism or entertainment, but it is unlikely to stop the discernible underlying trend towards a gradual increase of the domestic demand. With all those strict disease control measures implemented, the epidemic would be reined in, restoring people's confidence in consumption.

China's entry into the WTO is held as the third factor facilitating economic growth. Thanks to the further opening of its markets and the improved transparency and removal of sector hurdles, China has seen the benefits of joining the WTO more clearly. At a time when Europe and Japan were stumbling and the United States market was shaken by war, more than \$13 billion of investment poured into China in the first three months of 2003. According to Yao of the NSB, China's trade volume climbed by 42.4 percent and the actual foreign direct investment in the mainland surged by 56.7 percent year-on-year in the first quarter.<sup>18</sup> The WTO membership not only has given China an additional boost to its GDP growth, but has also served as a buffer for its export-driven Asian neighbors since China is replacing the United States as Asia's growth driver.

What remains unclear now is how long SARS will persist; also unknown is how long people's fears of it will last. The duration and virulence of the epidemic, as well as consumers' confidence in the government, will serve as the key variables determining the future development of China's economy. If the trajectory of the disease goes uncontrolled for a prolonged period, the challenge faced by both Asian countries and China will be more difficult. Looking back to the Chinese government's actions in the past weeks, we should have confidence that the deadly virus will be reined in soon and China's economy will return to its normal track. For now, showing iron will in combating SARS is ultimately the responsibility of the Chinese government.

## II. SARS—A CHALLENGE FOR OFFICIALS, AS WELL AS A CHANCE FOR A MORE RESPONSIBLE GOVERNMENT

Ever since the first outbreak of SARS in China's southern province of Guangdong, the initial response of some officials towards the flu-like disease was sluggish, while mass media kept a low profile in SARS reporting due to a lack of comprehensive and accurate information. As of April 18, a total of 1,512 SARS cases had been reported on the Chinese mainland,<sup>19</sup> with thirty-seven cases and four deaths confirmed in the capital city of Beijing.<sup>20</sup> Claiming that SARS was under effective control, health officials promised that it was safe for people to travel or work in China. However, Western media had mounting suspicions that the Chinese government might be covering up the severity of the disease, triggering uncertainty and panic among the general public.

A dramatic turning point came on April 20 when a press conference on SARS sponsored by the Information Office of the State Council was held in Beijing and broadcast live to the world by China's Central Television. The conference, originally to be given by the health minister and the mayor of Beijing, was held by the new executive vice Minister of Health, Gao Qiang, who admitted that there were 339 confirmed SARS cases in Beijing, as compared to the thirty-seven cases previously stated. Within an hour of the press conference, the State Council declared the dismissal of two senior officials—the health minister, Zhang Wenkang, and the mayor of Beijing, Meng Xuenong, for their “negligence in work.” A direct warning was extended to both officials and medical institutions at all levels nationwide, stipulating that intentional cover-ups of SARS cases or refusing to admit suspected and identified patients would be punished severely. In a speech made on April 22, Premier Wen Jiabao reiterated that all localities and workplaces must report about SARS in a “timely and accurate” manner. In cases of failure to comply, “local and departmental leaders will be held strictly responsible.”<sup>21</sup> By May 8, more than 120 central and local government officials had either been dismissed, demoted, or suspended from their duties due to their slow response to SARS.

The measures taken by the Chinese government reveal nothing but its resolution and preparedness in combating the virus, as well as restoring its accountability to

the public. A strict system of publicizing daily updates about SARS figures was initiated to replace the former five-day briefing mechanism. At a State Council executive meeting chaired by Premier Wen on April 23, officials decided to set up a national task force, known as the SARS Control and Prevention Headquarters of the State Council, to coordinate efforts nationwide against SARS. China's "Iron Lady," Vice-Premier Wu Yi, was designated as commander-in-chief of the task force. Her further appointment as China's new Minister of Health on April 26 reflected again the unswerving confidence of the central government in containing the disease.

With the April 20 press conference came a new trend of bolder reporting by a more transparent press. Newspapers like the *China Business Times* carried headlines like "Zhang Wenkang and Meng Xuenong are sacked for negligence."<sup>22</sup> Others ran a speech by Liu Qi, the Party Secretary of the Beijing Municipal Government, in which he claimed responsibility for the mishandling of SARS, stating, "I would present my sincere self-criticism here."<sup>23</sup>

The dismissal and self-criticism of senior officials, along with the increased openness in SARS reporting, represent a level of public accountability not seen before, turning a new leaf in reforming China's political structure towards a more responsive and service-based administration. Professor Li Xiguang of Tsinghua University, while talking to correspondents from Financial Times, said that he could not recall any two senior officials dismissed for poor work in the past decade.<sup>24</sup> When the WHO asserted that the Chinese government had made "great progress" in publicizing information on SARS, the storm of criticism by Western media subsided.

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There are various incentives that explain the determination of the Chinese government in controlling the SARS outbreak. First, as a new infectious disease, SARS is proving itself a formidable enemy in every sector of society—medical, political, economical, and even psychological. It poses either an immediate or potential threat to the life of every individual around the world, especially the Chinese people. As China becomes a nation of increasingly mobile citizens, the lack of access to sufficient hygiene facilities increases people's fear of infection, as well as adding fuel to the spread of rumors. Consequently, as Professor Li Xiguang says, "a shortfall of accurate news reports can easily cause public panic and other effects."<sup>25</sup> To reassure the general public, safeguarding their health as well as guaranteeing people's "right to know," the Chinese government has no choice but to inform the public about the epidemic which directly affects their lives and to mobilize a full array of political, economic, and military resources available to combat the disease.

Second, since the first SARS case was observed in China, the virus and the government's handling of the crisis has become a de facto global issue, putting the Chinese government under intense international scrutiny. Under a new generation of leadership, keen on establishing a good international image, taking a candid attitude and resolute actions in containing SARS would help China gain a reputation as a responsible power serving the interests of not only its own citizens but also the world. Intentional cover-up of SARS cases would not only delay the treatment of patients, but also elicit more vehement criticism from the international community, largely due to the heavy scrutiny of the Western media.

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Third, the initial mishandling of the outbreak demonstrated to both the leaders and ordinary citizens the long accumulated malady of the bureaucratic machine. This made it imperative to reform it to become a more efficient and responsive administration. Lack of an efficient disease surveillance network, as well as the perfunctory performance and dereliction of duty demonstrated by officials contributed to the initial delay in effectively dealing with SARS. In an increasingly open society where citizens demand a government to shoulder its due responsibilities, China's new generation of leaders fully understands the pressure for launching a radical campaign against negligent or incompetent officials. Disciplinary actions, such as the dismissal of both the Health Minister and Mayor of Beijing, would strengthen the awareness of officials at all levels to serve the people not only in their daily lives, but especially in periods of emergency. SARS, though it poses challenges to the Chinese government, presents an opportunity to carry out a long awaited reform of making officials directly accountable to the people.

### III. A WAKE-UP CALL FOR A STRONG AND EFFICIENT HEALTH CARE SYSTEM

Just as the American people are united in the fight against terrorism, now the Chinese have united with their government against the terrible disease of SARS. President Hu Jintao and Premier Wen Jiabao have revealed themselves as not only ready to take responsibility, but also prepared to improve the government's accountability. While doctors are searching for a cure and tracking the origin of the virus, people are ringing alarm bells to prompt the overhaul of China's public health system in order to prevent and beat any contagious diseases in the future.

During the planned economy era, China developed one of the world's most comprehensive healthcare systems, with the government providing health care for urban residents "from the cradle to the grave" and an army of "barefoot doctors"—workers trained to serve peasants' basic health-care needs—being the pillars of a

rural cooperative healthcare network. Using relatively low expenditures, China was able to ensure basic health for 85 percent of its citizens.<sup>26</sup> In addition, a national “Patriotic Public Health Campaign” was initiated by the late Chinese President Mao Zedong in 1952, calling on the public to improve sanitation. Thanks to the healthcare network, by the 1960s China had eliminated a variety of epidemics such as smallpox, cholera, and tuberculosis, which had claimed millions of Chinese lives in the past. The average life expectancy of rural dwellers has risen from thirty-five years in 1949 to seventy years in 2000. The World Bank, citing China as one of the “great success stories” in public health, pointed out that China fulfilled basic medical services for 22 percent of the world’s population by using only 1 percent of the world’s total health finance.<sup>27</sup>

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Since the reform and opening up of China in the late 1970s, the public health network has become decentralized. Funding of medical services for urban citizens was assigned to the local governments in provinces, cities and towns, with the “work units” paying for people’s basic medical needs. As a result, the portion of health care invested by the central government has fallen to its present level of about 20 percent.<sup>28</sup> While the total health expenditures increased by a large margin in the past two decades, inequality between various areas became increasingly apparent. Big cities like Beijing, Shanghai, and the prosperous coastal provinces could finance public health effectively, but many local governments in the less developed central and western regions are plagued by a lack of financial and human resources.

Gaps continue to widen between the urban and rural areas. Under a medical social insurance program initiated by former Premier Zhu Rongji in 1998, health care for urban citizens has been steadily improved. However, the cooperative “barefoot-doctor system” in the countryside has been brought to the verge of collapse due to shrinking investment. Uncovered by an effective health care system, 900 million rural residents, who account for more than 70 percent of China’s population, currently use only 20 percent of China’s medical services and resources.<sup>29</sup> Low income levels, as well as the rocketing price of medical services, force an increasing number of farmers to be victims of “unfairness” in the public healthcare network. According to a study carried out by China’s Ministry of Health in 1998, 37 percent of all ill farmers didn’t visit the doctor, and 65 percent of patients who should have been hospitalized failed to receive treatment simply because they were unable to pay.<sup>30</sup> Another survey in 2000 showed 87.3 percent of sick farmers paid medical expenses by themselves.<sup>31</sup>



When SARS hit the country, China faced an embarrassing situation—though substantial efforts were being made, the new health care system hadn't been completely established while the old one had become antiquated. Challenged by the sudden outbreak of an epidemic, China's disease prevention system was not efficiently equipped or completely prepared to tackle it. Officials are highly concerned that the consequences would be extremely serious if SARS was found to be spreading in the countryside. SARS has become a wake-up call to accelerate the construction of health infrastructure and a disease prevention mechanism.

At an executive meeting chaired by Premier Wen on April 14, the State Council endorsed an initiative to establish a national rapid response mechanism to deal with public health emergencies. Other urgent tasks, such as improving information sharing and strengthening the medical forces, were also outlined in the meeting. Promulgating laws and regulations for the emergency-response mechanism was designated to be the priority of the State Council's legislative work for 2003.

On April 23, the central government announced a fund of two billion Yuan (\$241 million) for treating farmers and poor urban residents infected with SARS. Moving with a rarely seen urgency, the Chinese Ministry of Science and Technology and the Ministry of Health have launched a joint emergency research program on SARS. The \$1.2 million program has a short term goal of exploring effective treatment for SARS as well as a long term aim at enhancing China's overall capacity in preventing newly found epidemics through research on virus screening, speedy diagnosis, and disease monitoring.

More importantly, in order to fundamentally improve medical services for the disadvantaged rural residents, the State Council has mapped out a reform blueprint aiming at creating an affordable health care system for them. In a national conference on public health in rural areas held in October 2002, decisions were made to revitalize the rural "cooperative medical care network." The then-Vice Premier Li Lanqing, while addressing the meeting, warned that "the possible spread of contagious diseases and endemic diseases would cause consequences that are too dreadful to think of; and such diseases not only mean a catastrophe for the families of sick peasants but will also cause great harm and heavy losses to the state and society."<sup>32</sup> To facilitate the construction of medical infrastructure, the central government will put ten Yuan into each medical account of rural dwellers annually; local governments are urged to contribute another ten Yuan annually for each peasant. Rural residents will be encouraged to join the pool system voluntarily with a contribution of ten Yuan for each year. Funds will also be used to develop non-governmental medical institutions through various channels.

Pilot programs have so far been successfully implemented in approximately 10 percent of China's rural areas, such as east China's Jiangsu Province and the Tibet Autonomous Region in the southwest. The programs are expected to go nationwide by 2010.

#### IV. GLOBAL HEALTH PROBLEMS: CALL FOR GLOBAL COORDINATION

Since the first appearance of the term in 1962, “globalization” has gone from jargon to cliché. As defined by Webster’s dictionary, globalization is a process that renders various activities and aspirations “worldwide in scope or application.” Globalization has intensified and accelerated in recent decades and all its benefits and destructive power have come into full view.

Human beings today are living in a more closely connected global village. In 1955, 51 million people a year traveled by plane. Today, 1.6 billion fly every year and 530 million cross international borders. There is no place in the world that cannot be reached within twenty-four hours. Thanks to innovations taking place at unprecedented rates, especially advances in computer and communications technology, we are also living in a much more technologically advanced world than our forefathers.

However, the closely-knit global communication network that makes growth possible has also made the world more vulnerable to threats ranging from disease to terrorism. Much of progress that has made our lives more comfortable is also making them more dangerous. Since the mid-1970s, some thirty new diseases have cropped up, causing tens of millions of deaths. More disconcerting, however, is how easily diseases cross national borders, as people can travel without proper visa screening. Epidemics that once might have taken months or weeks to spread could be transmitted within a matter of days. The 1918-1919 Spanish flu epidemic, which killed some 40 million people worldwide, was believed to have been spread by traveling World War I soldiers. HIV infection in humans developed in Africa but has spread to the entire world, now infecting some 14,000 people each day.<sup>33</sup> The SARS outbreak’s rapid proliferation has become a symbol of global vulnerability.

Fortunately, today if a disease goes international with unprecedented speed, so does the response. The way the world has mobilized against SARS is an impressive sign of the value of our connections. In face of the disease, health organizations and scientists have also gone global.

It took centuries for people to identify the cause of cholera, it took seven years to identify the agent that causes Lyme disease, and two years to identify the virus that causes AIDS. The pursuit of SARS, by contrast, has moved at a lightning pace, fueled by dramatic advances in technology, unprecedented scientific cooperation, and a pressing sense of international crisis.<sup>34</sup> On March 15, the WHO issued a global travel alert, identifying the illness as SARS for the first time and calling it a “worldwide health threat.”<sup>35</sup> Under the WHO, thirteen labs in ten countries put everything else aside and focused upon SARS research. In a matter of weeks, an international community of scientists identified the corona virus as the cause. Within a month, labs from Vancouver to Atlanta to Singapore had mapped the genome.<sup>36</sup>

Acknowledging that health is national responsibility as well as a global public good, and realizing that individual nation-states are unequipped to manage something like SARS alone, China has endeavored to boost coordination and facilitate pooling of resources and knowledge by all countries in the battle. SARS, though it dragged

China into a national emergency, has become a chance for Beijing to shoulder its responsibility as a regional power and to consolidate diplomatic friendships with other parts of the world.

On April 29, a special summit meeting on SARS was held by the Association of Southeast Asian Nations (ASEAN) in Thailand. At the invitation of Thai Prime Minister Thaksin Shinawatra, Chinese Premier Wen Jiabao went to Bangkok for his first foreign visit after being elected as Premier in March. Just as ASEAN and China joined hands to tackle the Asian financial crisis six years ago, they are now more closely aligned to face the challenge of combating SARS. While meeting his counterparts from Singapore, Thailand, and Cambodia, Premier Wen expressed China's strong commitment to support to make concerted efforts with ASEAN members to beat SARS.

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In the joint statement after the meeting, leaders from both China and ASEAN, while expressing their deep concern over the mounting threat SARS imposed on the life and health of the Asian people, reemphasized the need for collective efforts not only in the ASEAN region but also in the rest of the world. China's all-out efforts in the fight against SARS were greatly appreciated by officials from the WHO and the ASEAN leaders present at the meeting. China's traditional friendship with its ASEAN neighbors had been further strengthened through their joint efforts against SARS.

On May 13, the forum "SARS and Asia's Economy—Impacts and Policy Recommendations" was held in Beijing. Jointly convened by the Boao Forum for Asia and the Asian Development Bank, this workshop is the first discussion over the social and economic impacts of SARS ever since its outbreak. Among the participants were Bruce Murry, a representative of the Asian Development Bank to China, Long Yongtu, secretary general of the Boao Forum, and Deepak Bhattasali, chief economist of the World Bank's Beijing office. The experts present agreed that the SARS epidemic would not be a catastrophe for the Asian economy, which helped to rebuild investors' confidence in Asia.

The Foreign Ministry of China announced on May 15 that an international anti-SARS forum would be held in Beijing from June 3 to 4 in order to implement the joint communiqué issued in the China-ASEAN meeting. Focusing on the exchange of information on SARS prevention and treatment, especially with regard to epidemiological research, clinical treatment, diagnostic reagents, and medicinal exploration, this forum will be another major effort taken by the Chinese government to boost international cooperation in the anti-SARS campaign.

## V. CONCLUSION

In face of a new global threat China has been taking all necessary measures to reduce its impact. To maintain the economic growth engine, China has to rally all its resources and continue with its proactive economic policies. Though there is still a long way to a fully responsive government and a well-equipped public health system, SARS has brought lessons to the Chinese government, making it more resolute to correct mistakes and to serve the interests of its people. As a global issue in an interconnected world, SARS broaches new diplomatic topics for all countries concerned, including China. With a more forthright attitude, more immediate and decisive actions, more willingness to cooperate with not only other countries but also international health organizations, people should be confident that China will win in the fight against SARS.

### Notes

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