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**China's new five-year
blueprint would bring
confidence to the world**



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First Five-Year Plan (1953-57).

Key words: socialist industrialization, agricultural production co-operative society and socialist reform.



On October 17, 1956, an employee of the China First Automobile Works makes a skirt for her daughter. *Xu Zhicheng*

Third Five-Year Plan (1966-70).

Key words: support agricultural production and prepare for war.



On March 10, workers with Shanghai July 1 Tractor Factory are busy with assembling Harvest-35 tractors before the upcoming spring ploughing season. *Xinhua*

Fifth Five-Year Plan (1976-80).

Key words: adjustment, reform, rectification and improvement.



Examinees attend national college exam on December 7 in Beijing. The exam resumed in the year of 1977. *Xinhua*



Students from the Goudong No.3 Primary School assemble a detector set, which was a rarity in 1960. *Shi Panqi*

Second Five-Year Plan (1958-62).

Key words: national economy and technological upgrading, socialist reform.



Phoenix bicycles produced by Shanghai No.3 Bike Factory were popular during the early 1970s. *Shen Hong*

Fourth Five-Year Plan (1971-75).

Key words: war preparations, mechanization of agriculture and economic co-ordination region.



In 1984, Tibetan farmer Zhuogayangjin (second from right) in Dongga Township, Duilong Deqing County buys a truck. Her fellow villagers present hada to express their congratulations. Together with five families, Zhuogayangjin made an annual income of 50,235 yuan in 1983 by doing agriculture, sideline production and business. *Ma Jingqiu*

Sixth Five-Year Plan (1981-85).

Key words: fundamental improvement of finance and economy.

Seventh Five-Year Plan (1981-85).

Key words: economic reform. TV sets, refrigerators and washing machines became daily necessities.



The picture shows a part of the color TV production line in the Inner Mongolia TV Set Company. *Lu Jinfa*

Ninth Five-Year Plan (1996-2000).

Key words: fairly well-off, socialist market economy.



Yi ethnic young girls in poverty-stricken Liangshan, Yunnan Province use cell phones in 1996. *Wang Changshan*

11th Five-Year Plan (2006-10).

Key words: socialist new countryside, environmentally friendly society, revitalizing the nation through science and education.



The Games of the XXIX Olympiad opens on August 8, 2008 in Beijing. *Xi Ba*



A full view of Shanghai Hongqiao Development Zone in 1991. *Yang Putao*

Eighth Five-Year Plan (1991-95).

Key words: quadruple, Pudong, Shanghai, economic development zones.



Herdsman Luobubandian (left) from Dangqu Township, Daxiong County in Tibet drives a newly purchased Beijing Jeep. The number of private-owned cars reached 50,000 in Tibet at that time.

10th Five-Year Plan (2001-05).

Key words: industrial structure upgrading.



Builders from Sinohydro Corporation work at the construction site of middle route of the South-North Water Diversion Project. *Xinhua*

12th Five-Year Plan (2011-15).

Key words: strategic adjustment economic structure, people's well-being.

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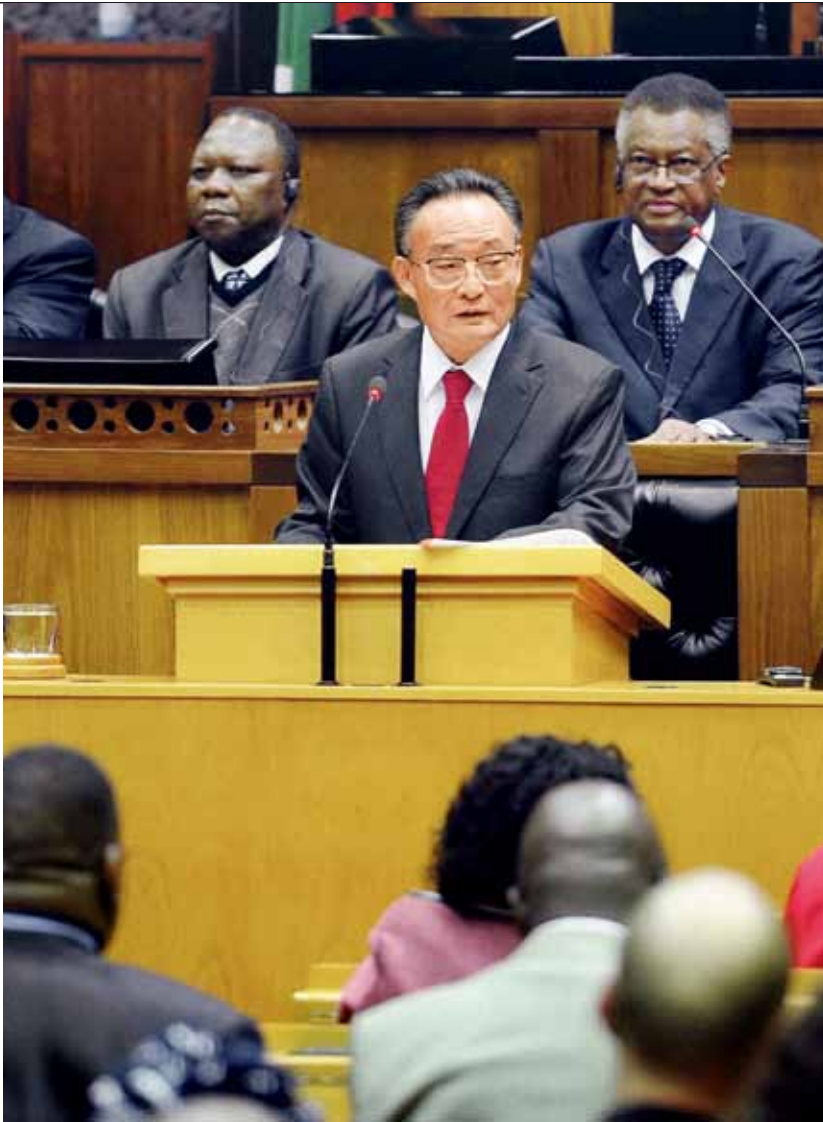
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A real friend from afar

Report on the Work of the Standing Committee of the National People's Congress (excerpts)

Delivered at the Fourth Session of the Eleventh NPC on March 10, 2011

Wu Bangguo, Chairman of the NPC Standing Committee

Major Tasks for 2011

In 2011, the first year of the Twelfth Five-Year Plan period and the year that we will celebrate the 90th anniversary of the founding of the Communist Party of China (CPC), the general requirements for the work of the NPC Standing Committee are: We must fully implement the guiding principles of the Seventeenth National Congress of the CPC, the Fifth Plenary Session of the Seventeenth CPC Central Committee and the Fourth Session of the Eleventh NPC; take Deng Xiaoping Theory and the important thought of Three Represents as our guide; thoroughly apply the Scientific Outlook on Development; intimately integrate the Party's leadership, the people's position as masters of the country and the rule of law; focus on the overall work of the Party and the country in carrying out our functions and powers in accordance with the law; make full use of the role of deputies; maintain close contact with the people; further strengthen and improve our legislative work from a new starting point; constantly improve the socialist system of laws with Chinese characteristics; further strengthen and improve our oversight work in the new circumstances; give impetus to the implementation of the major decisions and arrangements of the Central Committee; strive to initiate a new phase in the work of the NPC; and make new contributions to ensuring that economic and social develop-

ment in the Twelfth Five-Year Plan period is off to a good start and ensuring social harmony and stability.

I. Continuing to strengthen our legislative work from a new starting point

The formation of a socialist system of laws with Chinese characteristics marks a new starting point for China's legislative work. Social praxis is the foundation of laws, and laws encapsulate practical experience. Social praxis is endless and legislative work should also constantly move forward. Building socialism with Chinese characteristics is a long-term historic task. Improving the socialist system of laws with Chinese characteristics is also a long-term historic task, and it must develop as the praxis of socialism with Chinese characteristics develops. Furthermore, the socialist system of laws with Chinese characteristics is not static, closed or fixed, but rather, dynamic, open and developing. We must also note that, although our system of laws has already been formed, it is not perfect or flawless: some existing laws need to be revised, some accompanying regulations urgently need to be enacted, and a few laws have yet to be introduced.



Delegates attending the 4th Session of the 11th National People's Congress have a group photo taken before the Great Hall of the People. The annual conference concluded on March 14, 2011. Song Jihe



Wu Bangguo, chairman of the NPC Standing Committee, delivers a work report of the committee at the second plenary meeting, 4th Session of 11th NPC on March 10, 2011. *Xie Huanchi*

The main reasons for this are that the legislative conditions for these laws are not ripe and no consensus on the relevant matters has been reached, so we must continue to explore and accumulate more experiences through praxis. In short, new changes in the domestic and international situations, new praxis of reform and opening up, new tasks of economic and social development, and new expectations of the people constantly present new tasks and requirements for our legislative work. Our legislative tasks are still painstaking and arduous, and legislative work can only get stronger and not weaker. For some time to come, we will devote more energy to revising and improving laws, and enacting accompanying regulations. At the same time, we still need to enact a number of new laws in order to ensure that the socialist system of laws with Chinese characteristics keeps up with the times, develops and improves. The NPC and its Standing Committee need to fully play their role as the country's highest organs of State power, exercise State legislative power in accordance with the law, make legislative work more organized and coordinated, urge relevant departments to earnestly study and solve major problems involved in legislation, improve the mechanisms of legislative work, strengthen legislative bodies and improve the competence of legislators, and initiate a new phase of our legislative work from a new starting point.

The legislative work of the Standing Committee this year is to

promptly revise laws that are not compatible with economic and social development, and enact in a timely manner laws that are vital for pushing forward scientific development and promoting social harmony in accordance with the overall requirements for improving the socialist system of laws with Chinese characteristics. First, we will revise the Budget Law, the Law Concerning the Prevention and Control of Occupational Diseases, the Criminal Procedure Law, the Civil Procedure Law, the Organic Law of Local Governments, and the Military Service Law. Second, we will enact the Law on Mental Health, the Law on Administrative Coercion, and the Law on Entry and Exit Administration. Third, we will urge relevant departments to promptly enact accompanying regulations, and do the follow-up work of reviewing laws and regulations well, with the focus on urging and guiding the Supreme People's Court and the Supreme People's Procuratorate to complete the concentrated review of judicial interpretations currently in force.

We will enact legislation in a thoroughly scientific and democratic manner. We will use the evaluation of enacted legislation as a new measure to strengthen and improve legislative work, carry out such evaluations in an orderly manner and in various ways based on a review of the experiences gained through pilot programs, and objectively evaluate how scientific the system of laws is, how practicable laws and regulations are, and how effectively laws are implemented in order to provide an important basis for revising and improving laws and improving legislative work. We will improve the work mechanism by means of which deputies participate in legislation, integrate the work of handling bills and proposals from deputies with the work of enacting and revising laws, invite deputies to participate in the Standing Committee's activities for improving the quality of the drafting of laws and the quality of deliberation, conscientiously study and absorb comments and suggestions from deputies, and have them fully play their role in legislative work. We will actively explore ways and means for the orderly participation of citizens in legislation; widely solicit opinions from all sectors of society, particularly from the masses at the primary level; earnestly solicit the suggestions of experts and scholars; establish a sound feedback mechanism for recommendations from the general public; actively respond to social concerns; and take new steps in making legislation scientific and democratic.

II. Continuing to strengthen oversight work in the new circumstances

During the Eleventh Five-Year Plan period, enormous new achievements were made in reform, opening-up and socialist modernization. China's economic strength and overall strength

and the people's standard of living all reached new heights, marking a new starting point for all of China's undertakings. At the Fifth Plenary Session of the Seventeenth Central Committee, the Central Committee thoroughly analyzed the international and domestic situations in the coming period, and made the important judgment that our country's development is still in an important period of strategic opportunities during which China can accomplish much. The Central Committee also decided upon the guiding thought, general philosophy, objectives, tasks and major measures for economic and social development in the coming five years. It also emphasized the need to make scientific development our theme and accelerating the transformation of the pattern of economic development our main thread, make significant progress in promoting scientific development, and make substantial progress in transforming the pattern of economic development. This has set new and higher requirements for doing the NPC's oversight work well in the new circumstances.

This year, the Standing Committee's oversight work will firmly focus on the implementation of the Twelfth Five-Year Plan approved at this session, continue to strengthen the oversight of law enforcement and work performance in accordance with the

China's economic strength and overall strength and the people's standard of living all reached new heights, marking a new starting point for all of China's undertakings.

provisions of the Oversight Law, carry out oversight in a variety of ways, concentrate oversight more on matters concerning the country's overall interests and the people's well-being, and obtain more tangible results from the NPC's oversight work. First, we will listen to and deliberate the reports on the implementation of the plan and budgets as well as on the central government's final accounts and auditing work, and examine and approve the 2010 final accounts of the central government; focus on examining the implementation of a proactive fiscal policy



According to the 12th Five-Year Plan (2011-15), China will upgrade its transportation capacity of coal, crude oil, iron ore and containers. Besides, it will speed up the modernization of the clustered coastal harbors. CFP

and a prudent monetary policy as well as the efforts to stabilize prices and curb the excessively rapid rise of housing prices in some cities; conduct research on how to guard against local government debt risks and how to set up a sound mechanism for ensuring basic funding for county-level governments; and press ahead with implementation of the central government's macro-control policies as well as measures for reforming key sectors in order to promote steady and rapid economic development. Second, we will listen to and deliberate the State Council's reports on its work concerning accelerating the transformation of the pattern of economic development, environmental protection, reform of the tenure of collective forests and developing the tourism industry; investigate compliance with the Law on Rural Land Contracts; carry out investigations and studies on promoting economic and social development in ethnic minority areas; and urge relevant parties to implement the Scientific Outlook on Development with specific measures in practical work. Third, we will listen to and deliberate the State Council's reports on building low-income housing, implementing the National Medium- and Long-Term Plan for Education Reform and Development, and fire prevention; investigate compliance with the Law on Food Safety, the Labor Contract Law, the Law Guaranteeing the Rights and Interests of Senior Citizens and other laws; and urge relevant parties to effectively solve problems of the utmost concern to ordinary people such as adequate housing, schooling for children, employment, and the protection of workers' rights and interests. Fourth, we will listen to and deliberate reports of the Supreme People's Court and the Supreme People's Procuratorate on strengthening primary-level work in order to solve prominent problems restricting improvement of judicial competence at the primary level, strengthen their management and competence, and promote judicial justice. Fifth, we will listen to and deliberate the State Council's report on the implementation of the fifth five-year plan for spreading general knowledge of the law among the people, adopt a resolution for implementing the Sixth Five-Year Plan for this purpose, identify the priorities in this effort and promote the formation of a good social environment in which the people conscientiously study, abide by and apply the law.

Appropriately adjusting income distribution is a problem of common concern to the people and NPC deputies, and it is also a problem we must solve in order to transform the pattern of economic development. As this problem involves both the primary distribution and redistribution of national income, it is a task that is both arduous and urgent. The Standing Committee will address this issue with its focus on intensifying investigations and studies on raising the proportion of national income that goes to individuals, raising the proportion of workers' wages in the primary distribution, standardizing income distribution, strengthening the role of taxation in adjusting incomes, and

Appropriately adjusting income distribution is a problem of common concern to the people and NPC deputies, and it is also a problem we must solve in order to transform the pattern of economic development.

reversing the widening income disparity. When conditions are ripe, we will make arrangements to listen to and deliberate the State Council's work report on this issue. We will continue to carry out special inquiries in accordance with the law on low-income housing, government budgets, education reform, and strengthening primary-level courts and procuratorates; deliberate the work reports of the State Council, the Supreme People's Court and the Supreme People's Procuratorate; and give impetus to relevant departments to improve their work.

III. Making new progress in fully utilizing the role of deputies, developing foreign contacts and intensifying self-improvement efforts

We need to take advantage of the opportunity created by implementing the revised Law on Deputies to People's Congress, take upholding and improving the system of people's congresses as our starting point, steadfastly respect the principal position of deputies, maintain an attitude of serving them, and strive to improve the level of our work for them. We will diligently handle bills and proposals submitted to this session by deputies; further improve the quality of the handling of them, strengthen deputies' investigations and studies of special issues and their inspection tours; improve the way they carry out activities; well organize studies for them on matters relating to their duties; invite them to participate in activities of the Standing Committee and special committees; and get them to better play their role in supervising State affairs.

With the focus on consolidating and improving the NPC's mechanisms for regular exchanges with foreign congresses and parliaments, we need to extensively develop friendly contacts with them; actively participate in the activities of international and regional parliamentary organizations; make full use of the

unique role of the NPC's foreign contacts in enhancing mutual political trust, deepening friendship with other peoples, developing pragmatic cooperation, and promoting the development of State-to-State relations; and make new contributions to safeguarding the important period of strategic opportunities for China's development.

We need to concentrate on adhering to the correct political orientation, further intensify the Standing Committee's self-development, and unswervingly uphold the leadership of the Party, the socialist system and the socialist path of political development with Chinese characteristics. We will improve our organizational and work systems, become better able to fulfill our duties, conscientiously present lectures on special topics, carry out thorough investigations and studies, and forge close ties with the people. We will make full use of the special committees' capable personnel, dense knowledge, wealth of experience and other features and strengths, and further improve the overall quality and level of the Standing Committee's work. We will widely publicize the great significance and basic experience of forming a socialist system of laws with Chinese characteristics, strengthen and improve publicity and reportage work, increase the transparency of the NPC's work, and willingly accept oversight by deputies and the people. We will strengthen our relationship with standing committees of local people's congresses, learn from their good work methods and work experiences, and push forward the socialist democratic legal system together. Agencies of the NPC should intensify the campaign to encourage their Party members to excel in their work, improve the overall quality and capabilities of their cadres and other employees, provide good services, and serve as good advisors and assistants.

Fellow Deputies,

According to the Decision on Revising the Electoral Law of the National People's Congress and Local People's Congresses, passed at the Third Session of the Eleventh NPC, deputies to people's congresses are to be elected based on the same population ratio in both urban and rural areas. This more fully embodies the principle that all people, regions and ethnic groups are equal. This year, elections of new county and township people's congresses will take place across the country. These will be the first elections carried out in accordance with the revised Electoral Law, and there will be new changes to deputy quotas, the organization of election work and other areas. All of this imposes new requirements for doing election work well. Based on careful investigations and studies, the Stand-

ing Committee put forward guidelines on doing a good job in the election of new county and township people's congresses across the country and on deputy quotas. We will resolutely implement the unified arrangements of the central leadership; intimately integrate the leadership of the Party, the position of the people as masters of the country, and the rule of law; give full play to democracy; act strictly in accordance with the law; and ensure that the election of the new county and township people's congresses proceeds smoothly and that outstanding people who strictly obey the Constitution and laws, forge close ties with the masses, strive to serve the people, and are trusted by the masses are selected to be members of agencies of State power. In this way, we will provide a firm organizational guarantee for upholding and improving the system of people's congresses and developing socialist democratic politics.

Fellow Deputies,

The mission that history has assigned to us is glorious yet arduous, and the people have high and ardent expectations of us. Let us rally closely around the CPC Central Committee with Comrade Hu Jintao as General Secretary, hold high the great banner of socialism with Chinese characteristics, fully implement the Scientific Outlook on Development, work energetically, press ahead resolutely, work diligently, greet the 90th anniversary of the founding of the CPC with outstanding achievements, and strive to get economic and social development off to a good start in the Twelfth Five-Year Plan period and achieve new successes in building a moderately prosperous society in all respects. ■



China's foreign trade volume ranks the second in the world, indicating that the nation has made a considerable growth in its opening-up movement. CFP

NPC, CPPCC annual sessions catch eyes worldwide

The annual sessions of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), concluded on March 15 and 13 respectively in Beijing, with its achievements still the focus of world attention.

Some foreign observers noted that the Chinese government can always readjust its development direction in line with the changing domestic and international situations, and many said the 7-percent growth target set in China's 12th Five-Year Plan is pragmatic.



The 4th Session of the 11th NPC holds the first press conference on March 4 in Beijing. Ren Yong

The Chinese government has managed to make timely policy adjustment by going with the trend of times, and listening to the opinions of the people. In this way it sends a message of hope and confidence to the people, said Jeong Hae-hoon, president of South Korea's Korean Northern Relations Council.

Li Cheng, director of John L.Thornton China Center at the Brookings Institute, described the growth target set by the sessions as “practical,” and said he believed that China can reach this target.

This year’s two annual sessions show the continuity of the Chinese government's policies, rather than radical changes, he added.

Former Russian Ambassador to China Igor Rogachev said the 12th Five-Year Plan will become a very important document in China's history and the targets for social and economic developments set by the Chinese government are practical.

“I have no doubt that these targets can be achieved,” Rogachev told the Xinhua News Agency.

The decisions made at the NPC and CPPCC sessions were wise and China's 12th Five-Year Plan could be fully realized, said Sergey Koshevoy, an expert at the International Ukrainian-Chinese Trade and Law Association.

“The NPC and the CPPCC, with its consultative role, are places of discussion and internal debate, confrontation and dialogue on key issues that demonstrate China's desire to build a stronger internal consensus,” said Flora Sapio, researcher at Italy's Center of Advanced Studies on Contemporary China based in Turin.

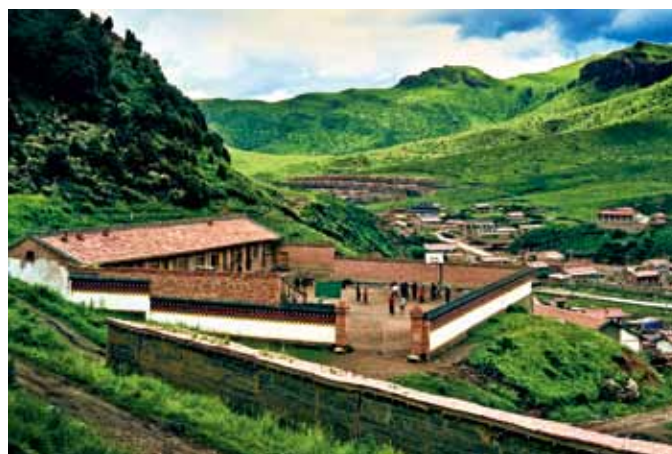
It was not easy for China to transform its economic model, said Lee Young-joo, chief director of the Chinese Political and Cultural Research Institute of Korea.

But Lee said he believed that the Chinese people, led by their leaders, can surely overcome difficulties and achieve economic restructuring in a short time.

“We need to put people first, make ensuring and improving their well-being the starting point and goal of all work, unwaveringly work for prosperity for all and ensure that everyone shares the fruits of development,” said Chinese Premier Wen Jiabao, whose remarks have impressed many foreign observers.

Yang Wenkai, chief editor of Chubun (Chinese Review Weekly), a Tokyo-based Chinese-language newspaper, said the annual sessions of the NPC and CPPCC had many highlights, but he is most impressed by the emphasis on improving people's well-being in Premier Wen's report on the work of government.

A strong country is a manifestation of growth, but to make its



A hope primary school in remote Gansu Province. The nation has vowed to speed up the development of education. *CFP*

Foreign observers agreed that the direction of economic development set up by the two sessions is not only significant for China, but also for the whole world.

people wealthy constitutes the ultimate goal of development, he said.

Yao Shujie, dean of Contemporary Chinese Studies School of Nottingham University, shared this view, saying that emphasis on people's well-being, efforts to blaze a trail for sustained development and transform China's mode of development came as the most impressive achievements of the two annual sessions.

Director Li lauded the sessions by China's top legislature and advisory body as very pragmatic, saying they have put people's well-being higher on the agenda than any previous ones.

Applauding China's growing emphasis on how to make people happier, Jeong of the Korean Northern Relations Council said that compared with GDP, happiness is more of an extensive, practical index which could touch the lives of ordinary people.

Pierre Picquart, a China expert from the University of Paris, said discussions on building “a happy China” marked the country has ushered into a new era in its social development.

This reflected that China, after three decades of rapid development, has shifted its focus from making the “pie” of social wealth bigger to dividing the wealth even better among the people, he added.

Foreign observers agreed that the direction of economic development set up by the two sessions is not only significant for China, but also for the whole world.

Yang said the overall situation for China's development this year remains optimistic and will continue to boost the recovery and further growth of world economy.

Issues raised at the two sessions have drawn the most atten-



An online interview is held on March 5 on the sideline of the 4th Session of the 11th NPC. Ren Yong

tion all over the world and orientations of the sessions are seen as a global indicator.

“In my opinion, the meetings have a great importance for China and for the whole world,” Koshevoy said.

“China is trying to live in harmony with all the countries, and

I can say that without China, the world will not feel stable and confident about the future,” he said.

Picquart said that China has become an engine to push for the world economic growth and China's development will contribute to establishing new balance in world economy and provide new opportunities for other developing countries.

Gu Xuewu, director of the Center for Global Studies at the University of Bonn, saw the impact of two sessions on the world from a different angle.

He said the expansion of domestic demand had become a priority in China's economic restructuring, which will help reduce reliance on foreign economies and resolve trade conflicts with European countries and the United States.

Foreign observers believe that China has a bright future, despite enormous challenges it will meet in the coming years.

Russian media pointed out that the two annual sessions would become a turning point in the process of Chinese development.

As China has given up its pursuit of an 8-percent economic growth annually, and pours more resources to social security, it is expected that the Chinese economy and social development will witness profound changes in the coming five years, some Russian media predicted. (Xinhua) ■



The development of logistics has become another top priority during the 12th Five-Year Plan period (2011-15) in China. CFP



Beijing's CBD area at night. CFP

China's new five-year blueprint would bring confidence to the world

The 12th Five-Year Plan for National Economic and Social Development was approved by the legislature, the National People's Congress (NPC), with 2,778 out of a total of 2875 deputies voting for it on March 14.

Wu Bangguo, chairman of the NPC Standing Committee, presided over the closing meeting of the annual parliamentary session. Senior Communist Party of China (CPC) and State

leaders Hu Jintao, Wen Jiabao, Jia Qinglin, Li Changchun, Xi Jinping, Li Keqiang, He Guoqiang and Zhou Yongkang attended the meeting.

Wu said that during the session, the NPC deputies spoke highly of the great achievements made in social and economic development in the 11th Five-Year Plan period, and agreed that the 12th Five-Year Plan is an important document guiding Chi-



The 4th Session of 11th NPC deliberates passing the draft of the 12th Five-Year Plan on March 14. *Xie Huanchi*

na's social and economic development for the years ahead.

The new plan should be meticulously studied and fully implemented to achieve remarkable progress in boosting scientific development and substantial progress in transforming the economic growth pattern, Wu passed on the voices of the NPC deputies in his closing speech.

Further, Wu said that the deputies summarized the significance and experiences in completing the socialist system of laws with Chinese characteristics, and reached the consensus that the completion is an important milestone in the history of building a socialist democratic legal system.

For China, the 12th Five-Year Plan period is crucial to build-

ing a moderately prosperous society in all respects, and critical to deepening the reform and opening-up and accelerating the transformation of the economic growth pattern.

In the coming five years and ahead, the country is believed by the leadership to be in an important period of strategic opportunities for development.

In addition to the 12th Five-Year Plan, the theme of scientific development and the transformation of the economic growth pattern are also evident in the freshly approved government work report.

Chen Wei, an NPC deputy from Shandong Province and mayor of Zaozhuang City, said the 12th Five-Year Plan has set specific goals for development in next five years.

The country will continue to make significant progress if the goals of economic restructuring and the transformation of economic growth pattern are realized. However, he warned that economic restructuring must be based on actual conditions and realistic measures.

Li Shanfeng, a sociologist with the Shandong Academy of Social Sciences, said that China's social undertakings have lagged behind rapid economic development in recent years.

The government should recognize that the fundamental objective of economic development is to improve people's livelihood, and should increase spending on social issues in the next five years, he added.

Improved livelihood is also instrumental in China's drive to expand domestic consumption, which will have positive effects on boosting healthy, coordinated and sustainable economic and social development, he said.

He added that the government had initiated the framework for reforming education, health care, social security and housing sectors in the 11th Five-Year Plan period (2006-2010), and it should seize the opportunities now to improve the framework.

For instance, the government should increase the supply of affordable housing to meet the needs of low-income people.

The 12th Five-Year Plan noted that there still exists the global trend toward peace, development and cooperation, and the overall international environment is beneficial to China's peaceful development.

In the meantime, the international environment is getting more complicated as the impact of global financial crisis lingers, the world's economic growth remains sluggish, global competition intensifies, and protectionism surges, according to the plan.

Chinese Foreign Minister Yang Jiechi recently said that China would have a broader road for peaceful development if it develops in a way that takes into consideration both the domestic and international situations and well grasps the interaction relationship between scientific and peaceful development.

Sun Zhe, an expert on Sino-U.S. relations of Tsinghua University, said that there is no longer any doubt that many coun-

tries are beneficiaries of China's peaceful development.

China needs to enhance the outside world's understanding of and trust in it through economic cooperation, cultural exchanges and various other means, he said.

"Mutual trust between China and other countries will deepen with an increasingly open and confident China and closer exchanges between China and the outside world. I believe a broader road awaits China's peaceful development," Sun said.

At the closing meeting, the NPC deputies also voted to approve the work reports of the NPC Standing Committee, the Supreme People's Court, and the Supreme People's Procuratorate.

The Implementation of the 2010 Plan for National Economic and Social Development and the 2011 Plan for National Economic and Social Development were approved as well.

In another development, Premier Wen Jiabao said on March 21 that China's 12th Five-Year Plan has brought hope and confidence not only to China, but also to the entire world.

"China's opening-up policy will remain unchanged, and we will further strengthen, rather than weaken our policies for drawing foreign investment, advanced technologies, as well as management experience," Wen told about 70 overseas delegates in attendance at the China Development Forum 2011 in the Great Hall of the People.

China's 12th Five-Year Plan was released earlier this month during the annual session of the National People's Congress, the country's top legislature.

It steers the world's second largest economy towards a path of fairer and greener growth in the next five years.

According to the plan, China aims to reduce energy consumption per unit of GDP by 16 percent in the five years leading up to 2015. The country is also looking to cut carbon dioxide emissions by 17 percent during the period.

"China's development is inseparable from the world, and the development of the world cannot be realized without China," Wen said. "The more China develops, the more it needs to cooperate with the world," he added.

As the world economy bounced back, the Premier called on the international community to enhance coordination in a spirit of unity and solidarity and called on countries to pull together to promote vigorous, sustainable and balanced growth of the world economy.

Wen said he was optimistic about the prospects for the world economy.

The forum runs from March 19 to 20, and has the theme "the Ongoing Transformation of China's Growth Pattern".

In a press conference after the conclusion of the parliamentary session, Premier Wen pointed to outdated mindset and the GDP-oriented criteria for evaluating the performance of government officials as obstacles that might keep the Five-Year Plan from being fully carried out.

The central government would adopt new performance evaluation criteria for local governments and give more weight to the efficiency of economic growth, environment protection and living standards, said Wen.

"Two figures are more important than GDP growth rate. They are the proportion of the expenditure on education in the national economy, and the ratio of spending on research and development in the GDP," said Wen.

"Without radically changing the mindset and criteria assessing the performance of our officials, it would be difficult to achieve the goals set by the Five-Year Plan," Wen said.

The blueprint said that China will commit to boosting spending on education, healthcare and public housing, initiatives intended to narrow the wealth gap between the rich and poor.

China aims to create 45 million urban jobs over the next five years, reduce the number of people living in poverty, increase incomes, raise minimum wages and basic pensions and hike the individual income tax threshold, according to the plan.

"Through unremitting efforts, we will reverse the trend of a widening income gap as soon as possible and ensure that the people share more in the fruits of reform and development," Wen said in his government work report earlier this month.

While pledging to make China a fairer society which would provide new and stronger sources for future growth, the five-year program also shows China plans to follow a more sustainable and low-carbon development path.

China used a series of punishing "administrative" measures to try to meet a target to reduce 2005 levels of energy intensity by 20 percent by the end of last year, forcing thousands of energy-guzzling enterprises across the country to shut down after cutting off their power supplies.

The Five-Year Plan said China will boost the proportion of non-fossil fuels in primary energy consumption to 11.4 percent, and energy consumption and carbon dioxide emissions per unit of GDP should be reduced by 16 percent and 17 percent respec-

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Experts lauded the tougher determination which would reinforce the world's efforts to meet the challenges posed by global warming.

New plan seen to boost domestic consumption

The 12th Five-Year Plan approved by NPC session is a watershed for what has recently emerged as the world's second largest economy.

It's widely expected that the plan is likely to contain measures to boost domestic consumption – a sign that China's leadership is gradually steering its economy away from export and investment-led growth.

"The 12th Five-Year Plan is probably China's most important (economic) plan in terms of its depth, complexity and the challenges (it seeks to address)," said Yolanda Fernandez Lommen, head of the China economics unit at the Manila-based Asian Development Bank.

Lommen said the Chinese government aims to restructure and rebalance the economy and reduce inequality. It's also important, she notes, to promote equal income distribution that the recent gains from the economic boom will benefit the majority of China's population.

Lommen is especially keen on the fiscal policy that will be in place from 2011 to 2015. "This is very important as this is the way for the Chinese government to secure enough resources to fund the reform that must be implemented (under the Five-Year Plan)," she said.

"It's not going to be cheap to provide universal health insurance and pension to 1.3 billion people," she stressed. But Lommen is confident that given China's solid public finance, it has enough space to be more expansionary and provide more resources to social security.

The strengthening of social safety net is crucial in raising consumption, which now accounts for only a third of China's GDP. This is among the lowest in the world, a fact that most economists attribute to fear-based precautionary savings.

"If you don't have pension, health insurance or (access to free) public education, you need to save a lot," Lommen said. A social safety net will free up some of these savings, expanding consumers' disposable income and raising consumption.

There are strong signs that China's government is going in that direction. The State Council, China's Cabinet approved in principle a proposal to raise the personal income tax threshold. Premier Wen also announced that the government plans to build 36 million "affordable homes" by 2015. The details will be finalized during the National People's Congress, but proposals are expected to benefit low income households and boost their purchasing power.

Aside from its pro-consumption policy, the 12th Five-Year Plan also includes measures that adapts to the challenges of the 21st century climate change and overpopulation. It also focuses on the developing of strategic emerging industries such as alternative energy, new materials and information technology.

Lommen noted that this won't be achieved overnight. The development of new industries, for instance, will entail huge investment on research and development and education.

China is looking towards creating a balanced economy not just allowing some people to get rich, but the entire country to prosper in a more even manner, a US scholar said on October 27, 2010.

Plan signifies a new phase in economic growth

China is looking towards creating a balanced economy not just allowing some people to get rich, but the entire country to prosper in a more even manner, a US scholar said on October 27, 2010.

Prof. Kay Shimizu of the Weatherhead East Asian Institute of Columbia University noted that the newly released 12th Five-Year Plan of China signified that

China is ready to go on to the next phase in economic growth by storing wealth among its people and allowing the public share the fruits of reform and development.

"Deng Xiaoping said 'We should allow some people to get rich first, and the rest will follow.' Now it's time for the rest to follow, as the Chinese government has put it on the top agenda in the next five years," said Prof. Shimizu in an exclusive interview with Xinhua.

She said the most significant part of China's 12th Five-Year Plan is the focus shift from the export-led sectors to increasing domestic consumer demand by raising Chinese labors' incomes to allow all Chinese residents prosper in this new era.

"This is a significant change for China, and it also means bigger challenges. Income increase obviously will lead to labor cost increase, which is possible to impact export-led sectors as well as encourage high inflation. So an important task for China is to balance the inflation threats with increasing domestic demand

while maintaining export-led sectors," she said.

The Fifth Plenum of the 17th CPC Central Committee, which was held in Beijing from October 15 to 18, adopted the "CPC Central Committee's Proposal for Formulating the 12th Five-Year Program for China's Economic and Social Development (2011-15)."

The proposal said the 12th Five-Year Plan period was "a crucial stage for building a moderately prosperous society in an all-around way" and "a time of different issues for deepening the reform and opening-up process while accelerating the transformation of the nation's economic development pattern."

The four-day meeting reviewed proposals for the country's 12th five-year program (2011-15) on national economic and social development. The period would be critical for building a moderately prosperous society, the Political Bureau of the CPC Central Committee announced last month.

It would be a time of difficult issues for deepening the reform and opening-up process while accelerating the transformation of the nation's economic development pattern, said the announcement.

Analysts say the fifth plenary session, which is of great importance as committee members are expected to analyze domestic and international situations and set the guidelines, goals, tasks and key measures for the next five years. They will also review China's economic and social development over the past five years.

A draft version of the proposals for the 12th five-year program was offered to some delegates of the CPC's 17th National Congress and organizations outside the Party.

The document was further revised based on their suggestions. Sources with the CPC said the proposals, accumulated from throughout the Party and other organizations, would become a guideline document for China's continued reform and opening-up process as well as socialist modernization.

As an expert in China's domestic economy and political science, Shimizu is happy to find in the 12th Five-Year Plan that the Chinese government will focus more resources on rural areas and bridge the income divide between the urban and rural areas.

"The changes currently going on in the rural China are tremendous and under-reported, especially in the Western media, whose focus is always on the large cities like Beijing and Shang-



A jubilant Chinese farmer poses before a combine harvester.CFP

hai. Actually the changes in rural China are going to be the engine of China's economic growth in the next five or ten years, and of course China will face tremendous challenges. I think China is well-equipped to tackle them," she said.

One of the measures that the Chinese government could do to mitigate the huge income gap, as she pointed out, is to gradually phase out the division between rural policies and urban policies, that is, to create similar opportunities outside big cities and move the concentrated resources out of the metropolitans.

"For example, large universities and research centers can be moved out of those big cities, so that not everything is concentrated in these areas. As a result, the migrant population will not always flow to big cities," she said.

Shimizu said given that the global economy recession continues and the global fight for social welfare increases, the role of the government in narrowing the income gap becomes more crucial. Therefore China should speed up forming a public service system and a public service-oriented government, which would lay the foundation for boosting domestic demand and sustainable development.

She also suggested that China should promote more technology innovation and more value-added products. A more frequent intellectual exchange between Chinese students and researchers are much more needed for making the value-added products going global.

"China has already made significant progress in the past years and great contributions to the world economy. So I don't think that future in the 12th Five-Year Plan is too far. It will not be too long for China to realize these goals," she added. (Xinhua) ■



The Civil Aviation Administration of China issued the 12th five-year plan (2011-15) of China's civil aviation industry on April 7. According to the plan, the number of airplanes for civil aviation will reach 2,750, with an annual increase of 11 percent in transportation capacity by 2015. *CFP*

China's top legislature approves new Five-Year Plan

The National People's Congress (NPC), China's parliament, endorsed the country's 12th Five-Year (2011-15) Plan for National Economic and Social Development on March 14, with 2,778 out of a total of 2875 deputies voting for it. Wu Bangguo, chairman of the NPC Standing Committee, presided over the closing meeting of the annual parliamentary session.

Wu said that during the session, the NPC deputies spoke highly of the great achievements made in social and economic development in the 11th Five-Year Plan period, and agreed that the 12th Five-Year Plan is an important document guiding China's social and economic development for the years ahead.

The new plan should be meticulously studied and fully im-

plemented to achieve remarkable progress in boosting scientific development and substantial progress in transforming the economic growth pattern, Wu passed on the voices of the NPC deputies in his closing speech.

Further, Wu said that the deputies summarized the significance and experiences in completing the socialist system of laws with Chinese characteristics, and reached the consensus that the completion is an important milestone in the history of building a socialist democratic legal system.

For China, the 12th Five-Year Plan period is crucial to building a moderately prosperous society in all respects, and critical to deepening the reform and opening up and accelerating the transformation of the economic growth pattern.

In the coming five years and ahead, the country is believed by the leadership to be in an important period of strategic opportunities for development.

In addition to the 12th Five-Year Plan, the theme of scientific development and the transformation of the economic growth pattern are also evident in the freshly approved government work report.

Chen Wei, an NPC deputy from Shandong Province and mayor of Zaozhuang City, said the 12th Five-Year Plan has set specific goals for development in next five years.

The country will continue to make significant progress if the goals of economic restructuring and the transformation of economic growth pattern are realized. However, he warned that economic restructuring must be based on actual conditions and realistic measures.

Li Shanfeng, a sociologist with the Shandong Academy of Social Sciences, said that China's social undertakings have legged behind rapid economic development in recent years.

The government should recognize that the fundamental objective of economic development is to improve people's livelihood, and should increase spending on social issues in the next five years, he added.

Improved livelihood is also instrumental in China's drive to expand domestic consumption, which will have positive effects on boosting healthy, coordinated and sustainable economic and social development, he said.

He added that the government had initiated the framework for reforming education, health care, social security and housing sectors in the 11th Five-Year Plan period (2006-2010), and it should seize the opportunities now to improve the framework.

For instance, the government should increase the supply of affordable housing to meet the needs of low-income people.

The 12th Five-Year Plan noted that there still exists the global trend toward peace, development and cooperation, and the overall international environment is beneficial to China's peaceful development.

In the meantime, the international environment is getting more complicated as the impact of global financial crisis lingers, the world's economic growth remains sluggish, global competition intensifies, and protectionism surges, according to the plan.

Chinese Foreign Minister Yang Jiechi recently said that China would have a broader road for peaceful development if it develops in a way that takes into consideration both the domestic and

international situations and well grasp the interaction relationship between scientific and peaceful development.

Sun Zhe, an expert on Sino-U.S. relations of Tsinghua University, said that there is no longer any doubt that many countries are beneficiaries of China's peaceful development.

China needs to enhance the outside world's understanding of and trust in it through economic cooperation, cultural exchanges and various other means, he said.

"Mutual trust between China and other countries will deepen with an increasingly open and confident China and closer exchanges between China and the outside world. I believe a broader road awaits China's peaceful development," Sun said.

At the closing meeting, the NPC deputies also voted to approve the work reports of the NPC Standing Committee, the Supreme People's Court, and the Supreme People's Procuratorate.

The Implementation of the 2010 Plan for National Economic and Social Development and the 2011 Plan for National

Economic and Social Development were approved as well.

The world is expected to gain from a China where rising living standards will boost domestic consumption, and harsher targets on energy use will contribute more to the world's battle against global warming, according to the five-year plan.

Building a fairer society has been a core goal of the government which has worked to spread the wealth more evenly among its around 1.34 billion population, but income increases have lagged behind economic growth.

For China, the 12th Five-Year Plan period is crucial to building a moderately prosperous society in all respects, and critical to deepening the reform and opening up and accelerating the transformation of the economic growth pattern.



Forest in the Inner Mongolia Autonomous Region. The forestation rate in the region's Daxing'an Mountains is expected to reach to 80 percent by the end of 12th Five-Year Plan period (2011-15). CFP



Newly –constructed social security housing projects in Haidian Island, Hainan Province. During the 12th Five-Year Plan period (2011-15), the city of Haikou plans to construct 63,316 social security houses with the aim to help ease the housing difficulties of 75,700 households. *CFP*

Adopting the plan is one thing, and how to implement it is another.

The blueprint said that China will commit to boosting spending on education, healthcare and public housing, initiatives in-

tended to narrow the wealth gap between the rich and poor.

China aims to create 45 million urban jobs over the next five years, "reduce the number of people living in poverty," increase incomes, raise minimum wages and basic pensions and hike the individual income tax threshold, according to the plan.

While pledging to make China a fairer society which would provide new and stronger sources for future growth, the five-year program also shows China plans to follow a more sustainable and low-carbon development path.

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Experts lauded the tougher determination which would reinforce the world's efforts to meet the challenges posed by global warming. (Xinhua) ■

Key targets of China's 12th Five-Year Plan

The draft of China's 12th Five-Year Plan (2011-2015) was submitted on March 5 to the National People's Congress (NPC), the top legislature for reviewing. Following are key targets of the draft:

Economic targets

- GDP to grow by 7 percent annually on average;
- More than 45 million jobs to be created in urban areas;
- Urban registered unemployment to be kept no higher than 5 percent;
- Prices to be kept generally stable.

Economic restructuring

- Rise in domestic consumption;
- Breakthrough in emerging strategic industries;
- Service sector value-added output to account for 47 percent of GDP, up 4 percentage points;
- Urbanization rate to reach 51.5 percent, up 4 percentage points.

Innovation

- Expenditure on research and development to account for 2.2 percent GDP;
- Every 10,000 people to have 3.3 patents.

Environment & clean energy

- Non-fossil fuel to account for 11.4 percent of primary energy consumption;
- Water consumption per unit of value-added industrial output to be cut by 30 percent;
- Energy consumption per unit of GDP to be cut by 16 percent;
- Carbon dioxide emission per unit of GDP to be cut by 17 percent;
- Forest coverage rate to rise to 21.66 percent and forest stock to increase by 600 million cubic meters;

Agriculture

- Annual grain production capacity to be no less than 540 million tones;
- Farmland reserves to be no less than 1.818 billion mu.

Livelihood

- Population to be no larger than 1.39 billion;
- Life span per person to increase by one year;
- Pension schemes to cover all rural residents and 357 million urban residents;
- Construction and Renovation of 36 million apartments for low-income families;
- Minimum wage standard to increase by no less than 13 percent on average each year;

Social management

- Improved public service for both urban and rural residents;
- Improved democracy and legal system;
- Better social management system for greater social harmony;
- More than 10 percent of all residents will be registered as community volunteers.

Reform

- Encourage qualified enterprises to get listed in stock markets;
- In-depth reform in monopoly industries for easier market entry and more competition;
- Improved government efficiency and credibility

12th Five-Year Plan seen to boost domestic consumption



Citizens in Guiyang, capital of Guizhou Province kill the time in parks on June 11, 2011. China's blueprint for the upcoming five years will focus on the development of tourism, sports, entertainment industries. *CFP*

The 12th Five-Year Plan to be approved by China's National People's Congress session starting March 5 is a watershed for what has recently emerged as the world's second largest economy.

It's widely expected that the plan is likely to contain measures to boost domestic consumption - a sign that China's leadership is gradually steering its economy away from export and investment-led growth.

"The 12th Five-Year Plan is probably China's most important (economic) plan in terms of its depth, complexity and the challenges (it seeks to address)," said Yolanda Fernandez Lommen, head of the China economics unit at the Manila-based Asian Development Bank.

Lommen said the Chinese government aims to restructure and rebalance the economy and reduce inequality. It's also important, she notes, to promote equal income distribution that the recent gains from the economic boom will benefit the majority of China's population.

Lommen is especially keen on the fiscal policy that will be in place from 2011 to 2015.

"This is very important as this is the way for the Chinese government to secure enough resources to fund the reform that must be implemented (under the Five-Year Plan)," she said.

"It's not going to be cheap to provide universal health insurance and pension to 1.3 billion people," she stressed. But Lommen is confident that given China's solid public finance, it has

enough space to be more expansionary and provide more resources to social security.

The strengthening of social safety nets is crucial in raising consumption, which now accounts for only a third of China's GDP. This is among the lowest in the world a fact that most economists attribute to fear-based precautionary savings.

"If you don't have pension, health insurance or (access to free) public education, you need to save a lot," Lommen said. A social safety nets will free up some of these savings, expanding consumers' disposable income and raising consumption.

There are strong signs that China's government is going in that direction. The State Council, China's Cabinet, on Wednesday approved in principle a proposal to raise the personal income tax threshold. The Chinese government also announced that the government plans to build 36 million "affordable homes" by 2015. The details will be finalized during the National People's Congress, but proposals are expected to benefit low income households and boost their purchasing power.

Aside from its pro-consumption policy, the 12th Five-Year Plan also includes measures that adapt to the challenges of the 21st century climate change and overpopulation. It also focuses on the developing of strategic emerging industries such as alternative energy, new materials and information technology.

Lommen noted that this won't be achieved overnight. The development of new industries, for instance, will entail huge investment on research and development and education. (Xinhua) ■



Grandparents tutor a girl in the use of writing brush. The concept of a harmonious family in China always refers to a big family that includes three generations under the same roof. *CFP*

12th Five-Year Plan proposals well-received overseas

The proposals for formulating China's 12th five-year plan (2011-15) have been well-received by scholars and the media worldwide. The proposals were examined and approved at the Fifth Plenum of the 17th Communist Party of China (CPC) Central Committee on October 19, 2010.

Next five years are crucial

Overseas experts and media described the current period of time as "bittersweet" for China, an emerging developing nation

formulating a five-year plan after more than 30 years of fast economic growth.

On the one hand, China had had remarkable achievements in its 11th five-year plan. On the other hand, it faced a crop of risks and challenges, they said.

China rode out the global financial crisis, dealt with rare natural disasters and held the Beijing Olympic Games with great success. It also marked the 60th anniversary of the founding of the People's Republic of China and hosted the Shanghai Expo, said Chinese Biz News, a Chinese-language newspaper based in the United States.

China became the world's second largest economy and its comprehensive national power strengthened remarkably, the newspaper said.

However, China faced diplomatic challenges in its region as the world economy entered the post-crisis era with changes in the global supply and demand structure. On the simmer were an international currency war and trade conflicts, it said.

Domestically, China also anticipated imbalance in income distribution, a widening wealth gap, and reforms of medical, education and social security systems at a critical point, the newspaper said.

Chen Gang, a research fellow at the East Asia Institute of the National University of Singapore, expects expanding income disparities and fast-growing resource consumption to pose a huge challenge for China's sustainable development.

The Lianhe Zaobao, a leading Chinese language newspaper in Singapore, also noted that the outline blueprint was unveiled at a time when China faced ever-mounting pressure from economic restructuring, pressure for Renminbi appreciation and growing trade protectionism.

Appreciation for transformation goal

There was understanding and appreciation that China was highlighting the importance of "transforming the model of economic development" in formulating its 12th five-year development plan.

The Chinese-language Macao Daily News said investment remained the foremost engine of the Chinese economy and the services sectors' contribution to its gross domestic product (GDP) was well behind the world average, let alone the energy intensity of the economy. Overall, China was still at the downstream end of global industrial chain.

"China will be farther behind the developed countries if it fails to ride the trend with accelerated economic restructuring," it said.

World Bank Chief Economist and Senior Vice President Justin Yifu Lin said the drive to transform the model of economic growth should remain key over the next five years, or even 10 to 15 years, given that the model of export-driven growth was not sustainable for China.

Gordon Houlden, director of the China Institute at the University of Alberta, Canada, called for changes in China's model of economic growth to reduce the impact on the environment and reliance on export-led growth.

China would have to upgrade its manufacturing sectors for them to move upstream in the value chain, and the services sectors would have to grow faster and contribute a larger proportion

of the economy, he said.

German daily Die Welt saw the blueprint leading China away from a model of economic growth partly at the cost of the interests of farmers and migrant workers and the over-exploitation of natural resources.

Lawrence Greenwood, vice president of Asian Development Bank, said China's plan to accelerate the pace of transforming its model of growth was not only out of its own need, but also helpful to world rebalancing.

Confident about China

Many of the commentators were confident about the plan, which covers a period considered crucial to achieving the goal of Xiao Kang Society, or a society of comfortable means.

The East Asia Institute's Chen Gang said the plan should give priority not only to economic growth, but also the transformation of the economic structure, reform of income distribution and environment and new energy sectors.

"It is in line with the global trend" of low carbon, equality and humanity, he said.

Chen said he expected the Chinese economy to continue with its trend of fast economic growth over the next five years, citing further progress in the country's industrialization and urbanization.

Chinese Biz News said the cost of the economic restructuring was not that high as it came at a time when the US and European economy still needed time to recover, creating a buffering effect for China.

Tan Kai Hee, Secretary-General of Malaysia-China Friendship Association, believed it should not be difficult for China to achieve the goal of establishing Xiao Kang Society by 2020.

China is making efforts to deal with the wealth gap and promote social equality, and a growing middle class would help stabilize society, he said.(Xinhua) ■



Employment tops the Chinese government's agenda. CFP

Housing and social security top issues

By Bao Daozu



The Central Committee of the Communist Party of China pushes forward the construction of social security housing for low-income families. A construction site of social security housing project. CFP

“Livelihood issues”, including an improved social security system and the provision of affordable housing, remain the top concerns of Chinese people, according to online polls conducted ahead of the country’s annual parliamentary and political advisory sessions in March.

Many netizens took the opportunity to register their biggest hopes and fears online in Internet polls, hoping their voices will be heard by the country’s leaders,

lawmakers and political advisers who gather in Beijing for the meetings that are known as the two sessions.

The two sessions feature the annual gatherings of the National People’s Congress and the Chinese People’s Political Consultative Conference.

Among the 25 listed topics in a survey on xinhuanet.com, a website affiliated to Xinhua News Agency, affordable housing was the one receiving the most votes as of 4 pm on February 21. The topic

earned 5 percent of the total votes cast at the time and was followed by concerns about inflation, income and employment.

China has witnessed escalating housing prices during recent years, while owning a subsidized affordable home has been a dream for many needy citizens.

In their postings, Web users expressed the hope that the government will accelerate the supply of affordable homes to low-income groups and tighten measures to rein in rising property prices.

“Affordable homes should never be used as a tool for profiteering by rich people,” said one online posting that stipulated subsidized homes should be strictly restricted to those requiring assistance.

According to officials, China plans to build 10 million affordable apartments and houses for the country’s poorest citizens during 2011.

On people.com.cn, a website subsidiary of People’s Daily, most of those who responded to an online survey were concerned about the nation’s social security system.

Out of a total of 249,135 votes on more than a dozen topics, “social security” received 58,812 votes, almost one fourth of the total votes cast. It was the biggest concern for Chinese people, according to the poll.

Netizens also complained about the existing “dual pension scheme”, in which civil servants and employees of government-affiliated institutions are entitled to pensions that are several times larger than pensions people receive after working in the private sector.

Song Xiaowu, head of the China Society of Economic Reform, said the country has been haunted by an uneven allocation of social security resources between different social groups.

“Namely, between the urban and rural areas, farmers and city workers, enterprise employees and government staff, ordinary workers and officials,” he said.

Government efforts

In respond to high public prospects, the central government has signed strict agreements with provincial governments to guarantee that they will meet a target calling for the construction of 10 million government-subsidized apartments this year, which is 72.4 percent more than were put up in 2010, official figures show.

The Ministry of Housing and Urban-Rural Development began to sign documents on February 21 with 31 provincial, municipal and autonomous region governments, as well as the Xinjiang Production and Construction Corps, urging them to maintain a steady supply of subsidized housing this year, the Beijing-based China Business Journal reported.

The local governments must sign the agreements before February 25, the report said. The projects will begin before the end of October. Local leaders who fail to fulfill their tasks will face administrative punishments, including demotion or dismissal, the report said.

Many local governments now obtain a large amount of their revenues from the construction of commercial apartments, because they charge a fee for the release of land to developers. Subsidized housing, in contrast, is sometimes ignored, because governments often have to provide the land for less money to attract the interest of developers.

This is the second time that the central government has tried to hold provincial leaders accountable for ensuring a supply of government-subsidized housing.

Similar agreements were signed between the central government and its local branches in May last year. The ministry has not confirmed that the contracts have been signed, but details on the construction targets set for some provinces have been released on its official website.



A young Chinese architect. CFP

For instance, 420,900 government-subsidized apartments will be built in Henan Province, 400,000 in Yunnan and 158,700 in Gansu respectively.

The policy comes after the State Council, or China's Cabinet, introduced eight measures on January 26 to curb rising housing prices, calling for an increase in the supply of apartments that poor resi-

dents can afford, the introduction of rules preventing residents from buying more than a certain number of properties and the adoption of higher transaction taxes.

Li Chang'an, a public policy professor at the Beijing-based University of International Business and Economics, told reporters that it's obvious the central government is working hard to build housing for low-income earners.

"Of course, signing agreements is an effective and powerful way to urge local governments to supply affordable apartments," he said, noting that the country last year began construction on 5.9 million government-subsidized apartments, exceeding its original target by 100,000.

"If 10 million subsidized apartments, which are almost as many new commercial housing projects as appear in the country in a year, can be constructed this year, the rise in property prices will be slowed down greatly," Li said.

Sixty-eight out of 70 cities reported that the prices of local homes had risen from what they were a year earlier, the National Bureau of Statistics reported on February 18. Ten out of the 70 cities surveyed saw prices rise by more than 10 percent, according to the bureau. ■

Top 10 concerns raised by Web users

Source: people.com.cn

Items	Percentage
Social security system	23.6
Judicial justice	15.8
Personal income	7.3
Fighting corruption and building a clean government	7.2
Environmental protection	5.5
Housing price control	5.4
Healthcare reform	5.3
Stabilizing prices	5.2
Food safety	4.8
Reform of education	3.9
Others	16

Move to improve tax rule means business

By Hu Yinan and Cao Li

In the second straight year of heated discussions on raising the threshold for individual income tax, national legislators and political advisers this time appeared to mean business.

The State Council, China's Cabinet, on March 2 approved in principle a proposal to reduce the tax burden on medium- and low-income earners. Five days later, Vice-Finance Minister Li Yong said it was "beyond doubt" that the proposed adjustments would eventually go through.

Amendments to the individual income tax law are expected to be submitted next month to the NPC Standing Committee. If all goes smoothly, the revised law could take effect later this year.

The amendments "will be the first practical thing" the administration will do for the people this year, Premier Wen Jiabao told a taxi driver in a Web chat with netizens just before the annual sessions of the NPC and the Chinese People's Political Consultative Conference (CPPCC), the top political advisory body. "The entire medium- and low-income wage-earning strata will benefit from this measure."

Wen said earlier that revisions in individual income tax were "priority No 1"



in a much broader drive to tackle ever-widening income disparities in the next five years. The government reaffirmed last week that it would "firmly adhere to the path of common prosperity, so that all citizens can enjoy the achievements of the reform".

Details of the draft law have not been made public, but it is widely believed that the number of income tax brackets will be reduced from nine to six and that the tax starting point will be raised to earn-

ings of 3,000 yuan (\$456) a month, up from the current 2,000. Officials, experts and the public all agree 2,000 yuan is too low a threshold.

Earlier this month, about 57 percent of respondents in an online survey by the popular Internet portal Sina.com said they want to increase the entry mark to 5,000 yuan a month or more.

NPC deputy Fang Qing, who is a primary school headmaster in Jinhua, Zhejiang Province, agrees. "A teacher (in Jinhua), for example, earns 3,000 yuan a month. There's not much left after taking out the rent and basic living costs. If, say, they were to hire a babysitter to assist in raising a child, that's an additional 2,000 yuan (per month).

"It would be too much of a burden if the teacher were asked to pay individual income tax on top of all that," he said. "The 3,000 yuan mark is still too low for people in Jinhua. Around 5,000 yuan would be a more or less reasonable level."

Other legislators feel the same way, and a joint proposal to boost the income tax entry to 5,000 yuan was submitted to the Chinese parliament by 35 deputies, including Li Dongsheng, chairman of electronics giant TCL.

The rich skirt the tax

About 63 percent of China's individual income tax in 2009 was paid by wage earners, whose taxes are directly debited from their salaries, according to the Ministry of Finance. Numbers for 2010 haven't been released yet.

According to tax authorities in Yibin, Sichuan Province, only 26 million Chinese, less than 2 percent of the country's population, pay the tax.

Individual income tax makes up just 6.5 percent of China's annual revenue, compared with more than 40 percent in the US.

Under existing policies, low-income groups shoulder the bulk of the tax responsibilities of the rich, independent economist Andy Xie of Shanghai wrote in a commentary early this month. The top individual income tax rate is 45 percent but the company rate tops out at 25 percent, and Xie said the rich can set up companies and spend money for personal purposes out of business expenses.

Instead of narrowing the income gap, “the high tax rate weighs down white-collar workers, robbing them of the chance to become solidly middle class. (It) is pushing China toward a small super-rich class and a vast underclass,” Xie warned.

Xie’s view has been echoed by the public. The taxi driver who complained to Premier Wen online on February 27, for example, said he earns 2,300 yuan a month, just above the individual income tax entry mark. “It’s not fair that wage earners have become the biggest Chinese taxpayers,” the driver said in an online post.

The average wage in the non-private sector in 2009 was 2,728 yuan, meaning that any typical State employee would have to pay taxes.

Not many do pay, however. Tax evasion is so pervasive that it’s found not just among the more affluent classes, but has almost become a cultural practice.

The issue was most recently addressed by revised regulations on *fapiao* (tax invoices) that took effect in February. Business expenses reimbursed from *fapiao* are a major source of income for many who seek to boost their non-taxable income, because the reimbursements are not included in their salaries.

As a result, vendors of fake *fapiao* are common in Chinese cities, according to the Xinhua News Agency.

Some 780 million fake *fapiao* had been confiscated, and 12,900 cases of fake invoice-related crimes had been uncovered, from 2008 to late November, the Ministry of Public Security said.

Easing workers’ burden

Individual income tax has come a long way in China. It was enacted in 1980, when China’s economic reform was still in its infancy and the average urban income was about 64 yuan a month. The threshold was initially set at 800 yuan a month, based on the living cost for foreigners, said Shi Yaobin, director of the Finance Ministry’s tax policy department in 2005.

By 1992, only 1 percent of China’s working population earned more than 800 yuan a month. A decade later, that number jumped to 52 percent, said then-Finance Minister Jin Renqing. The threshold was raised to 1,600 yuan in 2005 and to 2,000 in 2008.

Central authorities say the latest draft plan to the individual income tax law aims to help low-wage workers combat rising living costs. It will also serve as a means to boost domestic consumption, thereby helping transform China’s export-oriented growth mode, said Zheng Xinli, a member of the National Committee of the CPPCC.

Raising the individual income tax entry point to 3,000 yuan a month will exempt more than 20 percent of China’s labor force from income taxes, China International Capital Corp, the country’s top investment bank, said in a recent report.

While welcoming the draft plan, experts, lawyers and some wage earners suspect its proposed effect on narrowing the wealth gap will be limited.

Salaries, the main source of individual income tax, are a trivial portion of income for the more affluent people, said Zhang Wenchun, a taxation professor with the School of Finances at Renmin University of China.

Zhou Dewen, president of the Small and Medium Enterprises Development Association in Wenzhou, Zhejiang Province, one of China’s wealthiest cities,

acknowledged that business owners typically do not have high salaries.

“Their profits are mostly from stock shares or appreciation of their business assets,” he said. Zhou himself is paid just 3,000 yuan a month by the association, but also serves as board members at “a few companies”. He said he pays no tax on dividends from shares.

“I support higher taxes for the rich. But it’s the government’s job to think about how to tax high-income people,” Zhou said.

Not enough, some say

With its top marginal rate at 45 percent for monthly incomes of more than 100,000 yuan, China’s individual income tax is nominally more progressive than in most countries. But researchers say that tax collection begs for serious improvement, and it takes a package of tax reforms, not just raising the individual income tax entry, to fix things.

These other measures include imposing more taxes – including inheritance tax, gift tax and property tax - as well as taxing more on luxury spending, Zhang said.

Family burdens, too, need to be taken into account in individual income tax, said Liu Jianwen, director of the Research Center of Fiscal Law and Taxation Law at Peking University. “Say there’s a family with two wage earners and another with just one. It’s not fair to tax them the same way.”

Thresholds and rates should be adjusted relative to inflation and exchange rates, and the highest tax rate of 45 percent should be kept, Liu said.

Individual income tax files for the well-off also should be connected to their IDs, he said, so tax authorities could more accurately and effectively track their income. ■

Premier: Curbing inflation tops govt agenda

By Xin Zhiming



China will step up efforts to improve people's livelihoods through holding down inflation, increasing affordable housing and raising farmers' incomes, Premier Wen Jiabao has said.

"Inflation is like a tiger; once it gets free, it's difficult to put it back in the cage," he said at the news conference at the closing of the annual NPC session on March 14.

The country faces both domestic and

external challenges in fighting inflation, which reached 4.9 percent in February year-on-year. China has set a target of keeping inflation at or below 4 percent for the whole year.

"International factors are behind China's inflation," Wen said, citing a "certain country's quantitative easing policy" that has led to drastic currency and commodity price fluctuations.

The US Federal Reserve announced in November it would pump \$600 billion into the US economy to bolster growth, which analysts said would in turn raise the risk of rising prices across the world as it leads to a weakening dollar and increasing liquidity. Oil prices, for example, have recently hovered at around \$100 a barrel.

"A severe difficulty is international food price inflation, which China cannot control," said John Ross, visiting professor at Antai College of Economics and Management, Shanghai Jiao Tong University. "This will continue even if excess liquidity is removed inside China," he said.

Worse, some even forecast the US Fed may continue to inject capital into the market after June in a so-called third round of quantitative easing.

Although he holds that the possibility is slim, Ross said if there is a third round of easing, it will make the situation more difficult for China, as it will increase international inflation.

China will strengthen grain production and circulation to ensure food prices are stable, Wen said. Increasing food prices account for about 30 percent of the country's inflation.

Experts, however, are divided over how the price trend will evolve this year.

HIS Global Insight, a consulting firm, said inflation is yet to peak in China. "The full impact of the oil price shock is yet to reveal itself as the government has been behind the curve in raising the retail gasoline prices," it said in a research

note. Besides, bank lending remains rampant and liquidity is strong, it said.

However, Ba Shusong, senior economist of the State Council's Development Research Center, said the peak may have passed, though inflation could remain high in the coming months since it is coming off a low base from last year.

Whether or not the worst has passed, Wen said, "we are confident that we can keep inflation at bay."

Wen also said the government will control liquidity to curb rises in housing prices. "We will eliminate the monetary basis for rises in housing and food prices."

It will also provide more affordable housing for low-income earners, with 36 million units to be built by 2015, Wen said.

Other measures to improve people's living standards include increases in the minimum purchase prices of grain from farmers, Wen said.

"The minimum prices will continue to be raised significantly," he said.

Farmers will also benefit from expanded access to job opportunities in cities. He said there are 242 million migrants from rural areas working in the cities.

Those measures to improve people's living standards are important for the country's sustained growth, said Ross.

"China's population must benefit from its economic development. Over the long run, popular support for such a policy, which improves China's quality of life, will allow China to maintain a high level of growth that will benefit the world economy," he told China Daily.

Wen said China will continue to stick to the reform of the formation mechanism of the yuan exchange rate. "The appreciation of yuan must be gradual, because it affects jobs and raises pressure on enterprises and employment, and we must maintain the overall social stability," he said.

Wen also recalled the difficult situ-



ation between the end of 2008 and the first half of 2009 when international trade plummeted and China's economic growth fell sharply.

"It's with very hard efforts we man-

aged to make the Chinese economy one of the first in the world to achieve a recovery and rebound, and avoid setbacks in China's economic development," he said. ■



A whole view of the People's Bank of China. CFP



Food safety a big concern

By Qiu Bo and Zhao Yinan

Food safety has become an increasing concern for the public and national lawmakers also urged stronger punishments and improved law enforcement to ensure food safety, following tainted food scandals that have generated nationwide concern.

A recent survey found some 70 percent of Beijing residents are reluctant to buy domestically produced infant formula because of food safety concerns, even though the latest official test report said there is "no significant difference" between domestic dairy products and their overseas rivals.

A market survey held by the State broadcaster, China Central Television (CCTV) found that, of those polled, nearly 70 percent preferred imported milk powder and had little confidence in do-

mestic brands.

Li Tong, a salesperson from a Beijing-based dairy store, told CCTV that overseas products account for more than 70 percent of their sales, leaving the domestic brands as the remaining portion.

And that's not the case only in Beijing. Consumers in other Chinese cities also expressed a lack of trust in domestic milk powder.

Wu Peiyuan, a 27-year-old resident from Tianjin Municipality, told reporters that he will only consider giving his 3-month-old son infant formula produced overseas.

"We have been quite often reading media reports saying domestic dairy products have safety issues," Wu said, adding that his neighbor persuaded him to choose overseas brands.

"Why should I risk harming my baby?" he said. "I spent around 500 yuan (\$75) each month on Mead Johnson's products. Those imported products cost me 350 yuan more than domestic brands every month, but I have no other choice."

But at least Wu could find the overseas products that he wants. According to previous media reports, young moms and suppliers in Hong Kong and Macao couldn't. During the Spring Festival this year, they found that mainland consumers had entered local shops and bought up most of the imported powder on the shelves.

A consumer in Beijing, who wanted to be anonymous, said she spent more than 2,000 yuan a month on imported infant formula purchased in Hong Kong, adding that she would only trust imported formula.

But the Dairy Association of China posted a notice on its website recently, saying test results from one of China's most distinguished laboratories concluded that the quality of domestic dairy products is equal to that of the imported variety.

Among 24 samples picked from Beijing's market, 11 were domestic brands and 12 were from overseas. After several quality tests, the result suggested the two groups have "no significant differences", including in their nutrient contents.

The tests gave no evidence of melamine or leather-hydrolyzed protein.

Song Kungang, chairman of the association, told the Xinhua News Agency that the test result demonstrated that domestic infant formula is safe. He said he is confident of the product's quality.

In 2008, baby formula tainted with melamine and industrial chemicals killed at least six infants and caused kidney troubles for more than 300,000 children throughout the country.

The scandal led to public panic and roused ceaseless concerns over the quality of domestic dairy powder. In the latest

incident, media claimed in early February that dairy products containing leather-hydrolyzed protein, a banned additive, were still being sold in the market.

In November, the General Administration of Quality Supervision, Inspection and Quarantine released a new regulation demanding that dairy manufacturers reapply for their production licenses.

Song said among the 139 producers that had possessed production licenses, about 70 were successful in having them renewed.

He said half of the dairy powder made in China goes into infant formula and the large producers of domestic infant formula are responsible for 54 percent of all infant formula churned out in China each year. About 560,000 tons of infant formula was made in 2010, 12 percent fewer than the year before.

On the other hand, overseas dairy powder has made rapid gains in China's market in the past two years. From taking 40 percent of the market share in 2008, it went up to have almost half in 2010. Customs statistics indicate the country imported 400,000 tons of milk powder in 2010, reaching a record high.

Sang Liwei, a Beijing-based lawyer, warned that the increasing popularity of overseas milk powders may hurt the domestic dairy industry and spark more consequences.

"There is a chance they will raise the products' prices as much as they need once they dominate the market. That will eventually harm domestic consumers."

Wang Lijun, director of the Chongqing public security bureau and deputy to the NPC, proposed a law on food and drug safety, separate from the current Criminal Law and the Food Safety Law, to stem the rise of such crimes. His proposal is in line with remarks by Vice-Premier Wang Qishan, who earlier

said the leaders feel "ashamed" about the tainted food cases at a meeting with NPC deputies from East China's Shandong Province.

Wang's proposal stated the country's current food safety situation requires "heavy and specific penalties", which are lacking in the current regulations and laws.

The proposal also said food safety is a social issue that has confronted many countries in the early stages of their industrialization, and the legislation of a special law on such crimes is in accordance with international experience.

The country's top legislature approved an amendment to the Criminal Law last month. The amendment raises the minimum penalty for crimes related to the production and sale of tainted food from short-term criminal detention to prison terms of up to five years.



Supervision on food security is crucial to people's health. CFP

In addition to Wang's proposal, more than 30 lawmakers had earlier jointly called for a second inspection tour of food safety law enforcement, following the first tour conducted in September 2009 by the NPC Standing Committee.

The spokesman of the NPC Standing Committee later announced plans for a second inspection tour this year.

Jiang Jian, president of a Shandong-based hospital and a co-author of the proposal, said better implementation of the Food Safety Law is "an arduous and long-term task" and requires efforts from all levels of governments.

But experts said legislation alone is not enough to deal with the food safety issue, which requires "comprehensive changes" within society.

Qu Xinjiu, a criminal law professor at the China University of Political Science and Law, said another inspection tour of law enforcement will be "helpful". However, it might not be necessary to enact a separate law, since the current articles have provided necessary stipulations on such crimes, Qu added.

Peng Jian, a criminal lawyer who represented clients in a tainted milk powder case, explained food safety is related with local and industry interests, which makes law enforcement relatively difficult.

"Melamine was commonly used in the dairy industry for a long time, but the problem was exposed only after it made thousands of babies sick," Peng said. "It happened because there was a protection mechanism inside the industry."

Peng also pointed out that holding inspection tours is by no means the only approach.

"It is also essential to ensure a reasonable profit for dairy farmers and reduce the role of the middlemen, who try to keep dairy purchasing prices down," he said. ■



Terra-cotta warriors and horses of the Qin Dynasty in Shaanxi Province. CFP

Let people live comfortably and confidently

By Li Xiaojian

The start of the 12th Five-Year Plan and the new tide of the strategy of large-scale development of China's western region obviously bring an excellent opportunity for Shaanxi Province, one of the birthplaces of the ancient Chinese civilization.

As a result, Shaanxi sets the goal that it would advance from an underdeveloped province into a moderately developed one by 2015 and a fully developed one by 2020, and keep in pace with other provinces to realize a well-off society.

The ambitious blueprint, the golden period of opportunities, new development by leaps and

bounds...even these words will make Shaanxi as the focus of the media. At 9:00 on March 8, the Shaanxi delegation held its general meeting at the Great Hall of the People and made it open to domestic and international media. When our reporter arrived 15 minutes in advance, there was even no seat available. Around 50 media were covering the event at the site.

According to the introduction, the 11th Five-Year Plan is the period when Shaanxi has experienced the fastest economic growth, the best development quality, the greatest urban and rural changes, and the most benefits for its people. The GDP of

Shaanxi surpassed 1 trillion yuan in 2010, making it a member of the “Trillion Yuan Club.” In the past five years, the provincial government’s investment for people’s livelihood was 3.5 times that of the 10th Five-Year Plan period; the income of urban and rural residents grew substantially, reaching 15695 and 4105 yuan respectively; the per capita income of farmers was doubled; the basic pension insurance and medical insurance systems covered all urban and rural residents and the standards increased year by year. The universal free medical care in Shenmu County, the economical hospital in Ziping, and the universal free education in Wuqi had attracted broad attentions from across the country.

How to enhance the happiness index while striving forward became the focused topic during the questioning stage. At 10:40 in the morning, when the general meeting ended with hot discussions, the Shaanxi delegation arranged a group of eight deputies to answer the questions from the media.

Since that day happened to be the International Women’s Day, female journalists and reporters received “preferential treatment”. A reporter took the lead to ask several questions to Mr. Zhao Zhengyong, NPC deputy and Governor of Shaanxi Province, “I remember you have said, enriching people should come before making the province stronger, and improving people’s happiness index is the priority of the government’s work. How do you define happiness? As a province rich in resources, how can Shaanxi balance the resources exploitation and the environmental protection?”

As governor of the province, Zhao couldn’t be more familiar with those two questions, he replied quickly, “Improving people’s happiness index is a hot topic. The Provincial Party Committee and Government have always put the people’s livelihood at the first place when adopting policies and measures.”

How on earth to improve people’s happiness index? Zhao believed that there are material as well as spiritual demands from people. “I think for the masses of the people, the most realistic and direct demand is to be content with their lives and jobs. If people live in peace and enjoy their work, live comfortably and confidently, their happiness index will surely be improved.”

According to Zhao, in the coming five years, in order to improve the happiness index of the people, Shaanxi Provincial Government will allocate

the majority of its fiscal revenue to the improving people’s livelihood. 80% of the increased revenue in 2011 will go for livelihood, and the expenditure on social security and employment will be 29.6 billion RMB, increasing by 42.7% comparing with last year.”

“Based on the actual condition, a number of policies will be applied to bring benefits to our people.” Citing the New Rural Social Security System (NRSSS) as an example, Zhao said this year the pilot NRSSS was planned to cover 40% of the counties nationwide, while Shaanxi has taken all its efforts to cover 70% of the counties throughout the province, and all the 107 counties and cities within the province will be covered in the next year. At the same time, the aged residents in Shaanxi enjoy the government’s living allowances so as “they can live a confident and healthy life.”

As for the balance between resource exploitation and environmental protection, Zhao said, Shaanxi has always been paying attention to ecological and

How on earth to improve people’s happiness index? Zhao believed that there are material as well as spiritual demands from people.

environmental construction in the course of economic development. Currently, the predominant color in Shaanxi is green, with 41% of forest coverage and 70% of forest and grass coverage. “Therefore, the exposed loess land and flying dust can rarely be seen in Shaanxi. Besides, ecological and environmental protection will remain the priority of our work in the next five years.”

For better life of the people, Zhao told reporters that, during the 12th Five-Year Plan period, Shaanxi will maintain the sound and rapid economic development, and promote the total economic output, people’s living standard and quality, and ecological and environmental protection to a higher level. “I am full of confidence”, which originates from the central government’s policy of continuous support for western development, as well as from the solid foundation laid in the 11th Five-Year Plan period. ■

Building a prosperous North Guangdong

By Liang Guodong

Among the Guangdong delegation that attended the annual two sessions, there was a quotation frequently mentioned by the NPC delegates: The most affluent place of China is in Guangdong, and the poorest one also locates in Guangdong. Serving as the locomotive of China's economy, the Southern China province suffers from imbalanced and incoherent regional development. NPC deputy and Guangdong Governor Huang Huahua said Guangdong's GDP reached 4.5 trillion yuan in 2010, among which about 3.7 trillion yuan

“The mountainous regions lack money, but what they need most are talents and ideas.”

or 80 percent came from economically developed Pearl River Delta region. The northwest parts of eastern Guangdong only contributed 20 percent of the total.

Since the adoption of reform and opening-up policies, the Pearl River Delta region has witnessed rapid development. Meanwhile, other parts of the province were left far behind. Regional disparity in Guangdong greatly surpasses that in many other places in China. Some places are so rich while other places so poor. It has become a thorny problem in Guangdong to seek common prosperity. On March 5-6, the delegation began to discuss the annual work report of the central government.

“Many places suffer from imbalance in devel-

opment, Guangzhou is no exception,” said NPC deputy Li Jia, who is also the Party secretary of Meizhou. When tackling the causes of the poverty in northeastern Guangdong, Li noted Meizhou is a city that depends heavily on resource-oriented and preliminary industries. The traffic situation and infrastructures are relatively backward. Besides, a large number of population still dwell in mountainous regions. “Meizhou is the city that witnesses the most impoverished villages in Guangdong with the largest population of poor people.”

Meizhou is an epitome of the underdeveloped regions in Guangdong, which are faced with similar problems ranging from poor infrastructure, limited scale of county economies to backward industrial structure. Take the traffic facilities as an example, all the cities in Guangdong have been connected by expressway, whose traffic mileage reaches 4,800 kilometers during the 11th Five-Year Plan period. Counties yet to be connected by highways mainly locate in the northwest regions of eastern Guangdong.

What is the way out? Delegates have got some ready-formed plans. “Without the systematic guarantee, it still gets half the result with twice the effort in narrowing regional gaps,” noted deputy Chen Yongzhi, also vice chairman of Guangdong Provincial People's Congress Standing Committee. Chen had conducted in-depth researches. The establishment of a cadre exchange system on top of the agenda.

“The mountainous regions lack money, but what they need most are talents and ideas.” The construction of infrastructures ushers in the adoption of pref-



Guangzhou Tower has become a new landmark in Guangzhou, capital of Guangdong Province.

CFP

erential taxation policies and should be given a top priority in those underdeveloped areas.

Wang Menghui, a delegate hailing from Yunfu, another underdeveloped city, echoed Chen's opinion. Wang suggested to stimulate internal factors and to realize the harmonious development between rural and urban areas. He noted that it is of importance to clarify the functions of counties, townships and villages and establish relevant taxation and finance systems. A fundamental target is to realize industrialization, urbanization and modernization in rural areas.

Delegates' suggestions reaffirmed the judgment of Governor Huang. He told in the discussion that while seeking the integration of the Pearl River Delta, Guangdong should also promote a great-leap-forward development in the northwest of eastern Guangdong. He raised five measures: "Do well in the integration of Pearl River Delta and improve its international competitiveness; Continue to implement the 'duo transfer' strategy that means to trans-

fer the industry of Pearl River Delta to the northwest of eastern Guangdong, to attract labor forces from latter to the delta regions; Develop county-level economies, especially the county's development in the northwest of eastern Guangdong; Strengthen the construction of basic infrastructures; And protect ecological system."

It has turned out the northwest parts of eastern Guangdong have benefitted a lot from the "duo transfer" strategy mentioned above. A total of 34 province-level industrial mushroomed, attracting the contract investment of 450 billion yuan with an output value of 180 billion yuan. Huang said excitedly that the development speed of the northwest parts of eastern Guangdong takes the lead in Guangdong, even surpassing that of the Pearl River Delta area. It indicates that, under the strategies of the regional harmonious development, the door of prosperity has been opened. Delegate Li Jia said he is confident that the mountainous region will catch up with the development of the Pearl River Delta. ■

Huang Qifan: Openness is based on confidence



NPC delegate Huang Qifan, mayor of Chongqing Municipality. Wang Chen

On the afternoon of March 4, domestic and foreign reporters gathered at Beijing's Xindadu Hotel, waiting for a press conference held by the Chongqing delegation of the National People's Congress. It was the first delegation holding press conference during the two sessions.

According to the host of the press conference, since there were too many demands for interviews with Chongqing Mayor Huang Qifan, the mayor decided to hold a press conference to satisfy the reporters. The scene on the spot proved it. More than 100 seats were all occupied and some reporters had to stand. The back row and passageways were packed with cameras.

Chongqing is a place that lacks no news. While making obvious economic achievements, the municipality attracted attention with a series of new policies, including the crackdown on mafia crimes, red culture movement, trial on the levying of property tax, integrated development of urban and rural areas, reform of household registration system and the launch of a "red" TV channel.

Property tax, seen as a silver bullet to curb China's growing housing prices, triggered an intense debate last year nationwide, winning both supports and questions. Chongqing was among the first two cities that launched the trial.

Huang explained the relations between property taxes and

housing market to reporters in a placid attitude when picking up reporters' first question. According to Huang, the property tax cannot solve the problem of rocketing housing prices once for all, but he assured the public that "the implementation of property taxation will be promoted steadily and it's not necessary to worry about too much, especially among the low- and middle-income class."

When asked if the housing supply system, especially public renting houses, can be carried out in Chongqing and then expanded nationwide, Huang said the fund will be collected through public finance, bank loans, investment from insurance companies and social security funds.

The debts can be paid back by collecting rents, selling service facilities and public housing properties. According to Huang, the rent for public housing with 40 million square meters could be 4.8 billion yuan a year if 10 yuan is charged per month for one square meter. The government can earn another 30 billion through selling service facilities with 3 million square meters. Local residents usually buy public housing within three to five years after the construction, which is expected to bring another 40 billion yuan. Huang believed that the mode is in compatible with market economy and can be carried out throughout the country if it is proved successfully in Chongqing.

Chongqing's GDP last year was 780 billion yuan, doubling that of five years before. It ranked top 3 among all the provincial-level regions in terms of GDP growth rate for three years in succession. However, how to narrow the gaps between rich and poor, between different regional economies and between urban and rural areas is still the biggest concern to Huang. "We haven't found a reliable way and we must make more efforts," he said.

Huang openly and patiently answered all the questions, which concern economy, politics, society, culture and nationality, even including questions like how he co-operated with Bo Xilai, Chongqing's Party chief, who is also an NPC deputy.

It was amazing and impressive that Huang, without taking any prepared materials with him, could give a ready reply of all the policies and economic figures of Chongqing, demonstrating his familiarity with and responsibility for his work.

When the press conference was about to conclude, many reporters wanted to catch the last minute to ask questions, shouting "Mayor Huang, please give me a chance!" Some scrambled for the microphones or sent notices to the podium.

Huang, showing no sign of impatience or weariness, even said to the reporters, "Don't worry, I have time to answer all your questions, please ask one by one". In order to save time, the host had to let Huang answer several questions all together from several reporters. At last, the press conference, scheduled to last two hours, was extended to almost three hours. ■

Shen Jilan: the only NPC deputy who serves for 11 consecutive sessions

By Xie Sufang

Shen Jilan, a renowned national model worker, is the only NPC deputy that got elected from the first session to the 11th in the country. Her mind changed greatly since the adoption of economic reform and opening-up policies and with the development of market economy in China.

Shen's hometown, Xigou village in Pingshun county of Shanxi Province, is at the foot of Taihang Mountains. Only stones could be seen on the hills and in the valleys in the past. Since 1950s, Shen, leading a group of women, began to plant trees on the barren hills. After years of afforestation efforts by Shen and her fellow villagers, the mountains and valleys turned green. Well-decorated black brick houses are down the hills and a small park is built on the hillside. The change of Xigou village, we can say, is mainly attributed to Shen's strong determination.

Meanwhile, Shen didn't rest on her laurels. She often reminded her fellow villagers that "development is the top mission and we will lag behind if we don't strive forward."

In recent years, the coverage of walnut trees in Xigou village



Reporters interview NPC delegate Huang Jilan. CFP

has reached over 1,000 mu (67 hectares), with an annual walnut production of more than 100 tons. Shen, as the deputy Party secretary of Xigou village, told the reporters proudly, "Our walnuts used to be sold in sacks, now they are processed into walnut cream and sold in many supermarkets in Shanxi Province."

The walnut cream now uses Shen's first name "Jilan" as its brand. In the beginning, she rejected the proposal from her fellow villagers for fear that it might be regarded as a promotion of herself. She changed her mind after realizing the effects of a well-known brand. "An NPC deputy has the credibility. I can assure that 'Jilan Walnut Cream' is a green drink made of all natural materials."

When asked about if she was offered shares for the brand, Shen said, "I can even offer my life, let alone my name, as long as it is beneficial to Xigou's development. Money is just like water – you will be thirsty if you lack it and will be drowned if you are greedy for it." ■

Mao Fengmei, a persistent 'spokesman for farmers'

By Wang Ping

“I'm so worried! As a farmer, I know from my heart how arduous farmers' life is. They are eager to increase their income but many problems remain unsolved,” Mao Fengmei, an NPC deputy from Dalishu village in Fengcheng of Lia-

oning Province, said vehemently at a group discussion of the Liaoning delegation.

The slow growth in farmers' income, high interest rate of bank loans and the out-of-date pension system in the countryside had been perplexing Chinese farmers, Mao said in strong dialect. His candid and humorous address won the applause among the delegates.

“The proposal of an NPC deputy should be based on the national strength. Deputies need to make suggestions in advance when the situation is not compatible,” said Mao rationally.

An NPC deputy for four consecutive sessions, Mao has hammered out more than 200 proposals in nearly 20 years and has formed his own thoughts on how to exercise his duties. “So many problems remain unsolved for quite a long time that I have



With a corn in hand, delegate Mao Fengmei talks about agricultural issues during the NPC annual session in 2009. Yu Li

to raise the proposals every year. Once accepted, the proposals will do great good to the farmers nationwide,” Mao said.

It is no exaggeration to describe Mao as a persistent person. He began to suggest the launching of a loan designed for farmers since the 10th NPC. “Farmers have to repay with high interest rate when the loan surpasses 10,000 yuan, which can only buy a cow or two pigs. My advice is that government adopts abrupt measures to let farmers enjoy low rates,” Mao said in excitement. He said he had made on-the-spot investigations to rural business banks.

How to enhance subsidies and increase farmers’ income is another long-term concern for Mao.

Worried by the low income of famers, he noted that the income disparity between 900 million farmers and urban residents has been getting wider and wider in the past three decades. “The salaries of urban residents have increased 50 times while grain prices only tenfold,” according to Mao.

Only 1 percent of farmers’ income comes from subsidy from the government, or up to 7 percent including subsidies for rural residents to purchase home appliances and farm machineries, while the proportion is 60 percent in Japan, 50 percent in South Korea, 40 percent in countries of European Union, Mao added.

“I know the surge of grain prices will directly affect the prices of other consumer goods. It’s necessary for the government to raise subsidies to farmers and draft a law to increase its input in agriculture, rural areas and farmers.” Mao argued.

Nearly 10 years have passed since Mao put forward the pro-

posal of pension insurance in rural areas. As a result, he witnessed the progress after a pilot pension insurance program had been carried out. Mao is still unsatisfied with the achievement it has made. “The government work report noted the program will cover 40 percent of rural residents this year and all rural population within five years. However, many senior people might not be able to wait for that long,” he said.

Mao has won himself a nickname of “spokesman for farmers” after putting forward proposals in the past 20 years. He cherishes the title. “I love the countryside and farmers. I know what they need,” he said.

He feels lonely occasionally as not many deputies would like to discuss the problems of agriculture, rural areas and farmers with him. “It

means the deputies don’t care about these issues. So how can we solve them?”

However, Mao never gives up. He rejected several chances to leave the countryside and work in urban areas. “I want to let my fellow villagers to live same life as the urban residents enjoy.”

Inspired by his spirit, his son Mao Zhengxin quit the job as a civil servant in Fengcheng and returned to the Dalishu village. Mao Zhengxin now works as the village head and the secretary of the village Party committee.

“I’m thinking of the future of our village from the bottom of my heart, and few university graduates would like to work in rural areas,” said delegate Mao. “To encourage farmers to find nonagricultural employment in their hometowns or nearby areas is a meaningful policy to benefit farmers, as mentioned in this year’s government work report.”

“The average annual income for our villagers has hit 10,000 yuan, but the large map is that the majority of the farmers still live in poverty,” he said. “My dream is to help the countryside catch up with the urban areas. The gap between them is still too big.”

Each year Mao receives dozens of farmers hailing from Liaoning and neighboring regions. He listens to the appeals raised by his fellow villagers. In disregard of the opposition from his family, he managed to attend last year’s NPC annual meeting after he had conducted a cancer treatment.

“I am fully recovered now,” he said energetically, as though he had never had the disease. ■

Xia Ji'en: Let data speak

By Wang Ping



NPC delegate Xia Ji'en. Wang Ping

“I have been a people’s deputy for 14 years,” said Xia Ji’en. Xia began to serve as a deputy for Meishan County’s People Congress in 1997 and was elected as an NPC deputy in 2008. Besides, he is also a member of the Standing Committee of Meishan City’s People’s Congress.

“A deputy should raise proposals on the basis of facts and data, instead of his or her feeling,” said Xia. “Data speak louder.” As a people’s deputy, Xia attended several hearings on the prices of urban sewage, natural gas, etc, which were organized by the city’s price bureau. Each time, he made researches and

preparations before attending the hearings. When attending the events, he made analysis and elaborated his views, so as to provide reference for pricing adjustment.

On March 31, 2006, Xia expressed his disagreement toward the plan that is to raise the price of natural gas by 0.23 yuan per cubic meter. According to the materials provided by the gas company, it suffered from heavy financial losses. However, based on Xia’s initial calculation, the company’s return rate of investment reached 109.38 percent, collecting 17.5 million yuan in the past seven years only through the charge of 3,500 yuan for each household to open an account.

Financial statement should not be the only reference to judge the financial situation of a company, Xia argued. The price of natural gas in Meishan was raised by 0.17 yuan per cubic meter after the hearing, the same figure as Xia had proposed. “It reflects the power of a deputy of people’s congress.”

“I will cherish the five years as an NPC deputy,” Xia said. He set a target for himself – putting forward at least five proposals with high quality every year. In fact, the target was overfilled every time. The 11 proposals he planned to raise at the this year’s session involved issues from medical reform, food security and housing prices, which all concerned people’s livelihood.

Fight no war unprepared. Xia believes all the issues raised by an NPC deputy should be based on his own researches. He made solid research before he raised a suggestion in 2009 that the policy about awarding extra scores in national college entrance examination need to be regulated. In August 2009, the Committee on Education, Science, Culture, and Public Health of Sichuan People’s Congress held a seminar on the issue and invited him to sit in the meeting.

It is heartening that many of Xia’s proposals got responses from relative government agencies. Following his proposal, the central government issued a notice in the end of 2010 to regulate and adjust the items that can be offered with extra marks in college entrance examination.

In Xia’s opinion, a people’s deputy must be passionate and always follow focal issues. In 2008 and 2010, he proposed that efforts should be made to push housing prices back to rational level under the situation that many white-collar workers and migrant workers have difficulties in purchasing a house. He decided to raise a proposal in 2011 to ensure people’s housing right. “I adjust my proposals according to new situation every year. However, I have a basic idea that a housing security law should be made to ensure all people have their dwellings,” Xia said.

When asked about his incentives of doing so, he said, “Like what Chairman Mao had said, studying and researching are like the pregnancy and solving problem the delivery. I will keep on study these issues.” ■



Wu Bangguo (fourth from left), chairman of the NPC Standing Committee, attends and delivers a speech at the opening ceremony of the China-Africa Young Leaders Forum in Windhoek, Namibia on May 21. He paid an official visit to the African country in May. Zhao Yingquan

A real friend from afar

Chairman of NPC Standing Committee Wu Bangguo's tour to four African-Asian nations

By Li Zhengyu, Xu Song and Guan Kejiang

Wu Bangguo, chairman of the Standing Committee of the National People's Congress (NPC), paid official good-will visits to Namibia, Angola, South Africa and Maldives on invitation from May 18 to 30. This is a major diplomatic action by a Chinese national leader at a time when the international situation is undergoing profound and complex changes, the developing countries are experiencing dynamic growth and China-Africa relations are facing with new development opportunities. It is significant to deepen the new-type China-Africa strategic partnership, consolidate the good-neighboring friendship and promote the co-operation between China and developing countries.

Consolidating the traditional friendship and enhancing mutual political trust

The four African-Asian countries visited by Chairman Wu, though vary in population, territory, development level and cultural traditions, have all enjoyed the traditional friendship with China. Chairman Wu received warm welcome by the leaders of the four countries. When Chairman Wu arrived at and departed from the airports, Theo-Ben Gurirab, speaker of Namibia National Assembly, Max Sisulu, speaker of the South African Na-

tional Assembly, Abdulla Shahid, speaker of the People's Assembly of Maldives, Joao Manuel Goncalves Lourenco, first deputy speaker of National Assembly of Angola come to welcome him and see him off. President of the Maldives Mohamed Nasheed and the parliamentary leaders of the four nations hosted special welcome banquets for Chairman Wu.

During the visit, Chairman Wu held intensive talks and meetings with Namibian President Pohamba, President of Angola Jose Eduardo dos Santos, South African President Jacob Zuma, President of the Maldives Mohamed Nasheed and other leaders of the four countries, positively appraising the bilateral friendly co-operation and emphasizing that strengthening the solidarity and co-operation with developing countries constitutes an important foundation for China's independent and peaceful diplomatic policy. He stressed that

both sides should handle and plan the State relations from a strategic view and overall height, continue to maintain the momentum of high-level exchanges, strengthen the friendly exchanges between government, legislative bodies and political parties of both sides, and further consolidate the traditional friendship, deepen mutual political trust, promote economic and trade co-operation, expand cultural exchanges, especially between the younger generation, strengthen the co-ordination and co-operation in international and regional affairs, and further consolidate the political basis, material basis and public support for State relations. Four leaders expressed that China is a reliable friend and real partner, showing gratitude to China for its long-term precious support and selfless assistance, and looking forward to broadening the co-operation in more extensive fields and further promoting in-depth relations.

Pushing forward the new type of China-Africa strategic partnership is part and parcel of Chairman Wu's visit. In the opening address on the first China-Africa Young Leaders Forum and the keynote speech on the National Assembly of South Africa, Wu illustrated the valuable experience of China-Africa friendship and China's policy toward Africa with clear history, detailed and accurate data and vivid facts

"The same historical experiences have brought us together, the same missions for development have linked us together, and

the common strategic interests have made us stand shoulder to shoulder. The China-Africa friendship is an irresistible general trend and reflects the common aspiration of the people."

"We have full confidence in the future development of China-Africa relations; our friendship will not change with the changing of international situations, nor with the changing of economic development and international status."

"As long as we uphold and carry forward the good traditions, experiences and practices, adhere to the principle of equality, mutual benefit and co-operation, keep pace with times and develop with innovations, we will be able to promote the new type of China-Africa Strategic Partnership to a new level."

Chairman Wu's brilliant expositions and solemn declaration won rounds of applause and rousing cheers. People from all circles of life in the three African countries share a common view that the Africa-China co-operation has played an important role to promote Africa's development, bringing tangible benefits to African people, and that China and African countries will remain close friends, good brothers and reliable partners.



NPC Standing Committee Chairman Wu Bangguo speaks at the opening ceremony of the China-Africa Young Leaders Forum in Windhoek, Namibia. Zhao Yingquan

Expanding pragmatic co-operation and promoting common development

Chairman Wu has always attached great importance to and involved himself in China's foreign trade co-operation. During this visit, he stressed in many occasions that good

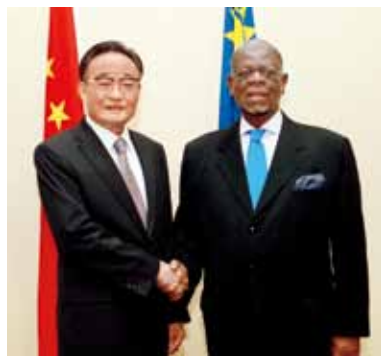
political relations should accelerate economic and trade development, and hoped both sides to strengthen the overall planning and guiding on economic and trade cooperation, give full play to the enterprises as the main force in the market, actively encourage a number of large influential projects, further expand the range and depth of co-operation, and make more efforts to convert good political relations into concrete fruits of co-operation. In accordance with specific conditions of the countries visited, Wu made many practical suggestions to deepen mutual co-operation.

South Africa is China's largest trading partner in Africa, while China is the South Africa's largest trading partner in the world, and the bilateral trading volume accounts for one fifth of



NPC Standing Committee Chairman Wu Bangguo meets with Namibian President Hifikepunye Pohamba on May 21.

Liu Jiansheng



NPC Standing Committee Chairman Wu Bangguo holds a talk with Speaker of the Namibian National Assembly Theo-Ben Gurirab. *Lan Hongguang*



NPC Standing Committee Chairman Wu Bangguo meets with Angolan President José Eduardo dos Santos on May 23.

Lan Hongguang



NPC Standing Committee Chairman Wu Bangguo holds a talk with his counterpart Speaker of the Angolan National Assembly Antonio Paulo Kassoma on May 22. *Li Qihua*

that between China and Africa. However, the bilateral investment is relatively lagging behind and the fields of co-operation are to be expanded. What was touched upon most in the talks between Chairman Wu and South African leaders was how to promote bilateral pragmatic co-operation to a higher level in terms of size and fields. Wu made a special trip to Pretoria to attend the dinner for China-South Africa commercial and business community and delivered a speech. In the address, he profoundly analyzed the complementary advantages, development strategies and huge potential for co-operation between the two countries, and proposed to strengthen investment co-operation, enlarge the fields of co-operation and improve the environment for co-operation. He stressed that upgrading and restructuring of manufacture industry, infrastructure construction, development and utilization of new energy, environmental protection, low-carbon economy, tourism and trade in services can be new highlights in China-South Africa economic and trade co-operation.

Namibia is rich in resources, and is eager to develop economic co-operation with China, but the bilateral trade volume is still relatively small. Chairman Wu proposed to enhance the investment co-operation in mineral resources, so as to push forward co-operation in such fields as further processing of mineral products, manufacturing and others, vigorously promote co-operation in infrastructure construction, and actively explore new forms and ways of project financing. China encourages its enterprises to import beef, mutton and aquatic products from Namibia in order to optimize the structure of bilateral trade.

Parliamentary exchanges are an important component of State relations, playing an increasingly significant role in enhancing mutual political trust, promoting pragmatic co-operation and deepening people's friendship.

Angola is China's second largest oil supplier in the world, as well as the second largest trading partner and the third largest investment destination in Africa. To promote the sustained and rapid development of bilateral economic and trade relations, Wu suggested to give full play to the existing bilateral mechanisms and launch the mechanism of China-Angola bilateral committee as soon as possible. He proposed to jointly formulate the middle and long term plan for economic and trade co-operation, and discuss and sign agreements on investment protection soon. Both sides should support the business sector to shift their priority from trade co-operation to industrial cooperation, extend energy

co-operation to upstream and downstream sectors, and explore actively new co-operation in finance, logistics and other fields. The planned China-aid Agriculture Demonstration Center should play a leading role in promoting agricultural development and investment and enhancing the size and level of agricultural co-operation.

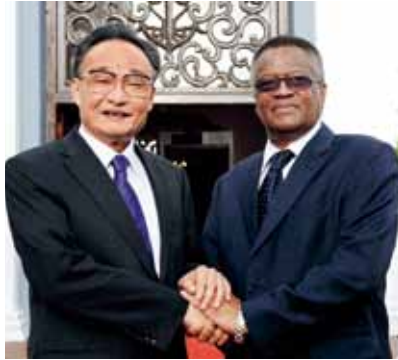
With regard to the economic and trade co-operation with Maldives, Chairman Wu indicated that both sides should adhere to the principle of complementary advantage and strengthen co-operation in tourism, fisheries, infrastructure construction

and other fields. China encourages more Chinese citizens to visit Maldives, so as to facilitate further co-operation in the China-Maldives tourism industry.

Leaders of the four countries gave positive responses to Chairman Wu's pragmatic proposals, vowing to implement the mutually agreed projects of co-operation, conduct long-term strategic co-operation with China in more fields, and provide good environment and convenience for more Chinese enter-



NPC Standing Committee Chairman Wu Bangguo meets with South African President Jacob Zuma on May 25. *Lan Hongguang*



Chinese top legislator Wu Bangguo talks with Speaker of South African National Assembly Max Sisulu on May 25. *Liu Jiansheng*



NPC Standing Committee Chairman Wu Bangguo meets with Maldivian President Mohamed Nasheed on May 29. *Liu Jiansheng*



Chinese top legislator Wu Bangguo holds a talk with Abdulla Shahid, Speaker of the People's Majlis (parliament) of the Maldives on May 29. *Lan Hongguang*

prises to invest in their countries. The business people said with excitement, Chairman Wu's address reflected what they want to say, and strengthened their confidence and pointed out the direction for future co-operation.

Strengthening parliamentary exchanges and promoting State relations

Parliamentary exchanges are an important component of State relations, playing an increasingly significant role in enhancing mutual political trust, promoting pragmatic co-operation and deepening people's friendship. The official visits by Chairman Wu to Namibia, Angola and Maldives mark the first visits by the China's Chairman of NPC Standing Committee to the three countries, and the visit to South Africa is the second one by China's Chairman after 12 years. It will bring significant and far-reaching influence on promoting exchanges between China's NPC and the four national legislatures and deepening State relations between China and the four countries.

During the visit, Wu held respective meetings and talks with Gurirab, president of Namibian National Assembly, Alfred Capelle, chairman of Namibian National Committee, António Paulo Kassoma, speaker of Angolan Parliament, Max Sisulu, speaker of South African National Assembly, Mninwa Johannes Mahlangu, chairman of the South African National Council of Provinces, and Abdulla Shahid, speaker of the Maldivian People's Majlis, reaching broad consensus on further strengthening bilateral parliamentary exchanges. First, we must maintain the momentum of high-level visits by parliamentary leaders, and increase effortlessly the exchanges at all levels, including those between special committees, friendship groups and staffs. We shall carry out various forms of exchanges and co-operation and learn from each

other the experiences in governance and democracy as well as legal system building. Second, focused on the overall development of State relations, we shall give full play to the strengths of parliaments by promoting co-operation with down-to-earth attitude in economy, trade, culture and local affairs, therefore reinforcing the social basis and public opinion basis for State relations. Third, we must keep close consultation and coordination in international and regional parliamentary organizations, join our efforts to promote the democratization of international relations and safeguard interests of developing countries.

Regular exchange mechanisms and bilateral friendship groups constitute an important platform on which China's NPC promotes regular exchanges and co-operation with foreign parliaments. In September 2006, China's NPC signed a Memorandum of Understanding on establishing a regular exchange mechanism with South African National Assembly. During this visit, Chairman Wu suggested that the mechanism between the two legislatures be launched as soon as possible, so that both sides could conduct dialogues on substantive issues of common concern, make innovations on the forms of dialogues and enrich their contents, and expand the participation by deputies and members of Parliament. Wu also urged the two legislatures to timely examine and approve legal documents on bilateral co-operation, and provide legal guarantee for China-South Africa relations. In Angola, Chairman Wu also suggested the establishment of bilateral friendship groups, which would surely attract more members of parliament, especially the younger members to devote themselves to the cause of China-Angola friendship and exchange views through various ways on issues of common concern. The parliamentary leaders of South Africa and Angola totally agreed with Chairman Wu and expressed their willingness to work together with Chinese side to bring the proposals by Chairman Wu into practice as soon as possible.



NPC Standing Committee Chairman Wu Bangguo attends the South Africa-China business banquet in Pretoria, South Africa on May 27. Visiting as Speaker of South African National Assembly Max Sisulu's guest, Wu way paying a good-will visit to South Africa. *Lan Hongguang*

Introducing China in an objective way and sharing experiences in governance

Since the founding of New China over 60 years ago, especially since the reform and opening-up policies were introduced more than 30 years ago, China has made remarkable achievements, attracting more and more attention from around the world. It happened to be the 48th "Africa Day" on May 25, 2011, when members of South African National Assembly and National Council of Provinces gathered at the Parliament House to listen to Chairman Wu delivering a key-note speech.

"Many friends asked me about the reasons for the tremendous changes happened in China. The root cause is that we have opened up a path of building a powerful State and enriching people, which is in consistence with Chinese national conditions and the trend of the times and reflects the will of people." "First, we insist that development be the top priority for governing and rejuvenating the country and concentrate on construction and development. Second, we firmly maintain reform as the strong driving force for development and progress, committing ourselves to an all-round reform in economy, politics and other fields and sticking to the opening-up policy. Third, we make harmony and stability as an important

basis for reform and development and properly handle the relationship between reform, development and stability."

Wu's clear-cut response and profound and incisive elaboration evoked extensive agreement among the audience and applause could be heard now and then in the conference hall.

Wu stressed that "stability is the prerequisite for national prosperity and people's happiness. China has a population of 1.3 billion with 56 ethnic groups, and there remains an imbalance in development between urban and rural areas and among regions. In such a huge developing country, without a stable political and social environment, it is impossible to build modernization and we would lose what we have achieved, even the country would fall into internal disorder and separation." "China has always been attached great importance to the relationship between reform, development and stability, therefore the reform can be carried out smoothly, and billions of people have been benefited from social and political stability. From the experience

of the reform in the past 30 years, we have been fully aware that stability is the fundamental interest of all the people in China, that peace and stability bring happiness while war and turbulence lead to disasters, and that social harmony and stability constitute the prerequisite and basis for reform and development."

Once again, Members of the two houses stood up with respect, thronging to shake hands and talk with Chairman Wu. They expressed their admiration to China's achievements and that China's experiences are precious. The international situation is in complicated and profound changes, especially, some countries and regions are facing with fierce social turbulence. Under such context, China's experiences in handling the relations between reform, development and stability are of great significance to the majority of developing countries.

The theme of friendship and co-operation was heard mostly across the African continent, and the bridge of win-win development was connecting oceans. The four-nation visit by Chairman Wu has cemented friendship and co-operation between China and the four countries and promoted their common development and win-win situation. Rich in content and fruitful in achievements, the visit has reached the goal of enhancing traditional friendship, strengthening parliamentary exchanges, expanding pragmatic co-operation and promoting common development. This is a highly effective and successful visit with great significance. ■



Chinese President Hu Jintao participate panel discussions of the Jiangsu delegation during the 4th Session of 11th NPC on March 5. *Huang Jingwen*



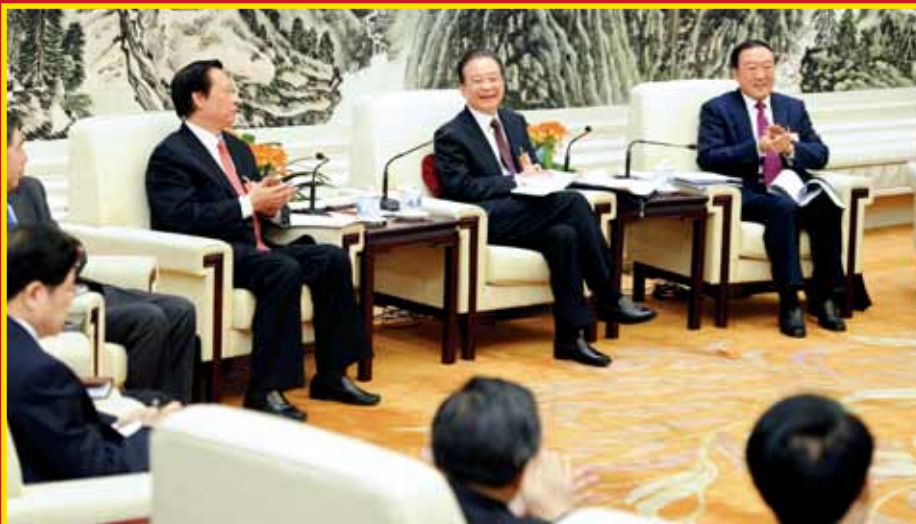
Chinese top legislator Wu Bangguo participates group discussions of the Anhui delegation attending the 4th Session of the 11th NPC on March 5. *Ma Zengke*



Pedestrians and tourists in Beijing's Wangfujing Street watch a live broadcast of Premier Wen Jiabao who delivers a speech on government work report. *Yu Long*



Hundreds of reporters from home and abroad cover the 4th Session of 11th NPC in March. *CFP*



Chinese Premier Wen Jiabao participates group discussions of the Jiangxi delegation attending the 4th Session of the 11th NPC on March 11. *Xie Huanchi*





China's **Tongling**
world's copper capital