

# NPC



ISSUE 1 · 2017

《中国人大》对外版

National People's Congress of China

## THE NATIONAL PEOPLE'S CONGRESS CONCLUDES ANNUAL SESSION



ISSN 1674-3008



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中华人民共和国第十二届全国人民代表大会第五次会议



The fifth session of the 12th National People's Congress (NPC) opens at the Great Hall of the People in Beijing on March 5. *Pang Xinglei*



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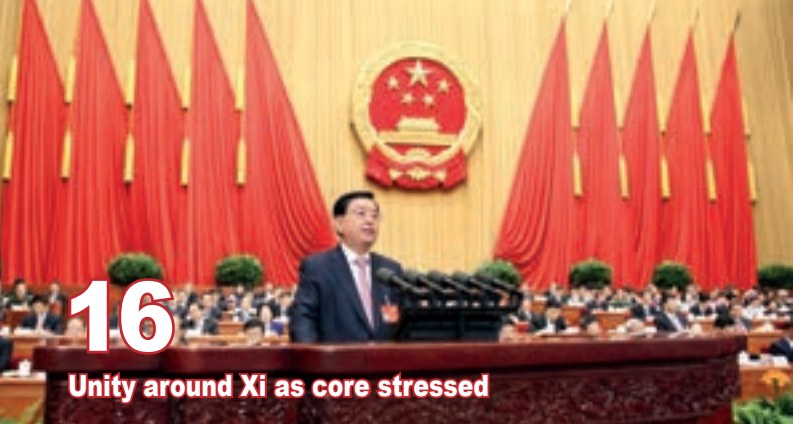
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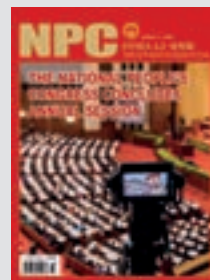
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COVER: The fifth session of the 12th National People's Congress convenes from March 5 to 15, 2017 at the Great Hall of the People in Beijing. CFP



General Editorial

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ISSN 1674-3008

CN 11-5683/D

Price: RMB35

Edited by The People's Congresses Journal  
Published by The People's Congresses Journal

Printed by Beijing Zhong Ke Printing Co., Ltd. in China

# Xi Jinping: Leader of China's great



# revival



← The opening meeting of the fifth session of the 12th NPC is held at the Great Hall of the People in Beijing on March 5. *Yang Bo*

↑ President Xi Jinping (3rd R) joins a panel discussion with deputies to the 12th NPC from Sichuan Province on March 8. *Lan Hongguang*

**C**an China do it? This is the crucial question for the world's biggest and boldest economic, political and social experiment.

At the core of understanding the country's prospects is the governance philosophy of its leader, Xi Jinping.

Xi is leading more than 1.3 billion people on the march toward the Chinese Dream -- an end to the worst kinds of poverty, and the rejuvenation of a nation that has already made astonishing progress in creating prosperity.

The 63-year-old reformer has brought his own thinking to bear on problems that will be faced down the road, especially after a year of tumultuous world events.

With the concerns of the people his first and foremost concern, Xi's experience, commitment, determination and ability to govern and lead have become something of a rarity on the global political stage.

Later this year, the 19th National Congress of the Communist Party of China (CPC) will elect new leadership for another five-year term, the crunch period for Xi's vision of a well-off nation by the Party's 100th anniversary.

By 2020, China's gross domestic product is expected to exceed 90 trillion yuan (\$13 trillion). There should be a middle-class population of about 400 million in the country by then, a huge market for the world.

The goal is fast approaching, and will only be met if of-



President Xi Jinping (4th L) joins a panel discussion with deputies to the 12th NPC from Shanghai Municipality on March 5. Wang Ye

ficials at all levels can align their thinking with that of the central leadership, and act according to the “four comprehensives” raised by Xi: the cornerstones of prosperity, reform, rule of law and strict Party governance. The strategy aims to lead the country to modernization and a standing at the center of the world stage.

This is China’s own story, one neither copied from other countries nor imposed on any.

At the annual “Two Sessions” of the national legislature and political advisory body in Beijing in March 2017, Xi expressed his confidence.

“As long as we gather the wisdom and strength of more than 1.3 billion Chinese people, there can be no limit to the success of our cause,” he said.

### New thoughts, new actions

From being the youthful head of an impoverished village in Northwest China via Party chief in the nation’s advanced eastern regions to leader of the nation, Xi has shown deep understanding of State governance, evident in economic and social reform, foreign affairs and military transformation.

In the economic sphere, he has led China to achieve remarkable growth, even though other major economies are faltering. China now contributes to over 30 percent of world economic growth.

Xi calls the current phase the “new normal,” from which

**Xi Jinping has shown deep understanding of State governance, evident in economic and social reform, foreign affairs and military transformation.**

an economy is emerging that is more sustainable and inclusive.

To ensure the success of this rebalancing, he has put forward supply-side structural reform as the cure.

Fundamentally different from the supply-side economics of the West, Xi’s policy means taking a harsh stance against outdated and inefficient industries and putting in their places new, innovative systems of work and production which will neither destroy the environment nor succumb when the next global financial crisis hits.

China hopes to increase its GDP by about 6.5 percent this year. At this rate, the nation will generate more output than it did during the days of double-digit growth.

Xi is at the wheel of a reform juggernaut, revitalizing and renewing almost every aspect of the economy and society, from the financial sector to health care. Changing the lives of hundreds of millions of people means the abandonment of what is no longer relevant, including the one-child policy and





President Xi Jinping (C) joins a panel discussion with deputies to the 12th NPC from Northeast China's Liaoning Province at the NPC's annual session in Beijing on March 7. *Xie Huanchi*

“re-education through labor,” a way of dealing with minor offenders that was introduced more than half a century ago.

Xi emphasizes the rule of law and checks on power, as seen in his decision to create a national supervision commission. Lawmakers are compiling a civil code to better protect people's rights.

His campaign against corruption, a threat he warned could destroy the Party and bring about the downfall of the State, has gained “crushing momentum.” Since the 18th CPC National Congress, at least 240 senior officials and more than 1 million lower-level officials have been investigated.

As Chinese business people, tourists and students reach almost every corner of the globe, Xi sees China as not only a beneficiary of globalization, but a contributor to it. He has visited around 50 countries as head of State, pursuing his mission to build “a community of shared future.”

His strong defense of free trade and warnings against protectionism -- “locking oneself in a dark room” -- have surprised and delighted observers.

The China-US trade relationship now “supports roughly 2.6 million jobs in the US across a range of industries,” according to a January report released by the US-China Business Council based in Washington, D.C.

The Belt and Road Initiative proposed by Xi in 2013 is expected to connect Asia with Europe and Africa. In three years, Chinese businesses have helped build 56 economic and trade cooperation zones in 20 countries along the Belt and

Road, with total investment exceeding \$18 billion. They have helped generate more than \$1 billion in tax revenue and create more than 160,000 jobs for host countries.

Besides, China's commitment to the Paris agreement on climate change is comforting and unshakable.

### Code of success

Making a great country requires strong and competent leadership devoted to the fundamental interests of the people.

“China's most important successes rest on strategic planning and decision-making by the central leadership,” said Zhang Weiwei, director of the Institute of China Studies at Fudan University.

Unlike Western democracies, which seem increasingly obsessed by showmanship and short-term elections, China's leadership has a long-term target and is more inclined to plan for the next generation and beyond. Once the Chinese leadership makes a blueprint, it sees it through to completion.

Poverty relief is one such example. It has been included in the work plans of the Chinese leadership of each generation for decades.

Fundamental to a well-off society, poverty alleviation gave better lives to 55 million Chinese people in 2013-2016, a number greater than the population of the Republic of Korea. The government of China has boldly pledged to eradicate

## 'Two Sessions' have gathered a national consensus to unite more closely around the CPC Central Committee with Xi as the core.

poverty by 2020.

It is up to local authorities to make sure that every family has an achievable plan to cast off poverty. Xi picked up a farmer's budget on a visit to a village in Hebei Province in January and showed him how he could increase income to give his family a better life.

Poverty alleviation is not the only matter to hand. Time is short. Speed and efficiency are of the essence. When working in the eastern Chinese city of Fuzhou, Xi reminded officials of their duty to "*ma shang jiu ban*" -- take immediate action -- the working style that the president wants to see right across the country.

China's system of governance remains resilient and robust because of how it selects and mobilizes officials. A cadre can be promoted only after he or she has served at various grassroots posts and acquired enough experience. How many jobs has an official created? Where are the tangible results regarding economic and social development? Is the environment cleaner or more polluted? These key factors are considered for any promotion. Those found to be ineffective are demoted and, in some cases, punished.

The latest five-year plan has made local officials account-

able for the environmental damage they cause, even if it is discovered after they have left office.

China stresses the unity of Party leadership, people being the masters of the country and the rule of law. The Chinese approach has shown its advantage over the so-called "Western model," Zhang said.

### Making history

The "Two Sessions," among China's most important political events, are poised to support the next round of reform. Thousands of lawmakers and political advisors have raised suggestions on development. Crucially, the sessions have gathered a national consensus to unite more closely around the CPC Central Committee with Xi as the core.

"Xi's core status came through his leadership in advancing the Party's great cause," said professor Dai Yanjun with the Party School of the CPC Central Committee.

The largest modernization movement in human history has a political party with 88 million members united around a core leader, bringing better lives to more than 1.3 billion people.

This common dream not only benefits the Chinese, but also the whole world.

The real test, however, lies ahead.

Xi and his colleagues are facing a number of challenges. Few developing countries, for example, have avoided the "middle-income trap."

Daunting as the difficulties may be, in Xi's opinion, "History is created by the brave." (Xinhua) ■



President Xi Jinping (R) receives a traditional Uyghur flat hat from Rehangu Yimir before attending a panel discussion with deputies to the 12th National People's Congress from the Xinjiang Uygur Autonomous Region on March 10. *Lan Hongguang*



President Xi Jinping, also general secretary of the Communist Party of China Central Committee and chairman of the Central Military Commission, speaks to NPC deputies from the People's Liberation Army at the fifth session the 12th NPC on March 12. *Li Gang*

# Xi Jinping underlines innovation in military upgrading

**P**resident Xi Jinping on March 12 called for deepening military-civilian integration, while highlighting sci-tech innovation as the key to military upgrading.

Speaking to national lawmakers from the People's Liberation Army (PLA) at the NPC's annual session, Xi, also general secretary of the Communist Party of China (CPC) Central Committee and chairman of the Central Military Commission, said efforts should be made to provide greater science and technology support for the PLA.

Since the 18th CPC National Congress in late 2012, historic breakthrough in national defense and military reform has been made, significant progress in combat readiness has been achieved, and crushing momentum in fighting corruption has been realized, he said.

Pointing to the profound changes brought by sci-tech advancement to people's lifestyles and the world's military development, Xi said, "We must have a greater sense of urgency to push for sci-tech innovation and advancement with greater determination and efforts."

He called for enhanced top-level design and strategic plan-

ning in promoting military-civilian integration in national defense technology and military equipment, and strengthening military and civilian cooperation in training high-quality military personnel.

He urged the PLA to speed up the transition featuring better quality and performance with the intensive application of advanced technologies in army building.

Civil technologies should better serve military purposes, and defense technologies should be adapted and applied well for civil use, the president said.

Efforts to improve the training system of military personnel should also be strengthened to foster a large number of high-quality military talent, Xi said, adding that enhancing scientific and technological attainment of officers and men should be a basic requirement for the PLA.

He noted that the CPC Central Committee's decision to establish a central commission for integrated military and civilian development aims to reinforce centralized and unified leadership. Efforts should be made to remove institutional barriers and work out perfect policies for military and civilian integration. (Xinhua) ■



# The National People's Congress concludes annual session

The closing meeting of the fifth session of the 12th NPC is held at the Great Hall of the People in Beijing on March 15. *Li Tao*

**T**he National People's Congress (NPC) concluded its annual session on the morning of March 15.

Among 2,838 NPC deputies present at the closing meeting, 2,812 voted in favor of the government work report; 2,793 for the work report of the NPC Standing Committee; 2,606 for the work report of the Supreme People's Court; and 2,606 for the work report of the Supreme People's Procuratorate.

Lawmakers also approved the General Provisions of the Civil Law, the decision on the quota and election of deputies to the 13th NPC, and the methods for electing deputies to the 13th NPC from Hong Kong and Macao special administrative regions.

Other documents approved by the lawmakers included the 2017 national economic and social development plan, and the 2017 central and local budgets.

The lawmakers also approved the resignation of NPC Standing Committee member Xu Xianming. Xu was appointed Justice to the Supreme People's Court. According to the Constitution of the People's Republic of China, no one on the Standing Committee of the National People's Congress shall hold office in any of the administrative, judicial or procuratorial organs of the State.

Leaders of the Communist Party of China (CPC) and the State Xi Jinping, Li Keqiang, Zhang Dejiang, Yu Zhengsheng, Liu Yunshan, Wang Qishan and Zhang Gaoli attended the

**The country is effectively governed under the Party's leadership, decisions by the CPC Central Committee are implemented and all sorts of work is pursued according to the law.**

closing meeting at the Great Hall of the People.

In his closing remarks, Zhang Dejiang, chairman of the NPC Standing Committee, hailed the achievements made under the leadership of the CPC Central Committee with Xi Jinping as the core since the 18th CPC National Congress in 2012.

President Xi, who is also general secretary of the CPC Central Committee and chairman of the Central Military Commission, has attained great prestige among the Party, the military and people of all ethnic groups, and become the core of the CPC Central Committee and the entire Party, according to Zhang.

Zhang called for maintaining a high degree of consistency with the CPC Central Committee with Xi as the core in

thoughts, politics and actions, upholding the authority of the CPC Central Committee and its centralized and unified leadership, as well as faithfully implementing the Party's policies and the CPC Central Committee's decisions.

The General Provisions of the Civil Law, which take effect on October 1, is the opening chapter of a long-awaited civil code.

The civil code will include individual books that deal with property, contracts, tort liability, marriage and inheritance, according to the legislative plan.

Zhang called for stepping up work on the books to ensure a civil code that has Chinese characteristics and reflects the spirit of the time and the will of the people be enacted in 2020.

Zhang also called on NPC deputies to always bear the people's wishes in mind, perform their duties effectively, and make new contributions in upholding, implementing and developing the people's congress system.

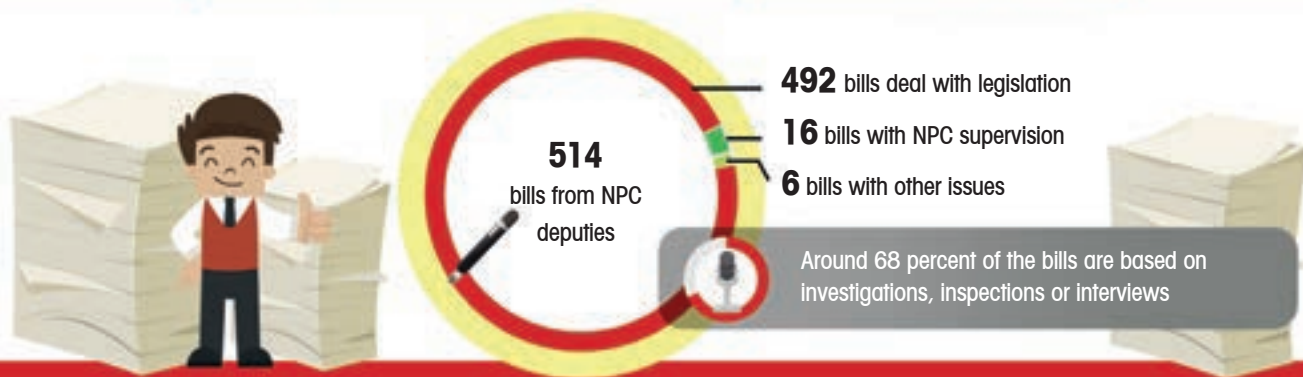
The people's congress system, a fundamental institutional arrangement that integrates the principles of upholding the Party's leadership, the people being the master of the country and the rule of law, demonstrates the characteristics and advantages of China's socialist democracy, said an editorial published by Xinhua on March 14.



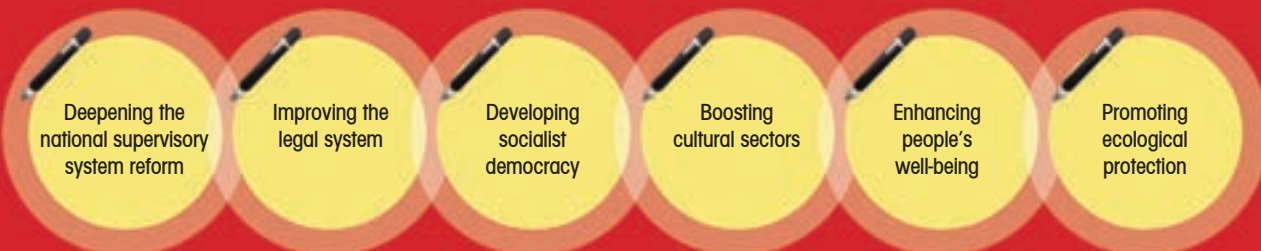
Deputies to the 12th NPC wave farewell on March 15 when the fifth session of the 12th NPC came to an end at the Great Hall of the People. Wei Liang

The editorial stressed better use of the system to ensure that the country is effectively governed under the Party's leadership, decisions by the CPC Central Committee are implemented and all sorts of work is pursued according to the law. (Xinhua) ■

## The Fifth Session of the 12th NPC receives 514 bills, 8,360 suggestions



### Major topics



Xinhua

# China to meet uncertainty with stability



Premier Li Keqiang delivers the Government Work Report during the opening meeting of the fifth session of the 12th NPC at the Great Hall of the People in Beijing on March 5. *Li Tao*

China highlighted economic and social stability in 2017 as vital to maintaining growth, ensuring employment, and counteracting risks from both home and abroad on March 5.

“Stability is of overriding importance... we must not allow the red line to be crossed concerning financial security, people’s wellbeing, or environmental protection,” said Premier Li Keqiang as he delivered a government work report to the opening meeting of the NPC’s annual session.

Under the prerequisite of stability, China should forge ahead with reforms to seek progress in key areas, Li pledged, cautioning risks related to non-performing assets, bond defaults, shadow banking, and Internet finance.

The rising tide of protectionism and de-globalization threatening the world economic framework, means the theme of “seeking progress while maintaining stability” must remain the guiding light for China’s economic work.

The premier noted that uncertainties about the direction of some major economies’ policies and their spillover effects are gathering, which put China at a crucial and challenging stage.

The 2017 growth target of around 6.5 percent -- “or higher if possible” -- sets China’s economy in a proper range with enough room for reform.

Last year’s target of 6.5-7 percent saw the economy expand by 6.7 percent, the job market remain steady, and reforms progress at an appropriate pace.

“Without stability, China could never achieve such a target,” said Jia Kang, a national political advisor and chief economist with the China Academy of New Supply-side Economics.

The significance of stability cannot be overemphasized in 2017.

Apart from the challenges from both home and abroad, this year will see the opening of the 19th Communist Party of China (CPC) National Congress, when a new CPC central

## Yutso, NPC deputy and medical worker from Garze Tibetan Autonomous Prefecture, Sichuan Province

The government work report provides hope for better medical service in areas inhabited by Tibetans. It says a mechanism will be established to promote the flow of medical resources, strengthen service capabilities at the community level, and help ordinary people to consult doctors.

As a medical worker born and brought up in a remote countryside area and with over 40 years’ working experience, what concerns me most are the medical problems of ordinary people and the working conditions of countryside medical workers.

Although the medical service level has improved in recent years, there are some severe diseases that can’t be treated in local hospitals. It would be a blessing to have good medical services in community-level Tibetan-inhabited areas.

committee will be elected, making stability of crucial importance.

With due attention to stability, Li's report made no bones about the need to tackle "really tough" issues this year, promising that there would be no shying away from the five tasks of supply-side structural reform: cutting industrial capacity, reducing housing inventories, deleveraging, cutting corporate costs and strengthening weak economic links.

Coal production capacity will be slashed by at least 150 million tonnes and steel by around 50 million tonnes this year. "Zombie enterprises" -- economically unviable businesses usually in industries with severe overcapacity and kept alive only with aid from the government and banks -- will be dealt with through more use of market- and law-based methods.

The screws will also be turned on corporate leverage, especially in State-owned enterprises.

While tackling structural imbalance at home, China is committed to a wider opening-up and greater engagement with near neighbors and distant partners: a responsible player in strengthening global growth and governance, during difficult times.

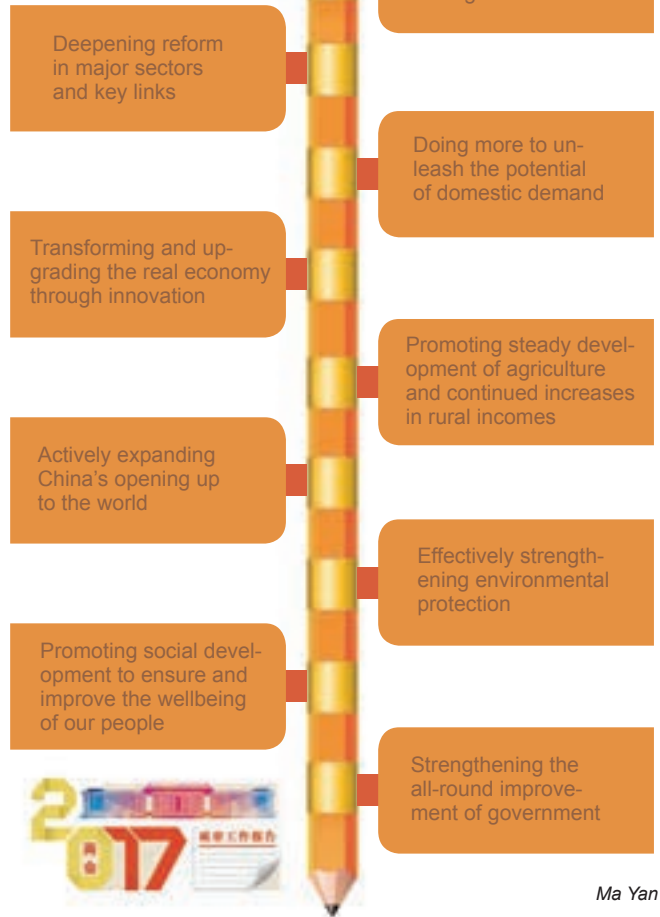
Li's report not only re-emphasized the role of the Belt and Road Initiative, but promised more efforts to facilitate trade and investment, both inbound and outbound.

Foreign companies will be welcomed into national science and technology projects. They will be able to go public in China and to issue bonds.

"China's door will keep opening wider, and China will keep working to be the most attractive destination for foreign investment," said the report.

Political advisor Zhang Yunling said China will defend openness and the development of a truly global economy. China's pursuit of "stability with progress" will breed a new mechanism for international cooperation and the shared development of all countries. (Xinhua) ■

## China's major areas of work for 2017



Ma Yan

## Liu Baosheng, NPC deputy and chairman of Fengfan Co. Ltd. under China Shipping Industrial Co. Ltd.

The premier mentioned in his report that the foundation of our country's economy is the real economy and the report attaches great importance to the real economy. This is reflected in the following aspects:

First, tax reduction, which is a big bonus for companies, especially in the economic "new normal."

Second, supply-side reform. Supply-side reform is a step further from the transformation of the development model, structural adjustment and industrial upgrading. It is to let our industries get to the middle and high end of the value chain. After decades of reform and opening up, China has become the world's second largest economy. Following the 2008 global economic crisis and the slow recovery of the world economy, China's strategies are very targeted and effective. The extensive economic development that we started decades ago was achieved at the cost of resources and the environment. Supply-side reform is to adjust that model as soon as possible.

Last but not least, the report mentions economic drivers. In my understanding, emerging industries should be nurtured through innovation, while traditional industries need to be upgraded with big data, cloud computing and Internet technology. The key tasks for this year, reducing overcapacity, destocking, deleveraging, lowering cost and shoring up weak spots, will benefit the real economy.

## Wang Heshan, NPC deputy and vice chairman of Ningxia Hui Autonomous Region

The government work report is people-oriented. It expresses the confidence, determination and aspirations of the people, and is unifying and inspiring. In the past year, China's major country diplomacy was fruitful and China became more vigorous and open. Ningxia is seizing the opportunity to open wider to the world so as to invigorate itself. We hope that the Central Government will help Ningxia to successfully host the Third China-Arab States Expo and build industrial parks overseas.



## Unity around Xi as core stressed

Zhang Dejiang, chairman of the NPC Standing Committee, delivers a report on the work of the NPC Standing Committee during the second plenary meeting of the fifth session of the 12th NPC at the Great Hall of the People in Beijing on March 8. *Liu Zhen*

China's top legislator on March 8 pledged further conformity to the Communist Party of China (CPC) Central Committee with Xi Jinping as the core.

National lawmakers should unite more closely "around the CPC Central Committee with Xi Jinping as the core," to develop the system of the people's congress and realize the dream of national rejuvenation, said Zhang Dejiang, chairman of the National People's Congress (NPC) Standing Committee, while delivering a work report of the NPC Standing Committee.

The endorsement of Xi as the core "reflects the will of all members of the Party, all members of the armed forces and all the people of China," Zhang told nearly 3,000 NPC deputies gathered at the Great Hall of the People.

The NPC, the highest body of State power, opened its an-

nual session on March 5 to set the national development agenda for this year.

The system of the people's congress enables the people to exercise their power as "masters of the State."

It was at the first session of the 12th NPC in March 2013 that Xi was elected Chinese president. He had been elected general secretary of the CPC Central Committee in November 2012 at the 18th CPC National Congress.

Zhang's remarks echoed Yu Zhengsheng, China's top political advisor, who also voiced conformity to the CPC Central Committee with Xi as the core when the annual session of the Chinese People's Political Consultative Conference (CPPCC) National Committee opened on March 3.

Dubbed as the "Two Sessions," the dual meetings are among the most important political events where develop-



## China stresses the unity of Party leadership, people being masters of the country and the rule of law.

ment agendas are reviewed and discussed, and key policies adopted.

In reviewing the work last year, Zhang said the NPC Standing Committee advanced legislation in key areas, including developing the system of national security laws, drafting general provisions of civil law and making the law on environmental protection tax.

Decisions were made on major issues, including disqualifying 45 NPC deputies elected by the Liaoning Provincial People's Congress for bribing voters and interpreting Article 104 of the Basic Law of the Hong Kong Special Administrative Region to oppose any attempt at secession of Hong Kong from China.

Zhang announced the national legislature's major tasks for 2017, a crucial year in the journey toward a moderately prosperous society by 2020. The CPC will convene the 19th National Congress later this year to elect new leadership for the next five years.

In 2017, effective legislation will be produced to promote national development under the leadership of the Party.

The Leading Party Members' Group of the NPC Standing Committee must promptly request instructions from and submit reports to the CPC Central Committee on major issues in legislation, Zhang said.

According to the plan, the legislature will revise the Law on Administrative Supervision to turn it into a national supervision law amid efforts to establish a "centralized, unified, authoritative and highly-efficient" national supervision system.

The draft general provisions of the civil law will bring China one step closer to the country's first civil code. Compiling of the individual books will be stepped up so that the civil code could be enacted in 2020.

The legislature will also formulate laws on e-commerce, nuclear safety, intelligence and soil pollution prevention, among others, according to the report.

"Good laws are a prerequisite for good governance. The legislation plans this year will help crack hard nuts in future reforms which have entered the deep-water zone," said NPC deputy Sun Xianzhong, a researcher with Chinese Academy of Social Sciences. "It reflects Xi's governance thought and the common will of the people."

The Party's leadership is also highlighted in the legislature's oversight over the work of the State Council, the Supreme People's Court and the Supreme People's Procuratorate.

The NPC and its Standing Committee will strengthen oversight of the implementation of plans for supply-side structural reform and poverty alleviation, both fundamental to building a well-off society, according to the work report.

This has been the fifth and last session of the 12th NPC. The top legislature will ensure well-organized elections of deputies to people's congresses, including those to the 13th

NPC, Zhang said.

The election of deputies to the 13th NPC shall be completed in January 2018, according to the draft decision.

The legislature will also work to understand, explain and communicate the new theoretical and practical accomplishments that the CPC Central Committee with Xi as the core has made in upholding and improving the system of people's congress and in advancing the rule of law, Zhang said.

"We are closer than ever in history to realizing the rejuvenation of the Chinese nation, and we have greater confidence in achieving this goal and greater capacity to do so than ever before," he said.

China stresses the unity of Party leadership, people being masters of the country and the rule of law.

"Chinese philosophy of governance includes two concepts: 'minyi,' or public opinion, and 'minxin,' or the hearts and minds of the people," said Wen Yang, a researcher with the Institute of China Studies at Fudan University.

"New ideas, thought and strategies of State governance under the leadership of the CPC Central Committee with Xi as the core have solid foundation of public opinion. Proven successful by experience, they have won the people's hearts," he said. (Xinhua) ■



The second plenary meeting of the fifth session of the 12th NPC is held at the Great Hall of the People in Beijing on March 8. Zhang Ling

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

Delivered at the Fifth  
Session of the 12th  
National People's  
Congress on March 8, 2017

Zhang Dejiang, chairman of the NPC Standing Committee



The second plenary meeting of the fifth session of the 12th NPC is held at the Great Hall of the People in Beijing on March 8. *Jin Shuo*



Zhang Dejiang, chairman of the NPC Standing Committee, delivers a report on the work of the NPC Standing Committee during the second plenary meeting of the fifth session of the 12th NPC at the Great Hall of the People in Beijing on March 8. *Liu Zhen*

## Major Tasks for 2017

In 2017, the Communist Party of China will convene its 19th National Congress, the most important political event of the year for the Party and the country and an event of far-reaching significance. 2017 is also an important year for the implementation of China's 13th Five-Year Plan (2016-20) and for the country's advancement toward finishing building a moderately prosperous society in all respects. It is therefore extremely important that the NPC accomplishes all of its work for the year well.

The overall requirements for the work of the NPC Standing Committee this year are as follows:

- Uphold the firm leadership of the Party Central Committee with Comrade Xi Jinping at its core
- Implement fully the guidelines from the 18th National Party Congress and those of the third through sixth plenary sessions of the 18th Party Central Committee
- Take as our guide Deng Xiaoping Theory, the Theory of Three Represents, and the Scientific Outlook on Development
- Fully grasp and put into practice the principles from General Secretary Xi Jinping's major addresses and his new vision, thinking, and strategies for the governance of China
- Remain committed to the underlying principle of making progress while keeping performance stable
- Safeguard the authority of the Constitution and other laws
- Strengthen legislation in key areas, with the focus on raising the quality of legislation
- Deliver proper and effective oversight
- Support and ensure deputies' law-based performance of their duties
- Ensure successful accomplishment of all the work of the current NPC and its Standing Committee

-- Greet the convocation of the 19th National Party Congress with great achievements

This year, we will ensure fulfillment of the following tasks.

### **Produce effective legislation to promote development and help ensure good governance**

The law is of great value to the governance of a country, and good laws are a prerequisite for good governance. With a view toward putting in place a socialist rule of law system with Chinese characteristics, the 12th NPC and its Standing Committee have conscientiously exercised State legislative powers, enacting, revising, repealing, and interpreting laws as necessary. By grasping and following the principles of legislative work, we have been able to continuously improve it.

In reviewing the experience gained in recent years, we have realized that to do our legislative work well we must adhere to the following principles:

First, uphold the Party's leadership over legislative work. We must work in line with the objectives and tasks set by the Party Central Committee for China's legislative work. The Leading Party Members' Group of the Standing Committee must promptly request instructions from and submit reports to the Party Central Committee on major issues and matters in legislation.

Second, allow legislation to play its guiding and driving role. We must remain committed to coordinating the advancement of both rule of law and reform and to ensuring rule of law and rule of virtue work in concert with one another. We must instill core socialist values into the development of the rule of law, and develop the rule of law to provide a guarantee for the country's reform, development, and stability.

Third, ensure the NPC plays its dominant role in legislative work. We need to improve legislative systems and mechanisms, strengthen organization and coordination in relation to legislative work, and make this work more timely, systematic, targeted, and effective.

Fourth, legislate more effectively and democratically. In line with the idea of putting the people first in legislation and making legislation for them, we must build up broad consensus on legislation and ensure that legislative bodies properly fulfill their important role of voicing, balancing, and adjusting the interests of different sectors of society.

This coming year, we will better adhere to the above mentioned ways of thinking, principles, and methods, given their proven effectiveness in our legislative work. We will strengthen both legislation in key areas and work regarding the enactment, revision, abolition, and interpretation of laws related to reform. We will raise the quality of legislation and ensure that the objectives and tasks set for legislative work are met and accomplished.

First, we will carry out the decision and plan of the Party Central Committee on deepening reform of the national supervision system. This means that we will revise the Law on Administrative Supervision to turn it into a national supervision law, so as to provide a legal guarantee for our efforts to put in place a centralized, unified, authoritative, and highly-efficient national supervision system.

Second, we will improve the legal system with a view toward building new systems for development. After issuing the General Provisions of Civil Law, we will step up our work on compiling the individual books of a civil code. We will

## **The law is of great value to the governance of a country, and good laws are a prerequisite for good governance.**

strengthen protection of civil law rights and improve our system of laws and regulations concerning equal protection of property rights. To ensure law-based taxation, we will formulate laws on specific taxes, such as a tobacco leaf tax law and a tonnage tax law. To improve the modern market system, we will work on establishing an e-commerce law and revising several laws, including the Anti-Unfair Competition Law, the Law on Promoting Small and Medium-Sized Enterprises, the Law on Farmers' Specialized Cooperatives, the Securities Law, and the Standardization Law.

Third, we will strengthen the development of laws and regulations concerning social, cultural, ecological, and other issues. We will formulate a community correction law, a basic medical and health care law, and a law on public libraries, so as to improve the social governance system, push forward the building of a Healthy China, and guarantee the people's cultural rights and interests. To promote ecological progress, we will enact a law for the prevention and control of soil pollution and revise the Law on the Prevention and Control of Water Pollution. We will formulate a nuclear safety law, an intelligence law, and a law on international judicial assistance in criminal matters, and revise the Surveying and Mapping Law. We will also revise the Organic Law of the People's Courts and the Organic Law of the People's Procuratorates.

Fourth, we will effectively carry out work concerning the authorization of pilot reforms.

### **Deliver proper and effective oversight**

Oversight by the NPC and its Standing Committee over the work of the State Council, the Supreme People's Court, and the Supreme People's Procuratorate, and over the enforcement of the Constitution and other laws, is both an inherent requirement and institutional design of the system of people's congresses and a practice that embodies the constitutional principle that all State power belongs to the people. The 12th NPC Standing Committee has effectively exercised the power of oversight granted to it by the Constitution and other laws and has adhered to the basic principle that oversight must be proper and effective. Throughout this process, we have developed a deeper understanding of the designed functions of oversight by people's congresses as well as the principles governing this work.

To exercise proper oversight, it is vital that we consistently uphold leadership by the Party and coordinate our oversight work nationwide. We must exercise oversight in strict accordance with our legally mandated powers and statutory procedures. We must have both the courage and the competence to carry out oversight and properly manage the relationship between oversight and support, so that we can truly help the State Council carry out administration in accordance with the law and help the Supreme People's Court and the Supreme People's Procuratorate administer justice impartially. This is a way for us to work together with them and help them strengthen and improve their work.

To deliver effective oversight, it is crucial that we keep to a problem-oriented approach and identify the focal points of our oversight work, while keeping in mind the overall work of the Party and the country. We should improve the way we carry out oversight, conducting follow-up oversight to get to the bottom of problems and see real results. This will allow us to work toward resolution of major and difficult issues of common concern to NPC deputies and the general public, and to ensure that the people gain a greater sense of benefit.

This coming year, we will keep in mind and put into practice the new development philosophy and adhere to the vision of people-centered development. We will strengthen oversight over the implementation of laws and over the work of the State Council, the Supreme People's Court, and the Supreme People's Procuratorate, so that we can help ensure steady and sound economic development as well as social harmony and stability.

First, we will intensify oversight of the implementation of laws. We will inspect compliance with the Pharmaceutical Administration Law, the Product Quality Law, the Copyright Law, the Law on the Prevention and Control of Environmental Pollution Caused by Solid Wastes, the Seed Law, and the Cybersecurity Law.

Second, we will strengthen oversight of government budgets and final accounts. We will hear and deliberate the State Council's reports on the central government's final accounts for 2016, on auditing work, on budget implementation, and on the rectification of problems discovered in auditing. We will conduct research on topics such as standardizing non-

tax revenue management, and explore ways to put in place a system through which the State Council reports to the NPC Standing Committee on the management of State-owned assets. We will press ahead with the integrated online oversight of budgets.

Third, with a focus on the government's comprehensive initiatives to ensure steady growth, advance reform, make structural adjustments, improve living standards, and guard against risks, we will hear and deliberate reports of the State Council on the implementation of the plan for national economic and social development and on the work to advance supply-side structural reform and accelerate transformation and upgrading of manufacturing. We will hear and deliberate reports of the State Council on poverty reduction progress, on allocation and utilization of government funds for education, on drug administration, and on protection of cultural heritage. We will hear and deliberate the State Council's reports on the state of the environment and the fulfillment of environmental protection targets in 2016, and on its work concerning grassland ecological conservation and environmental protection. We will conduct research on the implementation of the Law on the Protection of Minors, on economic and social development in townships where ethnic minorities live, and on protection of the rights and interests of overseas Chinese.

Fourth, with a view to promoting judicial impartiality, we will hear and deliberate reports of the Supreme People's Court and the Supreme People's Procuratorate on their work to comprehensively deepen judicial reform.



Deputies to the 12th NPC attend the second plenary meeting of the fifth session of the 12th NPC at the Great Hall of the People in Beijing on March 8.  
Yang Bo

Fifth, we will make consistent efforts to strengthen oversight over enforcement of the Constitution. We will hold events to mark National Constitution Day and organize in accordance with the law swearing-in ceremonies for pledging allegiance to the Constitution. We will accelerate the building of a nationally unified information platform for recording and reviewing normative documents so as to improve our work in this regard.

### **Ensure well-organized elections of deputies to people's congresses**

The election of deputies is the foundation of the system of people's congresses and is of great importance for consolidating the Party's position as the governing party, ensuring the position of the people as masters of the country, and strengthening State power. In line with the Party Central Committee's arrangements and requirements concerning the

## **Review of deputies' qualifications will be strengthened in accordance with the law.**



Deputies to the 12th NPC attend the second plenary meeting of the fifth session of the 12th NPC at the Great Hall of the People on March 8.

*Lan Hongguang*

election of new deputies to people's congresses, we will formulate the necessary legal documents and organize the election of deputies to the 13th NPC, acting in accordance with the Constitution and other laws including the Electoral Law for the National People's Congress and Local People's Congresses. We will provide guidance to electoral bodies to help them organize elections well, study the lessons learned from the voting bribery case in Liaoning Province, and, through a combination of strict preventative measures and disciplinary regulations, ensure that the right direction is maintained in elections and the elections are conducted honestly. We will ensure that elections of deputies to the 13th NPC are properly organized in the Hong Kong and Macao special administrative regions. Review of deputies' qualifications will be strengthened in accordance with the law. We will see that the national joint conference on the election of new deputies to people's congresses at the county and township levels fully plays its role, and ensure elections at these two levels are well organized.

### **Strengthen and improve the NPC's deputy-related work**

During these past four years, the deputies to the 12th NPC, bearing in mind the great trust the people have placed in them, have performed their duties in accordance with the law and participated in the exercise of State power so as to represent the interests and will of the people. Their efforts have laid a solid foundation for the work of the NPC and its Standing Committee, and they have made great contributions to the development of the cause of the Party and the country. To ensure that the people serve as the masters of the country, we will continue to respect the principal position of deputies, consciously accept oversight from deputies and the public, and see to it that people's congresses and their standing committees always represent the people.

This coming year, we will continue to listen to deputies' comments and suggestions using a variety of channels, urge the State Council, the Supreme People's Court, and the Supreme People's Procuratorate to strengthen their communication with deputies, and broaden channels through which deputies can learn about State affairs and the government's work. We will invite deputies to observe meetings of the Standing Committee, and arrange for them to participate in the Standing Committee's law compliance inspections and attend relevant meetings and study and training activities of special committees. We will implement the guidelines on improving the system by which deputies to people's congresses keep in contact with the people, so as to ensure deputies better communicate with the people and respond to each and every one of the people's concerns. We will help deputies improve their political stand, thinking, and work style and ensure they are better able to carry out their duties, and we will strengthen oversight of deputies to see that they carry out their duties and functions in accordance with the law.

### **Ensure success in all other aspects of the NPC's work**

We will actively carry out foreign relations work.

In accordance with the Party Central Committee's major policies and overall plan for China's diplomatic work, we will consolidate and deepen mechanism-based exchanges with



Deputies to the 12th NPC attend the second plenary meeting of the fifth session of the 12th NPC at the Great Hall of the People on March 8. Zhang Ling

relevant foreign parliaments, especially those of neighboring countries and countries participating in the Belt and Road Initiative. We will actively take part in multilateral parliamentary diplomatic activities and make use of both top-level exchanges and friendly exchanges at other levels to enhance political trust and pragmatic cooperation with other countries and deepen friendship with other peoples, thus helping create a favorable external environment for China's development.

We will improve the NPC's information and public communication work and theoretical research.

To maintain the initiative in work concerning the public discourse, we will work to understand, explain, and communicate the new theoretical and practical accomplishments that the Party Central Committee with Comrade Xi Jinping at its core has made in upholding and improving the system of people's congresses and in fully advancing the law-based governance of China, and we will demonstrate clearly the achievements and progress China has made in developing socialist democracy and the rule of law. To maintain the right tone in public communication, we will improve the NPC's press release work and enhance its public communication capacity. We will hold events to commemorate the 20th anniversary of the implementation of the Basic Law of the Hong Kong Special Administrative Region.

We will continue to promote the development and improvement of the work of local people's congresses.

We will take steps to strengthen the work and development of people's congresses at the county and township levels, organize study sessions for leading members of the standing committees of county-level people's congresses, and offer better

guidance on legislative work to local people's congresses.

In accordance with the Party Central Committee's requirement that the system by which people's congresses discuss and decide major issues be improved and that people's governments at all levels report to people's congresses at the same level before publishing major policy decisions, we will make sure that people's congresses properly perform their tasks in discussing and deciding major issues and better carry out their functions as organs of State power.

We will strengthen self-improvement of the Standing Committee in all respects.

We will improve our thinking and theoretical competence; take a clear stand in emphasizing politics; raise our awareness of the need to maintain political integrity, think in big-picture terms, uphold the leadership core, and keep in alignment; and safeguard the authority of the Party Central Committee with Comrade Xi Jinping as its core and uphold its centralized, unified leadership. We will deepen our understanding of the guiding principles of the Party's strict self-governance so as to ensure better implementation of them, strictly observe political discipline and rules, and create an honest and upright political environment. We will comprehensively improve the administrative bodies of the Standing Committee and special committees. Utilizing the lessons learned from addressing the problems discovered by the central discipline inspection team during its special inspection of these bodies, we will help these bodies better assist and support deputies and ensure their officials are loyal to the Party, honest, and responsible. (Xinhua) ■

# The General Provisions of the Civil Law adopted



CFP

China's national legislature on March 15 passed the General Provisions of the Civil Law, the opening chapter of a civil code planned to be enacted in 2020.

The General Provisions were adopted at the closing meeting of the annual session of the National People's Congress (NPC), with 2,782 of the 2,838 deputies present voting in favor. It takes effect on October 1 this year.

Compiling a civil code, a decision made by the central leadership in 2014, has been deemed as a "must-do" to promote the country's rule of law and modernize State governance, and as a crucial move in building China into a moderately prosperous society by 2020.

A two-step approach has been designed for developing the code. The adoption of the General Provisions, which lays down basic principles for regulating civil activities, marks the crucial first step.

The second step, the compiling of five individual books that deal with property, contract, tort liability, marriage and inheritance, started late last year. Work on the books will be stepped up.

"With the General Provisions, 1.3 billion Chinese will feel more secure and enjoy more equal opportunities and dignity," said Sun Xianzhong, a national lawmaker and deputy head of the China Civil Law Society.

"The birth of the General Provisions is not the finishing line. There is a long way ahead for such a huge project as compiling a civil code," said Sun, who has spent years pushing for the civil code.

## Protection network

The General Provisions are based on a 1986 version, also called the General Principles of Civil Law.

Though historically significant, the 1986 General Principles included some outdated provisions.

Furthermore, with the promulgation of many separate civil laws over past decades, judges might hand down different verdicts in the same case as they turn to different laws when making judgments.

To better handle new conditions arising in China's socio-economic development, lawmakers have revised a number of clauses in the 1986 version and added new ones to better protect individuals and organizations.

The General Provisions add an article for the protection of the interests of fetuses. Fetuses that require protection in the succession of estates and receipt of donations shall be deemed as having the capacity for civil rights.

Yao Jianlong, a law professor with Shanghai University of Political Science and Law, hailed the new provision as "great



progress.”

“If the law fails to properly recognize, respect and protect the rights of fetuses, problems could arise for protecting their rights after they are born,” said Yao.

The General Provisions lower the statutory age limit for minors with limited capacity for civil conduct from 10 to eight years.

The move is primarily designed to raise minors’ awareness of their rights and obligations, said Zhang Rongshun, vice chairman of the Legislative Affairs Commission of the NPC Standing Committee.

The General Provisions stipulate that an adult with no or limited capacity for civil conduct shall be eligible for a guardian, meaning seniors unable to care for themselves will be placed under guardianship.

The 1986 General Principles prescribe guardians only for minors and mentally ill people with no or limited capacity for civil conduct.

In addition, the General Provisions grant the status of “special legal persons” to rural economic collectives and villagers’ committees, among other organizations, which will facilitate their civil activities, such as entering into contracts, and better protect their members’ rights and interests.

Zhang described the new legal document as “keeping with the times and also forward-looking,” evident by the protection for personal information, online virtual assets and intellectual property rights.

The provisions also stipulate that civil subjects must be aware of the need to save resources and protect the environment in their civil activities.

The “green” principle reflects China’s need to strike a balance between its population of 1.3 billion and the environment for a long time to come.

Many opinions and revisions have been taken on board during the process of making the general provisions.

Last year, the draft went through three readings at the bi-monthly sessions of the NPC Standing Committee. Public opinions were solicited multiple times and symposia held to gather suggestions. More than 70,000 opinions were collected.

Upon suggestions by lawmakers, a new provision was added during the just-concluded annual session to hold people accountable for damaging the reputation and honor of heroes and martyrs.

People who harm the name, portrait, reputation and honor of heroes and martyrs, thus hurting the public interest, shall bear civil liability, the provision states.

## Dream coming true

It has long been a dream of China to develop a civil code of its own.

Drafting of the General Provisions started in March 2015, following a decision by the Communist Party of China to compile a civil code at a key meeting in October 2014.

In 1954, 1962, 1979 and 2001 respectively, China made separate attempts to draft a civil law, all halted due to various reasons including political turmoil.

This time China is readier than ever to see the task through to completion.

Since 1979, a series of separate laws have been introduced,

including the Property Law, Inheritance Law and Tort Liability Law, laying a good foundation for compilation of the civil code.

Lawmakers will make necessary revisions to the existing laws to integrate them into the code, said Zhang Rongshun with the NPC Standing Committee.

According to the legislative schedule, the civil code’s individual books are expected to be submitted as a whole for a first reading at a bi-monthly session of the NPC Standing Committee in 2018. The NPC Standing Committee will then organize separate reviews of the books.

“We need a complete civil law system to adapt to the well-off society we are building,” he said. (Xinhua) ■



Zhang Rongshun (C) and Xu Anbiao (R), vice-chairmen of the Legislative Affairs Commission of the NPC Standing Committee, and Wang Aili (L), director-general of the Office of Criminal Laws of the Legislative Affairs Commission of the NPC Standing Committee, take questions on the draft general provisions of civil law and legislation of the NPC at a press conference during the fifth session of the 12th NPC in Beijing on March 9. *Li Xin*



Social workers from Tianning community in Yizheng city, Jiangsu Province introduce the knowledge of General Provisions of the Civil Law on March 20, one day before the 11th World Social Work Day. The National People’s Congress, China’s top legislature, passed the General Provisions of the Civil Law on March 15. *Zhou Xiaoming*

# No hard landing in store for the economy

By Xin Zhiming and Wang Yanfei



Premier Li Keqiang gives a press conference at the Great Hall of the People in Beijing on March 15. Du Yang

China is projected to see steady growth without the likelihood of a hard landing, Premier Li Keqiang said at a news conference on March 15, adding that the nation remains “an important growth engine” for the global economy.

Li said China, for years, has achieved sustained growth thanks to improvements in consumption and industrial upgrades, and that will continue.

On March 14, the nation released higher-than-expected results in macroeconomic data for the year’s first two months, indicating growth remains steady. The data support analysts’ projections that the economy will maintain stable growth momentum this year.

“I have continually heard voices saying China would encounter an economic hard-landing,” Li said. “However, last year, despite the lowest global economic and trade growth in seven years, China maintained medium and high rates of growth.”

“We will not suffer an economic hard landing. Instead, we will maintain medium and high rates of growth in the long run.”

Li said China will not adopt mass stimulus measures but will continue to fuel growth momentum through deepened reform.

China’s GDP growth target for this year of “around 6.5 percent” is not low given China’s already large economic

scale, and would not necessarily be easy for China to achieve, he said.

China will remain an important contributor of global economic growth this year, he told reporters after closure of the NPC’s annual session. The country contributed more than 30 percent of global growth in 2016.

Li conceded that the Chinese economy faces many uncertainties, but he dismissed the possibility of a financial crisis in the country.

“China’s financial system, on the whole, is secure and there will not be systematic risks,” he said. “Once we find financial risks, we will tackle them promptly to prevent them from worsening,” he said. “We have many tools to tackle the situation.”

He said China has ample foreign exchange reserves to satisfy the demands of imports and short-term debt repayments.

The nation’s strong growth performance in the first two months has prompted many analysts to raise their forecasts of the country’s growth prospects this year.

China’s fixed asset investments are expected to continue their strong growth, and the momentum of the first two months is forecast to continue for the whole year, according to investment bank UBS. It has raised its forecast of China’s GDP growth this year to 6.7 percent from previously forecast 6.4 percent. (China Daily) ■

# Further simplify administrative procedures, delegate power

China will forge ahead with reform to balance the government-market relationship, pledging simplified administrative procedures and delegation of power, Premier Li Keqiang said on March 15.

“We are fully determined to push the reform forward until our job is done, no matter what obstacles -- or even resistance -- we may encounter,” Li told a press conference after the conclusion of the fifth session of the 12th NPC.

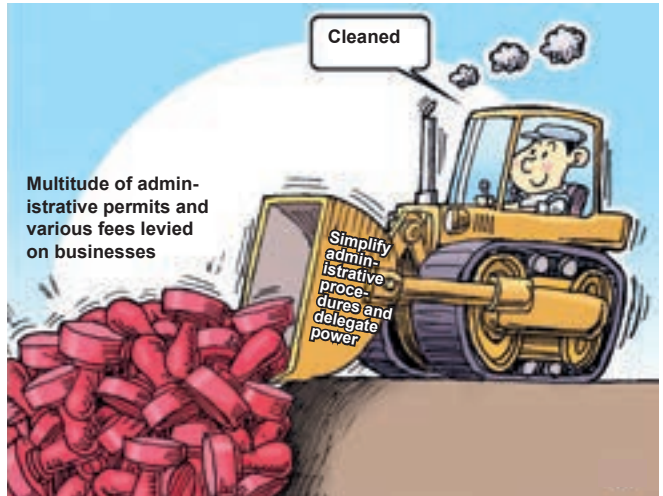
Noting that the government has finished the tasks for the current term of office, set in early 2013, the next round of reform will address the remaining multitude of administrative permits, qualification certificates, and various fees levied on businesses, Li said.

The premier said the government needs to focus more on poverty alleviation, rebuilding of urban run-down areas, providing compulsory education and meeting people’s basic healthcare needs.

The government needs to further improve its oversight and offer better services to businesses and the people, Li said.

“When market access is widened, the focus of the government is ensuring an equal playing field for all market entities,” the premier said, adding that any violation of laws or regulations will be seriously dealt with.

The government should send a resounding “yes” to all law-



Xu Jun

abiding market entities, flash the green light of “go ahead” to all hardworking entrepreneurs and innovators, and deal with all violations by showing them a yellow card as a stern warning or in serious cases, a red card to kick them out of the market, Li said. (Xinhua) ■



Citizens take a number from a number-generating machine at a civil affairs hall in Yinchuan, Ningxia Hui Autonomous Region on February 24, 2016. Yinchuan has taken measures to streamline administrative approval procedures to better serve the people since August 2014. *Li Ran*



Government employees handle administrative approval issues for local citizens in Hangzhou, Zhejiang Province on October 18, 2009. Local governments have taken measures to transform administrative procedures and delegate power in recent years. *Xinhua*

# Chinese judiciary vows to ensure security, enhance justice



Fujian Provincial Higher People's Court CFP

China's top court and procuratorate on March 12 pledged to help maintain social stability and boost economic growth, ahead of a key Communist Party of China (CPC) congress to be convened in the second half of this year.

"[We will] resolutely protect the nation's political security, in particular the security of the State power and the political system," Chief Justice Zhou Qiang said.

Presenting a work report of the Supreme People's Court (SPC) at a plenary meeting of the National People's Congress annual session, Zhou said Chinese courts will help create a "safe and stable" social environment as well as a fair and just legal environment.

CPC and State leaders Xi Jinping, Li Keqiang, Zhang Dejiang, Yu Zhengsheng, Liu Yunshan, Wang Qishan and Zhang Gaoli attended the plenary meeting.

Zhou promised to keep a firm hand on crimes undermining national security and on violent and terrorist crimes in accordance with the law.

Courts will strike hard on severe criminal offenses such as murder and robbery, and hand out due sentences for those involved in telecom and Internet fraud, in order to maintain social stability, the chief justice said.

Procurator-General Cao Jianming, meanwhile, pledged to severely punish infiltrating, subversive and sabotage activities by hostile forces, violent and terrorist crimes, ethnic separatist activities and religious extremist activities, to "safeguard security, protect stability and promote harmony."

Crimes involving Mafia-like gangs, guns, explosives, drug making and trafficking, women and children trafficking, as well as crimes undermining national defense and military interests will also face harsh penalties, Cao said in a report on the work of the Supreme People's Procuratorate.

Last year, Chinese courts convicted a number of people on charges of subverting State power, including Zhou Shifeng, a lawyer who formerly managed the Fengrui Law Firm in Beijing, and Hu Shigen, an illegal church leader. Zhou was sentenced to seven years in prison, and Hu seven years and a half, by a court in Tianjin Municipality.

## No weakening in graft fight

Both Zhou Qiang and Cao Jianming promised that the



Approved by the Supreme People's Court, a court specializing in intellectual property rights (IPR) in Chengdu commences operation on January 9. *An Yuan*



China's anti-corruption seems to be gathering steam by the day. *CFP*

current anti-corruption momentum will not lose steam, and vowed to step up efforts in the administration of justice in major duty crime cases.

China is in the middle of a sweeping campaign against corruption which targets both high-ranking “tigers” and lowly “flies.” Last year, the central authorities announced that the campaign had “gained crushing momentum.”

According to Zhou, China’s court system concluded 45,000 graft cases in 2016, implicating 63,000 people. The defendants included 35 former officials at the provincial and ministerial level or above, and 240 at the prefectural level, he said.

In the meantime, procurators investigated 47,650 people for their suspected involvement in duty-related crimes, according to Cao.

Prosecution proceedings were launched against 48 former officials at the provincial and ministerial level or above, including Ling Jihua and Su Rong, both former vice chairmen of the country’s top political advisory body, and Bai Enpei, a former senior lawmaker with the NPC, Cao said.

Procurators also investigated 17,410 lower level officials suspected of corruption in land expropriation and demolition, social security, management of agriculture-related funds and other issues concerning the people’s well-being, he said.

He went on to highlight the progress in capturing fugitives abroad and recovering their ill-gotten assets.

Since China launched a campaign to hunt down fugitives implicated in duty-related crimes in October 2014, 164 suspects, including 27 listed in an Interpol red notice, have been repatriated or persuaded to return to China from 37 countries and regions, he said.

## Boosting economic growth

The chief justice and procurator-general noted the importance China’s judiciary puts in promoting social and economic development.

This year, the SPC will perfect the country’s bankruptcy trial system to help cut overcapacity and facilitate the supply-side structural reform, one of the top priorities of economic reform.

In 2017, China’s courts will step up trials of foreign-related business and maritime cases to serve the Belt and Road Initiative and the strategy of building China into a major maritime power.

China has extended its maritime jurisdiction to cover all seas under its jurisdiction in an effort to safeguard the country’s maritime rights and interests.

Protection of intellectual property rights (IPR) will also be strengthened as part of the efforts to stimulate innovation and entrepreneurship.

For his part, Cao said Chinese prosecutors will strike hard on crimes that involve disturbing market order, infringement of IPR and encroachment of special government funds.

They will focus on crimes undermining food and drug safety and environmental protection, he added.

Both judicial organs will target cases related to poverty alleviation, a fundamental task in building a moderately prosperous society by 2020 as set by the Chinese government.

“In the face of new situation and new tasks, we will follow the CPC Central Committee with Comrade Xi Jinping as the core, and work harder ... to embrace the Party’s 19th National Congress,” Zhou said.

The CPC will hold its 19th National Congress to elect a new leadership for the next five years. (Xinhua) ■

# China's economic structural reforms boost opportunities for global growth



CFP

China will build on the forward momentum and continue its economic structural reforms in 2017, in an effort to provide more opportunities for global growth.

Deepening supply-side structural reforms, aimed at mid- and long-term stable growth, will remain at the center, according to this year's government work report, which sets the GDP growth target for 2017 at around 6.5 percent.

## Supply-side structural reforms

China's supply-side reforms started in 2016. Among the efforts, capacity reduction will this year expand from coal and steel industries to sectors including coal-fired power, building materials and nonferrous metal, said the National Development and Reform Commission on March 6.

The government work report urges a decisive market role and an improved government role in resources distribution so as to secure progress in this area.

"Aiming to resolve bottlenecks blocking mid- and long-term growth, the supply-side reforms are timely and necessary for a sustainable growth in China," Selcuk Colakoglu, head of Asia-Pacific Studies at the Ankara-based International

Strategic Research Organization, said in a comment.

Former Indonesian Vice Foreign Minister Dino Patti Djalal said, "The resulting economic upgrading will bring more opportunities to the global growth."

Changes are believed to be directly and soon felt in future prices on world markets, of the bulk commodity in particular, as China is the world's second largest economy, as well as the largest coal consumer and steel producer.

For example, China's supply-side reforms last year contributed to an aluminum price hike.

"That (the reform) brings all of us in the industry to a healthier situation, when we see the new levels of prices," Vladislav Soloviev, CEO of the world's leading aluminum producer RUSAL of Russia, said during the World Economic Forum (WEF) held in January in Davos, Switzerland.

He attributed the price rise to an expanding demand in all markets especially China, and was confident about sharing a bright future of China's reforms.

"The market is growing, economic reform is happening, there are a lot of infrastructural reforms ... That's why we are quite optimistic about the demand of the future, also about joint ventures with Chinese companies," he said.

## Innovation-focused upgrading of economy

It is China's priority to transform and upgrade the real economy in order to release potentials for a sustainable growth. The government work report demands innovation take the lead, which is expected to see new concepts, management modes and technologies.

"Problems in the real economy have their roots in a lack of innovation," said Zhou Guohui, deputy of the 12th National People's Congress and head of the provincial science and technology department of Zhejiang in east China.

He believed innovation highlighted developing new and high tech industries so as to open up more growth spaces, as well as transforming traditional industries with the information technology.

The reforms were challenging for such a developing economy as China, as it was turning into a leading first-class

**The government work report demands innovation take the lead, which is expected to see new concepts, management modes and technologies.**



Ning Jizhe, vice director of the National Development and Reform Commission, says during a press conference for the fifth session of the 12th NPC on March 6 that capacity reduction will this year expand from coal and steel industries to sectors including coal-fired power, building materials and nonferrous metal. *Liu Huajun*



Workers from Baogang Group dismantle a steel-making stove in Baotou, Inner Mongolia Autonomous Region on August 31, 2016, which helped cut the production capacity of 1.33 million tons annually. *Lian Zhen*

digital economy and the world's manufacturing powerhouse, Joe Kaeser, President and CEO of German giant Siemens, has said.

Apart from new technologies, innovation involved labor force retraining, he said, noting that Germans would like to share the experience for a smooth transition they went through in 1950s and 1960s.

"We are very eager to bring modern manufacturing software to Chinese manufacturing so they are more efficient, high quality and high scale," the Siemens CEO added.

The world expects to see a successful economic upgrading in China, because it is vital to China's growth, and in turn to global growth amid uncertainties largely from a sluggish global economic recovery and a surge in anti-globalization and protectionism in Western countries.

"The planned growth level will help keep China's contribution to the global growth at around 30 percent, and this will help avert an economic depression worldwide," said Mihail Delyagin, director of the Russian Institute for Globalization Problems.

Indonesia's economist Yudhoyono Firmanzah, a former presidential economic adviser, said that as Indonesia's biggest trade partner, each one percent of China's GDP growth would be translated into 0.3 percent of that in the southeast Asian country.

## A green economic upgrading

The government work report also holds environmental protection as a key factor in China's economic upgrading, to meet people's urgent demand for better environment, especially cleaner air.

Moreover, this serves as a driving force, NPC deputy Zhou said.

For example, economic mode changes entail cutbacks in coal consumption while working to improve energy efficiency. Official data showed a continuous fall in coal use in the past three years in China, where energy use was however up 1.4 percent only for a 6.7 percent growth last year.

China plans this year to close down, halt and delay coal-fired power capacity of at least 50 million kw in total, while quitting coal production capacity in excess of 150 million tons.

In a larger sense, this means China will contribute more to the global fight against climate change.

Macharia Munene, a Nairobi-based foreign relations scholar, praised the latest Chinese move to meet environmental challenges.

As part of innovation efforts, China is taking measures including use of green technologies to mitigate climate change and reduce air pollution, he said recently.

China's economy is moving to "a lighter economy, a modern economy, and this is also reflected in the Chinese energy portfolio very much," Fatih Birol, executive director of the International Energy Agency, has said.

"I think some of the reforms, some of the steps China is making can also be an inspiration for other countries in the world," he said, while noting a slowdown in energy demand growth as well as big and rapid leaps in the development of clean energies in China. (Xinhua) ■

# Stability expected for yuan this year

By Wang Yanfei

**S**ound economic fundamentals and a promising outlook for the world's second-largest economy will help the yuan to naturally stabilize this year, senior officials with the central bank said recently.

Zhou Xiaochuan, head of the People's Bank of China, said the yuan is expected to remain at a basically stable level this year, thanks to achievements in supply-side structural reform and promising signs that have appeared since the fourth quarter of last year.

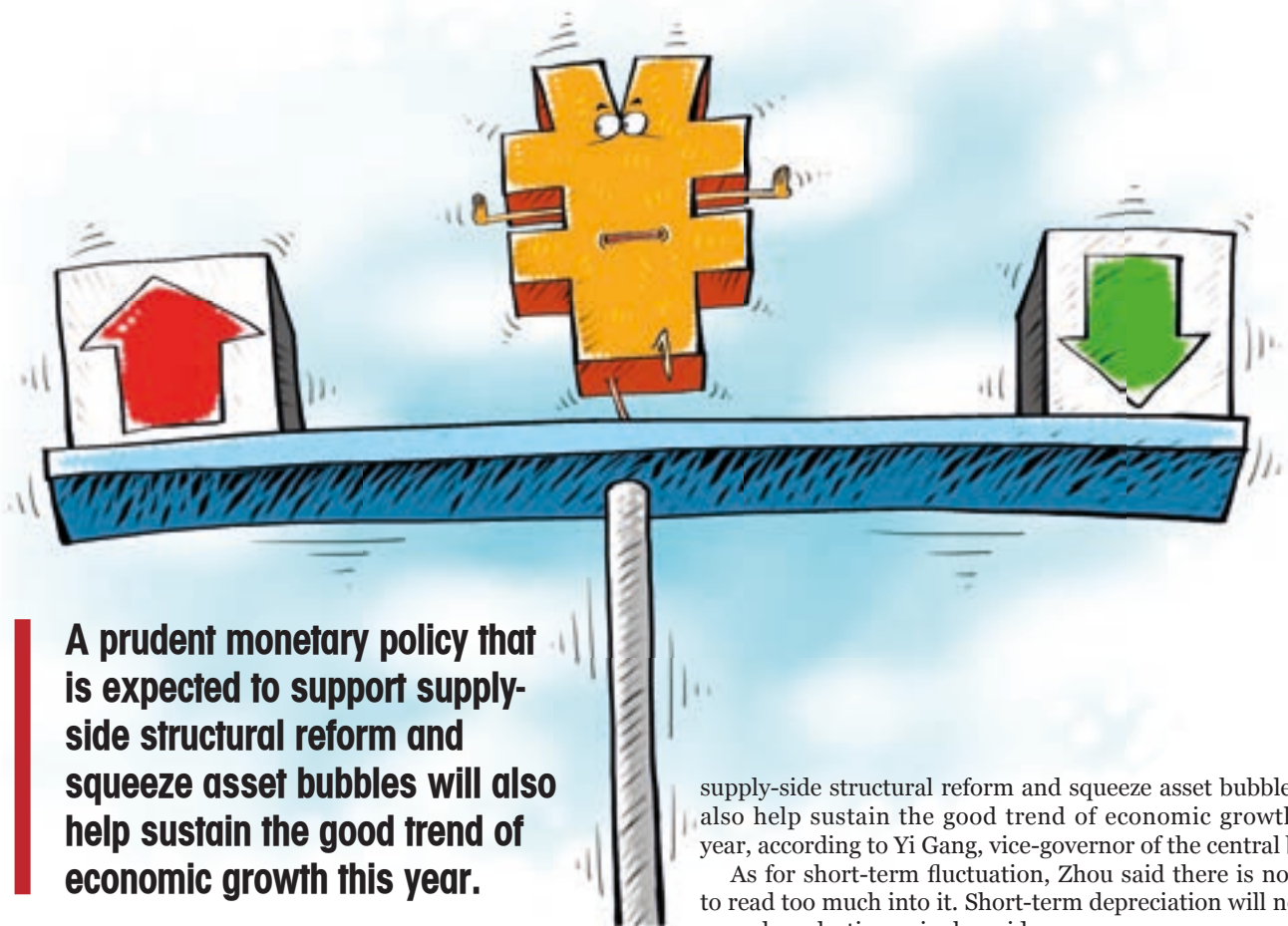
"The market now has brighter expectations for future economic trends," said Zhou, who spoke at a news conference on the sidelines of the annual session of the National People's Congress, the top legislature. "That will help put the exchange rate of the yuan on a trend to become more stable."

A prudent monetary policy that is expected to support

Zhou Xiaochuan (3rd R), governor of the People's Bank of China, greets journalists on March 10 at a news conference on financial reform and development during the fifth session of the 12th NPC in Beijing. *Du Yang*







**A prudent monetary policy that is expected to support supply-side structural reform and squeeze asset bubbles will also help sustain the good trend of economic growth this year.**



supply-side structural reform and squeeze asset bubbles will also help sustain the good trend of economic growth this year, according to Yi Gang, vice-governor of the central bank.

As for short-term fluctuation, Zhou said there is no need to read too much into it. Short-term depreciation will not become long-lasting pain, he said.

Zhou's remarks come amid rising market expectations of a US interest rate hike this month, which have pulled up the dollar index recently.

Zhou refused to take the interest rate gap between China and the United States as a factor that will lead to long-term depreciation pressure on the yuan, saying a currency's exchange rate is determined by economic fundamentals.

Looking ahead, Yi said the central bank will allow the currency to fluctuate within a reasonable range while continuing to implement the exchange rate reform based on market-based principles.

Yi said China will also appropriately use foreign exchange reserves, which now stand at around \$3 trillion, to help keep the yuan's exchange rate stable.

The central bank will also implement policies for regulating the foreign exchange market "in a more precise way" this year, but will not introduce new policies to put stricter controls on capital flows, according to Zhou.

Starting this year, the State Administration of Foreign Exchange has tightened oversight of outbound investment in the property, entertainment, sports and other sectors.

Wang Youxin, an economist with Bank of China, said such efforts will continue at least in the short run to further ease capital outflow pressures.

Strengthened efforts to ensure legitimate outbound investment have helped squeeze out some irrational outbound investment, according to Wang. (China Daily) ■

# Foreign trade continues growth momentum

China's foreign trade retained robust growth in the first two months of the year, adding to signs of a stabilizing economy, customs data showed on March 8.

Imports in yuan-denominated terms increased by 44.7 percent year-on-year last month, markedly higher than market expectations and the 25.2 percent growth in January, according to the General Administration of Customs (GAC).

Exports grew 4.2 percent, slowing from January's 15.9 percent. Total foreign trade reached 1.71 trillion yuan (nearly \$250 billion), up 21.9 percent year on year.

That led to a monthly trade deficit of 60.36 billion yuan, in contrast with a surplus of over 354 billion yuan in January. In the same period last year, China had a surplus of 180.5 billion yuan.

It was China's first deficit in the past three years.

Zhuang Rui, an economic professor of the University of International Business and Economics, attributed the soaring imports figure to commodity price hikes.

"China has for years bought huge amount of commodities to boost its domestic infrastructure, which, however, remained unnoticeable due to low global prices," she said.

GAC confirmed such remarks in an online statement showing steep rises in the value of imported primary commodities in January and February combined.

Imported coal has seen its price more than double from a year ago, with prices of iron ore up 83.7 percent and crude oil up 60.5 percent.

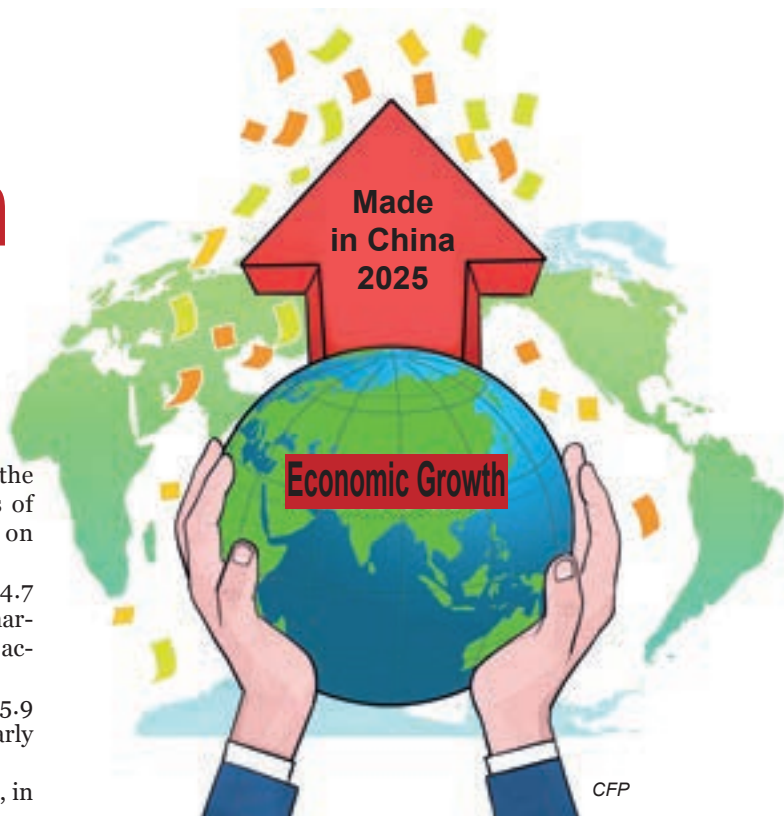
"Holiday factors also contributed to the deficit," said Zhong Yongjun, a researcher with the China Center for International Economic Exchange. "But the situation is not sustainable and the impact on the yuan's exchange rate will be limited."

Chinese exporters usually suspend or slash production during the week-long Chinese Lunar New Year holiday.

February's trade data generally continued the growth momentum since the beginning of the year. Both exports and imports rebounded significantly in January from a lackluster 2016.

In the first two months, exports increased 11 percent from a year ago, and imports jumped 34.2 percent.

China's foreign trade has seen a rosy start of the year, featuring recovering overseas markets, robust domestic demand and brightening outlook, GAC's head Yu Guangzhou said on





Workers from the Shenyang Heavy Machinery Group Co. Ltd. take the shield machine apart before transporting it to Brazil on January 28, 2016.

Yang Qing

## China has vowed to sharpen its trade edge, improving trade policies and moving the processing industry up the global value chain.

Workers assemble concrete mixers at a Foton Auto (Beiqi Foton) workshop in Xuanhua, North China's Hebei Province on June 28, 2016. CFP



the sidelines of the national legislature's annual session.

But analysts said it was still too early to make an optimistic final judgment as the strong year-on-year growth was mainly due to a low base last year.

"Data in the first two months are affected by seasonal factors, and China's trade situation will be more clearly reflected in the figures of the first quarter and first half," Zhuang said. "China still faces grim trade circumstance due to global uncertainties and sluggish external demand."

There are also looming concerns on rising trade protectionism in some countries. Chinese exporters suffered a record 119 trade remedy investigations initiated by 27 countries and regions last year, a 36.8 percent increase from 2015.

Fully aware of the risks, China has vowed to sharpen its trade edge, improving trade policies and moving the processing industry up the global value chain.

The government work report delivered by Premier Li Keqiang on March 5 said China would ensure that foreign trade continues to pick up with policies to optimize imports and exports.

"The report indicated policymakers are paying more attention to trade quality instead of quantity," Zhang said.

China's new Commerce Minister Zhong Shan said the growth pattern in China's foreign trade would be adjusted from simply expanding the volume to improving structure and quality, pledging more effort to reinforce China's role as a big trading nation and push for its increasing trade prowess.

In the first two months, China's trade with the European Union jumped 15 percent from a year ago. The EU is China's biggest trade partner, accounting for 15 percent of the country's foreign trade. Trade with the United States, ASEAN and Japan went up by 18.9 percent, 24.2 percent and 20.1 percent, respectively.

In a products breakdown, machinery and electronics exports rose in the first two months, while labor-intensive industries of textiles and clothes saw shrinking orders.

China's advanced exports index continued its gaining streak to stand at 40.2 in February, up from 39 in January. (Xinhua) ■

# The big diplomatic picture

## China's diplomacy since the 18th CPC National Congress



Reporters from Chinese and overseas media attend Foreign Minister Wang Yi's press conference on March 8. Hou Yu

Since the 18th National Congress of the Communist Party of China (CPC), Chinese diplomats have risen to challenges and broken new ground under the strong leadership of the CPC Central Committee with Comrade Xi Jinping as the core. We have accomplished a great deal and opened a new chapter in major-country diplomacy with Chinese characteristics. Let me try to sum it up with three keywords:

The first keyword is vision. General Secretary Xi has grasped the trend of the times and the course of history and put forward a series of new ideas and new thinking. For example, he has called for building partnerships that replace confrontation with dialogue and alliance with partnership. Then we can build a new type of international relations underpinned by win-win cooperation. On that basis, countries can build a community of shared future for all humankind.

These new ideas and thinking reject the old concepts of alliance and confrontation, [and] rise above the old approach of zero-sum games. They have distinct Chinese characteristics and major implications for the world. They are the guide to action for Chinese diplomats in the new era and will have far-reaching implications for human development and progress.

The second keyword is initiative. Chinese diplomats have worked creatively to secure and advance our country's and people's interests. We have established a global network of partnerships and provided enabling environments and strategic support for China's development.

We have advanced the implementation of the Belt and Road Initiative and opened a new chapter of openness and win-win cooperation. Putting people at the heart of our diplomacy, we have improved consular mechanisms and procedures and effectively safeguarded the legitimate and lawful rights and interests of Chinese citizens and businesses abroad.

The third keyword is consistency. In the face of instability and conflict in many parts of the world, we have adhered to the path of peaceful development. In the face of skepticism over the international order and system, we have called for maintaining it and where necessary, improving it.

Later this year, the CPC will hold its 19th National Congress. Chinese diplomats will continue to forge ahead guided by the diplomatic thinking of General Secretary Xi. China will continue to be an anchor of international stability, an engine of global growth, a champion of peace and development, and a contributor to global governance.

## The Belt and Road Initiative

In about two months' time, China will host the Belt and Road Forum for International Cooperation in Beijing. We foresee the heads of State and government of over 20 countries, the leaders of over 50 international organizations, over 100 ministerial-level officials and around 1,200 delegates from different countries and regions of the world participating in that forum.

In addition to the leaders' roundtable, there will also be a high-level dialogue and six parallel panel discussions on connectivity of policy, infrastructure, trade, finance and people.

The Belt and Road is China's initiative, but it belongs to the world. The idea came from China, but the benefits will flow to all countries. In the over three years since President Xi first announced the initiative, the idea has caught on, and cooperation has flourished. It has become the most popular public good.

With protectionism and unilateralism on the rise, the Belt and Road Initiative is a common cause, where all countries roll up their sleeves and pitch in together. The initiative will help to rebalance economic globalization and make it more inclusive and equitable. It also represents an important attempt at building a community of shared future for all humankind.

## China-US relations

Through the intense communication and joint efforts of both sides, the China-US relationship is transitioning steadily and developing in a positive direction.

In February, President Xi and President Donald Trump had a very important telephone conversation, where they reaffirmed the importance of following the one-China principle and pledged to push China-US relations to greater heights from a new starting point.

The phone call has set the direction and paved the way for bilateral relations. The two sides are having fruitful communications on realizing exchanges between our presidents and at other levels and expanding all areas of cooperation.

As long as we act on the consensus reached between our presidents, follow the principle of no conflict or confrontation, mutual respect and win-win cooperation, then there is no reason why China and the United States cannot become excellent partners.

The importance of China-US relations, one [relationship] between two major countries with global impact, is self-evident. Preserving and developing the China-US relationship is in the interests of our two peoples and [meets] the expectation of the international community.

The three joint communiqués [of 1972, 1978 and 1982] have laid a solid foundation for China-US relations. Looking ahead, it's very important that we rise above two things:

First, we need to rise above the difference of our social systems. China and the United States have chosen different systems and development paths. The Chinese people have great confidence in our own social system and path, and we welcome efforts to build a better United States.

In the age of progress and plurality, there is a compelling reason for China and the United States to respect each other, learn from each other, live together peacefully and realize common development.



Foreign Minister Wang Yi takes questions at a press conference on China's policy on international and regional issues during the fifth session of the 12th NPC in Beijing on March 8. CFP

Second, we need to rise above the zero-sum mentality. China and the United States have a growing set of common interests. The areas where we need to work together on far outweigh our differences. In many ways, our interests are closely intertwined. So, we should pool our efforts to enlarge our shared interests, rather than building one's success at the expense of the other, because it's just not possible.

Recently, I sat next to US Secretary of State Rex Tillerson while we were both attending the G20 Foreign Ministers' Meeting. After that, we had our first face-to-face meeting. My impression is that Secretary Tillerson is a good listener and a good communicator. I hope and believe we can establish a good working relationship and work together to realize the normal development of China-US relations.

## Korean Peninsula nuclearization issue

Tensions are again rising on the Korean Peninsula. On the one hand, the Democratic People's Republic of Korea (DPRK) has ignored international opposition and insisted on advancing its nuclear program and launched ballistic missiles in violation of UN Security Council resolutions. On the other hand, the US and the Republic of Korea (ROK) are conducting military exercises of enormous scale and ramping up military pressure on the DPRK. The two sides are like two accelerating trains coming toward each other with neither side willing to give way. The question is, are the two sides really ready for a head-on collision? Our priority now is to flash the red light and apply brakes to both trains.

To defuse the looming crisis on the peninsula, China proposes that as a first step the DPRK may suspend its nuclear and missile activities in exchange for the halt of the large-scale US-ROK exercises. This suspension for suspension can help us break out of the security dilemma and bring the parties back to the negotiating table. Then we can follow the dual track approach of denuclearizing the peninsula on the one hand and establishing a peace mechanism on the other. Only by addressing the parties' concerns in a synchronized and reciprocal manner can a fundamental solution be found to lasting peace and stability on the peninsula. China's proposal is fully in keeping with UN Security Council Resolutions 2270 and 2321, and tries to get to the crux of the matter. To resolve the

nuclear issue we have to work on both legs, which means not just implementing sanctions but also restarting talks, both of which are set out in the UN Security Council resolutions.

The nuclear issue on the Korean Peninsula is mainly between the DPRK and the United States. China is a next-door neighbor with a lips-and-teeth relationship with the peninsula, so of course we are indispensable to the resolution on the nuclear issue. China has a strong commitment to denuclearizing the peninsula to maintaining stability there and to resolving the issue peacefully. Indeed, China has done its level best to bring the DPRK and US together and to chair the Six-Party Talks. We have also made our contribution to adopting and implementing UN Security Council resolutions. In future, to continue my earlier railway metaphor, China will continue to be a switchman—we will switch the issue back onto the track of seeking a negotiated settlement. And I wish to emphasize that nuclear weapons will not bring security. The use of force is no solution. Talks deserve another chance and peace is still within our grasp.

This year marks the 25th anniversary of diplomatic relations between China and the ROK. China treasures the outcomes that our two peoples have built together over the last 25 years. The ROK should join China in preserving the mutually beneficial relationship between the two sides.

The US-ROK deployment of the very controversial THAAD (Terminal High Altitude Area Defense) system in the ROK is the biggest issue affecting China-ROK relations at the moment. China has expressed its strong opposition to the THAAD deployment all along. It is common knowledge that the monitoring and the early warning radius of THAAD reaches far beyond the Korean Peninsula, and undermines China's strategic security. So clearly, deploying THAAD is the wrong choice. It is not the way neighbors should behave toward each other, and it may very well make the ROK less secure. So we strongly advise some elements in the ROK not to pursue this course of action. Otherwise, they will only end up hurting themselves as well as others. China urges the ROK to cease and desist, halt the THAAD deployment, and not to stray further down the wrong path.

### Western domination and emerging countries

The BRICS countries are representative of the emerging economies. Over the years the fortunes of the BRICS may have risen or fallen, and the BRICS each face their own set of challenges, but as President Xi has put it: The BRICS are like five fingers, each with its own strength. But when we come together, we form a fist that can punch. As long as we stay united, the BRICS will not lose its luster, rather, it will shine more brightly.

This year, BRICS will enter into its second decade. As rotating president this year, China will work with other BRICS countries to review experience, plan the future, ushering the second golden decade of BRICS cooperation and provide BRICS input for world peace and development.

We hope to accomplish four things this year. First in terms of political and security cooperation, we will make full use of the meeting of national security advisors, build consensus for holding a stand-alone foreign ministers' meeting, and demonstrate the strength of BRICS cooperation to the world.

Second, in terms of practical cooperation, we will fully implement the strategy for BRICS economic partnership, enhance policy coordination at the macro level and the complementarity of our development strategies, announce a number of solid cooperation initiatives and add ever more substance to BRICS cooperation. Third, in terms of people-to-people exchange, we will implement the agreements of our leaders and hope to hold a BRICS cultural festival, film festival, sports meet and other activities, to expand all areas of people-to-people exchange and build stronger public support for BRICS cooperation. Fourth and very importantly, in terms of South-South cooperation, we will explore the modality of BRICS-plus by holding outreach dialogues with other major developing countries or groups of developing countries. We hope to establish a more extensive partnership, widen the BRICS circle of friends, and turn BRICS into the most important platform for South-South cooperation.

### Relations between China, Russia and the US

We have great confidence in China-Russia relations. We have a comprehensive strategic partnership of coordination, not because it's convenient; it's a strategic decision reached by both sides on the basis of our fundamental interests. The relationship has stood the test of international vicissitudes and China-Russia relations are as strong as they have ever been and our mutual trust has reached a historic high. The relationship will not be affected or weakened by any external factor. We welcome improvements in Russia-US relations, which will be an important piece of good news for the world. This year,

### The Belt and Road Initiative will help to rebalance economic globalization and make it more inclusive and equitable.



A reporter raises a question on China's foreign policy and external relations at a news conference for the fifth session of the 12th NPC in Beijing on March 8. *Jin Liwang*

the presidents of China and Russia will have multiple face-to-face meetings, which will take our relationship to new heights. China and Russia will improve strategic coordination on international and regional issues and together act as a stabilizer in an otherwise turbulent world.

As for the China-Russia-US relationship in the new era, it should not be a seesaw game; the three countries should work with each other rather than against each other. We should pursue win-win, rather than zero-sum outcomes. We believe the three countries can develop a healthy and positive relationship so that jointly, we can fulfill our responsibilities for world peace and development.

## China's role in global leadership

First, China believes in the equality of all countries, large and small. We don't believe some countries should lead other countries. Second, the UN as the world's most authoritative and credible intergovernmental organization should effectively play its role of coordinating international affairs according to the purposes and principles of its charter. Third, rather than talking about leadership, we should really be talking about responsibility. Comparatively speaking, large countries have more resources and capability, so they should shoulder more responsibilities and make a greater contribution. As a permanent member of the UN Security Council, China will fulfill its obligations for international peace and security. As the second largest economy in the world, China will make its due contribution to growth. As the largest developing country, China will play an even bigger role in upholding the legitimate rights and interests of our fellow developing countries.

## The UN and multilateralism

President Xi's visit to Switzerland-based international organizations sent out a very clear message of China's strong support for multilateralism and China's strong commitment to the UN-centered international system.

In China's view, the current international system was built by our forefathers from the ashes of World War II. It is the result of our common effort and wisdom. It is like a well-designed building with multilateralism being its cornerstone and the UN and other international organizations being its important pillars. Over 70 years have passed, so there has been some wear and tear for sure but the building still saves us from wind and rain and it still plays an irreplaceable role in promoting world peace and development. So what we should be doing is to renovate the building rather than building another structure. On the other hand, the international system cannot stay unchanged. It must be reformed so that it can better reflect the new reality, meet countries' needs and catch up with the changing times.

## China-Africa cooperation

China and Africa are a close-knit community with a shared future. Our cooperation is mutual help between two brothers. No matter how the international situation or the world economy may evolve there will be no weakening in China's support for Africa. What distinguishes China-Africa cooperation is that China always keeps its word.

Since the Johannesburg Summit of the Forum on China-Africa Cooperation more than a year ago, the outcomes have been implemented in a swift and all-round way. Nearly half of the \$60-billion funding support that China promised to Africa has been disbursed or arranged. The Addis Ababa-Djibouti Railway has been completed. The Mombasa-Nairobi Railway in Kenya will soon be. Planning has started for the Pointe Noire special economic zone in the Republic of the Congo; integrated port development in Tanzania is making smooth headway and steady progress is being made in building a number of industrial parks all across Africa.

Responding to Africa's need, China-Africa cooperation is undergoing three shifts: from government-driven to market-driven, from trading goods to cooperation on production capacity, and from engineering contracts to capital investment and operations.

These three shifts will provide new momentum and opportunities for Africa's sustainable development. There is no problem whatsoever in China-Africa cooperation. The only thing is, we need to speed up work and undertake more cooperation projects. Just as China was Africa's most sincere friend during its quest for national independence and liberation, so China will be Africa's most reliable partner in speeding up industrialization and agricultural modernization and boosting its capacity for homegrown development.

## China-Japan relations

The economic and cultural relationship between the two sides is in pretty good shape, but our political relations have stalled. To improve the relationship, both sides must work harder.

This year marks the 45th anniversary of normalized relations between China and Japan, but it also marks the 80th anniversary of the Marco Polo Bridge Incident [in 1937 as the start of Japan's all-out war of aggression against China]. These two anniversary dates represent two totally different paths: one leading to peace and friendship and the other to war and confrontation. Eighty years ago, Japan launched full-scale invasion of China, inflicting horrendous suffering on the people of China and other Asian countries and pushing itself into the dark abyss. Forty-five years ago, Japanese leaders drew the right lesson from history to improve relations with neighbors, thereby realizing fast development at home. However, several decades on, some people in Japan are still torn between the two paths and try to reverse the course of history. We hope all peace-loving people in Japan will make sure their country will move forward in the right direction in this important anniversary year.

As for China-Japan relations, China's position has been consistent and clear-cut. Of course we want to improve relations with Japan for the benefit of our two peoples. But first of all, Japan has to adopt the right frame of mind, be sensible, and come to terms with the fact of China's development and revitalization.

## The Middle East situation

Once again, the situation in the Middle East has reached a crucial crossroads with both risk of growing instability and the hope of peace. In China's view, to nudge the regional situation

in the right direction, three things are of crucial importance.

First, we need to maintain international consensus on fighting terrorism. Second, we need to adhere to the right goal of seeking a political settlement of regional issues. And third we must put the UN in the driver's seat of the Middle East peace process.

The Iranian nuclear agreement is a fine example of settling dispute by political and diplomatic means. Relevant parties should all honor their commitment, fulfill their obligation and

effectively implement that agreement.

The issue of Palestine is an open wound in the Middle East. Peace may be delayed but justice shouldn't be denied. China firmly supports the two-State solution. And we will continue to do what we can to restart the peace talks.

We hope Saudi Arabia and Iran can settle their differences through equal-footed and friendly consultation. China is the mutual friend of the two countries, so if they so desire, China will play its due role. (Beijing Review) ■

## Belt and Road Initiative – idea from China but belongs to whole world

The Belt and Road Initiative has become the most popular public goods and platform for international cooperation with the brightest prospects in the world amid rising protectionism and unilateralism, Chinese Foreign Minister Wang Yi said on the sideline of the recently concluded China's Two Sessions.

Proposed in 2013 by Chinese President Xi Jinping, the initiative has witnessed continuous expansion of its "friend circle", and yield tangible benefits for countries along its routes.

It will provide unprecedented opportunities for the economic and social development of countries involved, as "it is the way leading to the community of shared future for mankind," said Gerrishon K. Ikiara, a senior lecturer at the University of Nairobi.

### Ideal of openness, inclusiveness

With its guiding principles of extensive consultation, joint contribution and shared benefits, the initiative has become a chorus instead of a solo.

Inspired by the ancient major trading route that linked China with Asia, Europe and Africa for a long time, the initiative aims to modernize the ancient trade route while aspiring to create common prosperity within those areas.

While the trends of protectionism and unilateralism are rising, the Belt and Road Initiative has become the common cause of the world which will help rebalance the economic globalization by making it more universally-beneficial and inclusive, said Wang Yi.

"The Belt and Road Initiative is against narrow-minded protectionism and isolationism," said Sergei Luzyanin, director of the Far Eastern Studies Institute under the Russian Academy of Sciences. "We only had the Western European-American option of integration and economic development in the 1990s, now there is a new option from China."

### Global growth stimulator

The construction of the Belt and Road Initiative benefits not only China itself, but also countries along the routes. Against the backdrop of insufficient global demand, the blueprint will make contribution to the world economic growth.

A report issued by China's Renmin University said China has already begun the coordination of its signature initiative with the development strategies of many countries along the route, such

as Kazakhstan's Bright Road program as well as the Sustainable Development Strategy of Kyrgyzstan.

So far, Chinese enterprises have established 56 economic and trade cooperative areas in more than 20 countries along the routes, invested accumulatively more than \$18 billion, and created 1-billion-dollar revenue and 160,000 jobs.

Last year, China's direct investment in 53 countries along the routes reached 14.53 billion dollar and the total value of contracts China signed with 61 related countries reached over 126 billion dollars.

This year, the construction of the Belt and Road Initiative will continue to be a growth point of the global economy, and the further expanding of trade exchange, infrastructure connectivity and financial intermediation will drive the development of production capacity cooperation, cross border e-commerce and other fields.

### New engine for globalization

Globalization currently is facing various problems and challenges, and the China-proposed Belt and Road Initiative will become the engine for the future of globalization, said Pascal Lamy, former chief of the World Trade Organization, while addressing a public session recently in Jakarta.

Globalization in the past was basically driven by the West and now the new globalization will be motivated more by the East than the West, Amitav Acharya, writer of the popular book "The End of American World Order," said in a recent interview.

When the West moves backward by erecting "walls", the East is building its gateway to the outside world, embracing globalization via China-proposed Belt and Road Initiative, Malaysia's New Straits Times said in an article published on its website.

Proposed in 2013, the initiative has so far gained the support of over 100 countries and international organizations, and more than 40 of them have signed cooperation agreements with China.

"China's initiative to jointly build the Belt and Road, embracing the trend towards a multipolar world, economic globalization, cultural diversity and greater IT application, aims at being highly efficient in terms of the allocation of resources, and at achieving a deep integration of markets among the countries concerned," said Keith Bennett, vice chair of the London-based 48 Club Group.

"It will thereby jointly create an open, inclusive and balanced regional economic cooperation architecture that benefits all," the British business leader said. (Xinhua)



CFP



# Defense budget in 2017—1.3% of GDP

## China continues to pursue military reform and moderate expenditure growth

By Bai Shi and Ji Jing



Colonel Pu Yi (R), the commander in chief of 15th batch of Chinese contingent with the UN Interim Force in Lebanon (UNIFIL), receives peace medals from Pierre Liot de Nortbecourt, the chief staff of UNIFIL, in Hin-nivah village in southern Lebanon on March 8. *Hua Xun*

China will increase its defense budget by around 7 percent in the fiscal year of 2017, and overall military spending will account for about 1.3 percent of GDP, according to the press conference held on March 4 in the lead-up to the 5th session of the 12th NPC.

Major General Chen Zhou, a senior researcher at the Academy of Military Sciences of the Chinese People's Liberation Army (PLA) made an in-depth analysis on China's defense and military reform in a group interview in Beijing on March 4. Chen is also a deputy of the 12th NPC.

Chen explained that the increase in defense spending is based on the country's economic conditions and national defense requirements.

"The defense fees will be used to support national defense and military reforms as well as accelerating the upgrading of military equipment. In the meantime, a large proportion of the budget will be devoted to improving the training and living conditions of local-level troops and cultivating high-caliber military officers. Lastly, the spending will be used to support the integration of the military and civilian [technologies]," said Chen.

He explained that China's military was traditionally land-based and human-intensive with a defensive nature. China needs to strengthen other aspects of the army in the context

of enhancing military reform, the country's changing security situation and the evolving forms of war. Construction of the navy, air force, rocket force and strategic support force should be overhauled by channeling defense spending toward them. Meanwhile, land force should be reduced and old and outdated defense equipment should be phased out.

### The next step

So far, China has launched structural reform in military leadership and the commanding mechanism, gaining a breakthrough on progress. As for the direction of the next steps, Chen said that China will set about reforming the scale and structure of military forces, trimming the number of army troops and strengthening the navy, air force and strategic forces.

"A major challenge for military reform might be to alter its mindset," he stressed. Chen explained that the current military system has been working for three decades. It performed well in the past, but now, it has to be upgraded because of the changing situation.

China must seek innovation to adapt to the needs of time and defense development. "This year marks the 90th anniversary of the establishment of the PLA. We have the confidence to fulfill military reform," Chen said.

### Contribution to international peace

"China's growing global status and influence require it to shoulder more international responsibilities and obligations, and the military is an indispensable part," Chen noted. He said that China has taken an active part in the UN's peacekeeping operations since 1990 and the number of the country's peacekeeping soldiers has reached 35,000 at present.

China contributes more troops to United Nations (UN) peacekeeping missions than any other permanent member of the UN Security Council. It has also participated in escort missions in the Gulf of Aden and the Somali waters, having sent 25 fleets to escort over 6,000 vessels, over half of which are foreign. Moreover, China has taken part in security cooperation in anti-terrorism and humanitarian aid.

"I believe the Chinese military will better perform its international obligations to make a greater contribution to world peace and development," Chen added. (Beijing Review) ■

# Harsher measures will target smog

By Zheng Jinran



Smog shrouded watchtower of the Forbidden City in Beijing on March 4, 2016 CFP

**C**urbing winter smog in the north has become a priority and challenge for air quality improvement, leading to harsh measures this year, the environmental minister said on March 9.

Measures will include more efforts to reduce coal consumption for heating, stricter laws and regulations on environmental protection, and more inspections to deter polluters and push governments to fulfill their duties in reducing pollution.

“The central government will take harsher measures to curb winter smog in the north this year, especially by implementing fully the efforts in reducing coal consumption for heating,” said Chen Jining, minister of environmental protection, during the plenary session of the 12th National People’s Congress.

Although the average concentration of PM2.5 - hazardous airborne particulate matter with a diameter of 2.5 microns or less - has decreased by 9.6 percent over the past three winters in the Beijing-Tianjin-Hebei region, several bouts of severe smog hit the region since autumn last year, causing another round of national debate.

In contrast, PM2.5 levels dropped by at least 20 percent over the same period in the Yangtze River Delta and the Pearl River Delta.

Besides weather conditions in the north that were not conducive to dispersing pollutants, other critical factors were excessive discharges of pollutants from industrial production and consumption of coal.

The minister said previous control measures are proving

effective, with large drops in pollutants. These measures were mainly those listed in the national campaign against air pollution, with specific requirements since 2013 for lowering pollutant emissions.

Though the concentration of PM2.5 dropped slowly this past winter, the Beijing-Tianjin-Hebei region’s annual average PM2.5 concentration last year was 33 percent lower than in 2013.

The new Environmental Protection Law, which took effect on January 1, 2015, presented environmental authorities with more weapons to fight polluters, said Tian Weiyong, head of environmental inspection for the ministry, in previous statements.

Data from the ministry showed that, based on the new Environmental Protection Law, 2,465 polluting companies were shut down last year, and environmental authorities at all levels levied fines totaling 6.63 billion yuan (\$959 million) on the polluters, a year-on-year increase of 56 percent.

Additionally, inspection teams sent by the central government reviewed 16 provincial-level regions last year.

Governments that fail to protect the environment as required will face punishments as well, he warned.

Despite the challenge, Chen was confident that China can solve pollution issues faster than developed countries.

“Many of them have spent 20 to 40 years, or even 50 years, to solve air pollution,” said Chen. “It’s hard to solve air pollution (in China) within two to three years. ... I can assure you that we can solve the air pollution issues faster than the developed countries.” (China Daily) ■



CFP

## Better protection of personal information

**C**hinese lawmakers have called for more effective response systems to better protect personal information.

China's Ministry of Public Security said that police in 2016 arrested 4,261 suspects in 1,886 cases related to infringement of personal information on March 10.

Among the suspects, 391 were insiders in industries including banking, education, telecommunications, delivery services, the stock market and e-commerce, said the ministry.

The Internet Society of China estimated junk messages, leaked personal information and fraud led to losses of about 91.5 billion yuan (about \$13.2 billion) in 2016.

Ma Huateng, national lawmaker and chairman and chief executive officer of Tencent, a leading Internet company, said there are about 1.5 million people doing illegal business online, citing government figures.

"The government shall create an industry standard for web data safety. It should coordinate telecommunications, finance and Internet companies to better handle information leaks. A system needs to be built for people to make reports of information leaks so that relevant organizations can perform damage control as early as possible," Ma said.

Shao Zhiqing, lawmaker and deputy director of Shanghai Municipal Commission of Economy and Informatization,

said the potential for huge profits is driving the increase in information leaks. "The most urgent thing to do is to cut off the profit chain," he said.

"We must establish a rule governing the trade and communication of big data. Controllability and safety is the most important thing in data flow," he said, while emphasizing the need to limit the black market.

Companies have rarely been punished for leaking the information of their users, experts said.

"The law should identify parties responsible for protecting personal information, and punitive measures shall be made more harsh," said Chen Jingying, deputy head of Shanghai Lixin University of Accounting and Finance.

"We need to set high fines for those who infringe upon personal information. Repeat violations shall be considered serious criminal offenses," Chen said.

Police in Bengbu City of Anhui Province announced on March 10 that 96 suspects had been caught for hacking into the servers of Internet companies and stealing more than 5 billion items of personal information in the transportation, logistics, medical, social and banking fields.

The stolen information was traded online or used to hack into bank accounts. Police in more than 14 provinces and municipalities joined together to catch the suspects. (Xinhua) ■

# Employment rate to be given priority

By Hu Yongqi



Job seekers attend a job fair in Mengcheng county, Anhui Province on February 4. Hu Weiguo

China will not allow large-scale unemployment, given its ability and willingness to create new jobs and ensure the basic needs of those who temporarily lose their employment, Premier Li Keqiang told reporters on March 15.

“You may notice that this year’s Government Work Report sets an employment target of 11 million new jobs in urban areas, 1 million more than last year’s target,” Li said at the news conference the premier customarily holds after closure of the National People’s Congress annual session.

Li said China has created more than 52 million jobs over the past four years. He has repeatedly emphasized the significance of jobs as the linchpin to boosting people’s incomes and maintaining social stability.

More than 13 million new jobs were created in urban areas last year, exceeding the year’s target by 30 percent, according to the Ministry of Human Resources and Social Security. China will create about 50 million jobs by 2020, according to a guideline plan on employment released this year by the State Council, China’s cabinet.

Some pressure is expected this year for job seekers, however, as a record high 7.95 million college students and about 5 million students at secondary occupational schools are expected to graduate this summer, Li said.

In addition, thousands of workers are waiting to be transferred to other posts from factories that are scheduled to cut excess production capacity.

“We will cultivate an environment that helps business startups and creates new jobs, instead of relying solely on the government. With their hard work and wisdom, the public will make ‘a golden bowl’ for a better life,” he said, making reference to the “iron rice bowl”, or guaranteed government jobs, of past eras.

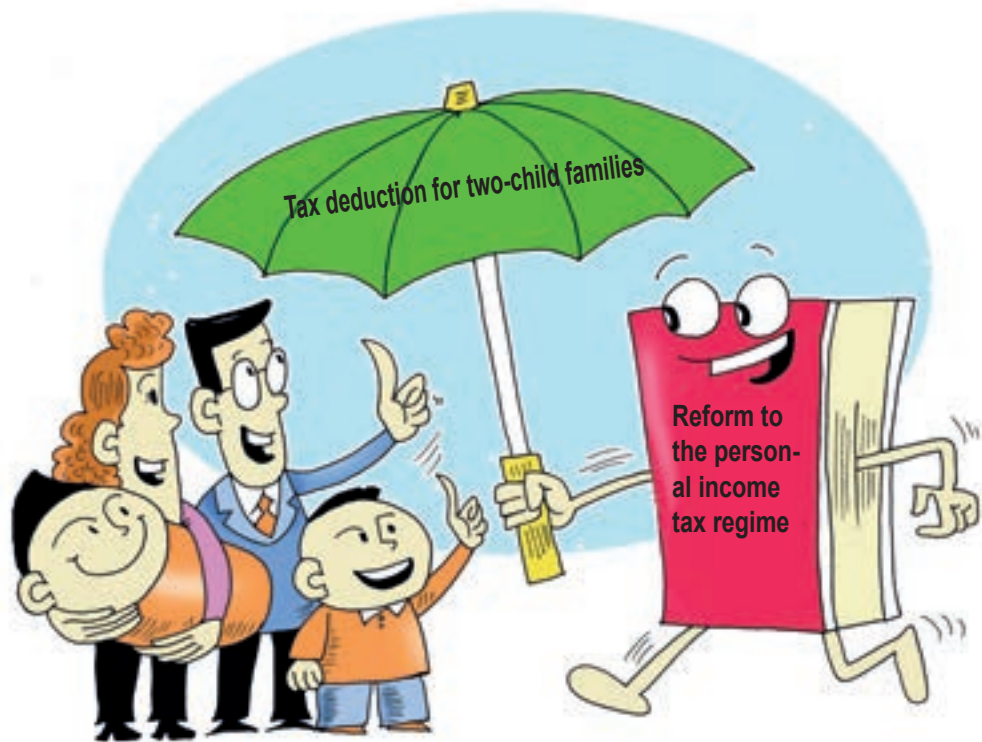
Yin Weimin, minister of human resources and social security, said last week that while college graduates remain an important group, more than 3 million people from rural areas also are expected to find jobs in cities.

Che Xiaorui, an NPC deputy from Zhejiang Province, suggested the strengthening of professional training and cooperation between schools and enterprises to help graduates find satisfying jobs.

Last year, 720,000 workers were transferred to other posts amid the country’s campaign to cut overcapacity in some traditional industries like the coal and steel sectors, Li said. The central government spent 100 billion yuan (\$14.5 billion) last year to help local governments in the campaign, the premier said.

Excess capacity will be cut in the coal-generated power sector this year, which will cause a total of 1 million workers also to be transferred to other positions, Li added.

“Jobs are the origin of wealth and the major source of residents’ incomes, and we have carried out proactive policies on employment in recent years. This year, priority is being given to this area to keep a low unemployment rate,” he said. (China Daily) ■



CFP

## Working parents welcome more public nursery services

**C**hinese working mothers are pleased with the proposal to provide public nursery services during the annual Two Sessions.

The proposal states that financial support for public nursery services and private investment in the sector must be encouraged.

“I am now looking for a qualified nursery for my two-year-old son as his grandma can no longer take care of him due to poor health,” said Bi Huahua, who works for a foreign enterprise in Beijing.

“Public kindergartens usually take children who are above three years old, but can’t wait another year,” she added.

A lack of eligible people to take care of children has become a common headache for working parents in big cities, such as Beijing, Shanghai, Guangzhou and Shenzhen.

“A qualified nursery will help working moms to balance their lives, and I am really looking forward to that,” posted WeChat user Nuannuanma.

“Professional nurseries will help to reduce quarrels with our mothers-in-law as we sometimes disagree on how to raise a child, and developed countries already provide such services,” posted Iqsi on Weibo, a Twitter-like service.

China implemented the one-child policy in the late 1970s

to rein in a surging population.

In order to cope with an aging society, since January 1, 2016, married couples have been allowed to have two children. This follows an easing of the one-child policy in 2013 that allowed couples to have a second child if either parent was an only child.

However, according to a survey of 10,000 families with children under 15 years old by the All-China Women’s Federation in December last year, 53.3 percent of one-child families do not want a second child.

Another survey, by the National Health and Family Planning Commission in 2013 and 2015, showed that there were three main factors affecting willingness to have a second child: women’s career development, insufficient child-care resources, especially for toddlers, and financial considerations.

In an effort to support the two-child policy, China has promised to provide 89,000 more maternity beds as well as 140,000 more obstetricians and midwives by 2020.

“The government is considering a tax deduction for two-child families,” said Finance Minister Xiao Jie at a press conference during the Two Sessions. (Xinhua) ■



↑ Lei Yan (L), an NPC deputy from Guizhou Province, uses a tablet computer to exhibit photos of ethnic minorities on March 6, when attending the panel discussion during the 5th session of the 12th NPC in Beijing. *He Junyi*



↑ An NPC deputy from Guangdong Province speaks at a panel discussion during the fifth session of the 12th NPC on March 6. *CFP*



↓ An NPC deputy from Tibet Autonomous Region receives media interview on March 5 after attending the opening meeting of the 5th session of the 12th NPC at the Great Hall of the People in Beijing. *Yu Qingmei*

↑ Deputies to the 12th NPC from Tianjin Municipality take part in a panel discussion in Beijing on March 7, attracting a lot of journalists. *Yue Yuewei*



↓ NPC deputies from Xinjiang Uygur Autonomous Region attend a panel discussion on March 12 to deliberate the draft General Provisions of the Civil Law and work reports of the Supreme People's Court and Supreme People's Procuratorate. *Du Yang*



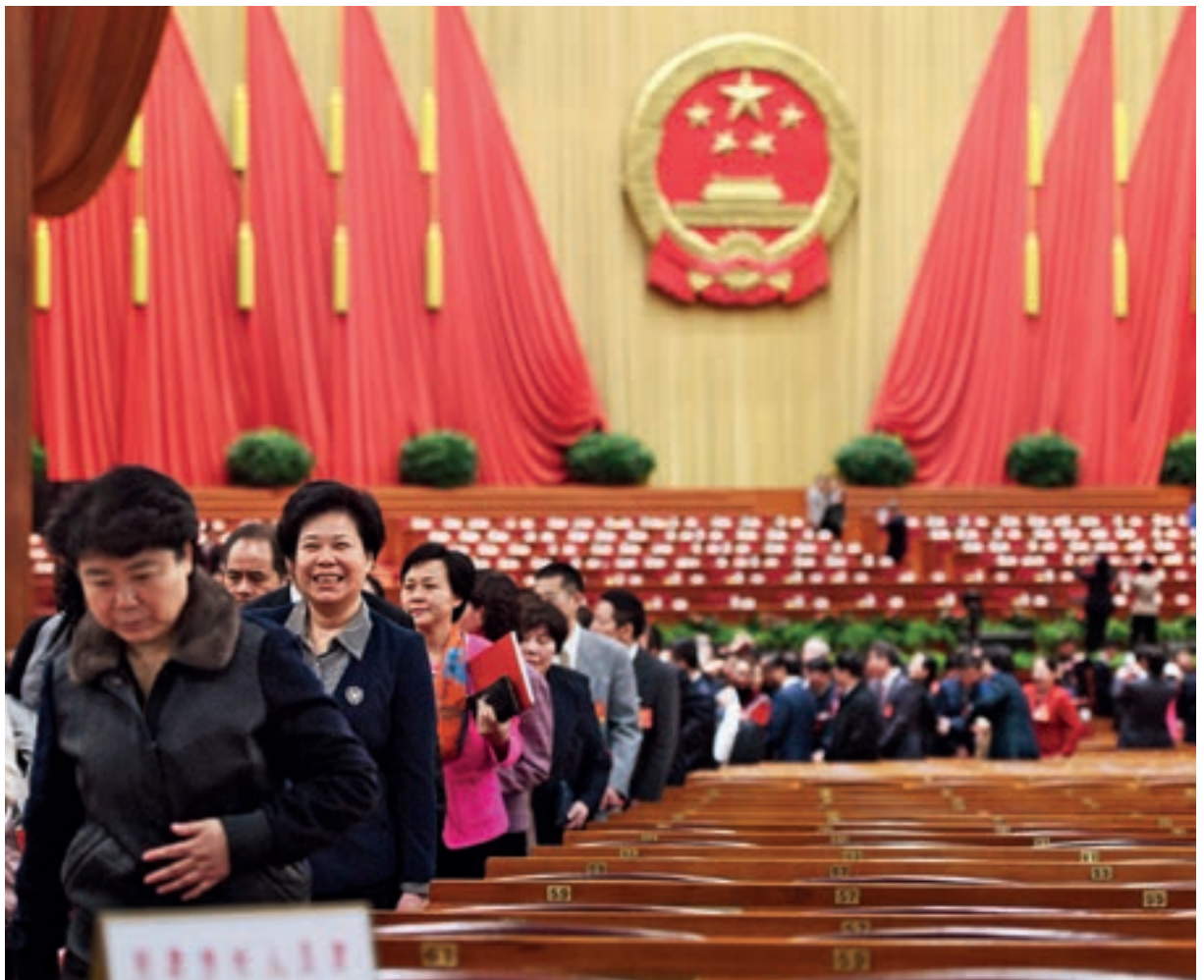


↑ NPC deputy Cui Xiangqun (R) chats with another NPC deputy Wu Xiaobei during the 5th session of the 12th NPC in Beijing. Cui suggests that China should strengthen its effort in the research and innovation of large scale scientific facilities. *Jin Liwang*



↑ NPC deputy Lu Yunhui (2nd L) speaks to other deputies from Guizhou Province when discussing budget reports on March 7 delivered during the 5th session of the 12th NPC in Beijing. *CFP*

↓ NPC deputies leave the Great Hall of the People after the closing meeting of the fifth session of the 12th NPC in Beijing on March 15. *Wang Jianhua*



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