**REPORT ON THE WORK OF THE GOVERNMENT**

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Fellow Deputies,

On behalf of the State Council, I will now report to you on the work of the government and ask for your deliberation and approval. I also invite comments from members of the National Committee of the Chinese People’s Political Consultative Conference (CPPCC).

**I. 2018 in Review**

The year 2018 was the first year for putting the guiding principles of the 19th National Congress of the Communist Party of China fully into effect. It was also this government’s first to perform, in accordance with law, the functions of office. In pursuing development this year, China faced a complicated and challenging domestic and international environment of a kind rarely seen in many years, and its economy came under new downward pressure.

Under the firm leadership of the Party Central Committee with Comrade Xi Jinping at its core, we, the Chinese people of all ethnic groups, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, forged ahead and overcame difficulties. The year’s main targets for economic and social development were accomplished, and in building a moderately prosperous society in all respects, we made major progress toward a decisive victory.

**The main economic indicators were kept within an appropriate range.** Gross domestic product (GDP) grew by 6.6 percent, exceeding 90 trillion yuan. Economic growth matched electricity consumption, freight transport, and other indicators. Consumer prices rose by 2.1 percent. In the balance of payments a basic equilibrium was maintained. A further 13.61 million new urban jobs were added, and the surveyed unemployment rate remained stable at a comparatively low level of around 5 percent. As a big developing country with a population close to 1.4 billion, we have attained relatively full employment.

**Economic structure was further improved.** Consumption continued to play an increasing role in driving economic growth. The service sector’s contribution to growth approached 60 percent. Growth in high-tech industries and equipment manufacturing outstripped that of other industries. Harvests were again good. Energy consumption per unit of GDP fell by 3.1 percent. The quality and returns of growth continued to improve.

**New growth drivers grew rapidly.** A number of major scientific and technological innovations were made, like the Chang’e-4 lunar probe. Emerging industries thrived and traditional industries saw faster transformation and upgrading. Business startups and innovation continued to surge nationwide, with an average of over 18,000 new businesses opening daily and the total number of market entities passing the 100 million mark. New growth drivers are now profoundly changing our mode of production and way of life, creating new strengths for China’s development.

**New breakthroughs were made in reform and opening up.** Institutional reforms of both the State Council and local governments were implemented smoothly. New progress was made in reform in key fields. The negative list system for market access was put fully into effect. Reforms to streamline administration and delegate power, improve regulation, and upgrade services were intensified, and our business environment rose significantly in international rankings. Opening up was expanded on all fronts, and joint efforts to pursue the Belt and Road Initiative (BRI) made significant headway. The first China International Import Expo was a success. Work began on building the China (Hainan) Pilot Free Trade Zone. China’s total volume of trade in goods exceeded 30 trillion yuan, and its utilized foreign investment totaled US$138.3 billion, ranking China first among developing countries.

**The three critical battles got off to a good start.[[1]](#footnote-0)** We forestalled and defused major risks. The macro leverage ratio trended toward a stable level; the financial sector was generally stable. Precision poverty alleviation made significant progress, with the rural poor population reduced by 13.86 million, including 2.8 million people assisted through relocation from inhospitable areas. Pollution prevention and control was strengthened, and PM2.5 concentrations continued to fall. Marked achievements were made in ecological conservation.

**Living standards continued to improve.** Per capita disposable personal income grew by 6.5 percent in real terms. The threshold for individual income tax was raised and six special additional deductions were created. Support for basic elderly care and basic health care was strengthened. Close to 100 million payments were made to assist students from families in financial difficulty, covering all school types. More than 6.2 million housing units were rebuilt in rundown urban areas and 1.9 million dilapidated rural houses were renovated. Urban and rural living standards continued to rise.

We solemnly commemorated the 40th anniversary of reform and opening up, thoroughly reviewed its great achievements and the valuable experience gained in its pursuit, and pledged our resolve to see reform and opening up through in the new era, thus galvanizing the Chinese people of all ethnic groups to continue their hard work to make new historic achievements.

Looking back at the past year, we can see that our achievements did not come easily.

What we faced was profound change in our external environment. Setbacks in economic globalization, challenges to multilateralism, shocks in the international financial market, and especially the China-US economic and trade frictions, had an adverse effect on the production and business operations of some companies and on market expectations.

What we faced were severe challenges caused by the growing pains of economic transformation. An interlacing of old and new issues and a combination of cyclical and structural problems brought changes in what was a generally stable economic performance, some of which caused concern.

What we faced was a complicated terrain of increasing dilemmas. We had multiple targets to attain, like ensuring stable growth and preventing risks; multiple tasks to complete, like promoting economic and social development; and multiple relationships to handle, like that between short-term and long-term interests. And the difficulty of making policy choices and moving work forward increased markedly.

With the concerted efforts of the whole country, the Chinese economy, from a larger base, achieved generally stable growth while making further progress; and social stability was ensured. This once again shows that the Chinese people, under the leadership of the Communist Party of China, have the courage, vision, and strength to prevail over any difficulty or obstacle. There is no difficulty that cannot be overcome in China’s pursuit of development!

Over the past year, we fully implemented all major policies and plans made by the Party Central Committee with Comrade Xi Jinping at its core. We followed the general principle of pursuing progress while ensuring stability, and worked holistically to maintain stable growth, advance reform, make structural adjustments, improve living standards, and guard against risks. We handled economic and trade frictions with the United States appropriately. We worked to ensure stable employment, a stable financial sector, stable foreign trade, stable foreign investment, stable domestic investment, and stable expectations. Our main work of the past year was as follows.

**First, we developed new ways to improve macro regulation and ensured a generally stable economic performance.**

Facing new circumstances and developments, we were firm in choosing not to adopt a deluge of strong stimulus policies, and we maintained the continuity and consistency of macro policies. As we conducted regulation to keep main economic indicators within an appropriate range, we also improved targeted and well-timed regulation, and carried out anticipatory adjustments and fine-tuning.

We continued to pursue a proactive fiscal policy, focusing on cutting taxes and fees, strengthening areas of weakness, and promoting structural adjustment. We reduced VAT rates and expanded the coverage of tax relief for small businesses with low profits, and introduced preferential tax policies to encourage R&D and innovation. Over the year, the tax and fee burden on enterprises and individuals was thus reduced by around 1.3 trillion yuan. We improved the composition of budgetary spending, put idle budgetary funds to use, and ensured spending in key areas.

We maintained a prudent monetary policy and encouraged financial support for the real economy. In response to the difficulties and high costs of financing, we reduced required reserve ratios four times, and applied a combination of measures to ease funding shortages faced by private enterprises and small and micro businesses. Initial success was thus made in curbing the rising cost of financing.

We promptly responded to abnormal fluctuations in the stock and bond markets, and kept the RMB exchange rate basically stable. China’s foreign exchange reserves were maintained at over US$3 trillion.

**Second, we took solid action in the three critical battles and made good progress in carrying out key tasks.**

We drew up and began the systematic implementation of a three-year action plan for the three critical battles.

We made steady progress in structural deleveraging, handled risks in the financial sector prudently and appropriately, prevented and controlled local government debt risks, and reformed and improved mechanisms for conducting regulation over the real estate market.

We made further progress in precision poverty alleviation. We strengthened poverty relief capacity, increased budgetary input, and encouraged society to assist poverty alleviation. The self-development capacity of poverty-stricken areas was steadily enhanced.

We launched an all-out fight to keep our skies blue, our waters clear, and our land pollution-free. Energy and transportation structures were upgraded. The replacement of coal with natural gas and electricity in North China was steadily advanced. The system of river chiefs and lake chiefs was established across the country. The use of both chemical fertilizers and pesticides was reduced. Inspections and law enforcement for environmental protection were strengthened. And we took active steps to respond to climate change.

**Third, we deepened supply-side structural reform and steadily unleashed the dynamism of the real economy.**

We strengthened work to cut ineffective supply, foster new growth drivers, and reduce costs in the real economy.

We made progress in using market mechanisms to cut capacity in the steel and coal industries.

Measures were implemented to ensure stable investment; as a result, investment in manufacturing and private investment rebounded markedly. Policies were adopted to stimulate consumer spending. Internet Plus initiatives were advanced across the board, and new technologies and models were used to transform traditional industries.

We deepened efforts to streamline government functions and cut taxes and fees. A number of government permits were abolished, the reform separating permits from the business license was implemented nationwide, the time needed to start a business was considerably shortened, and the types of industrial production permits were cut by over a third. Oversight conducted through the random selection of both inspectors and inspection targets and the prompt release of results was implemented nationwide.

We overhauled the charges and fees levied on businesses, and encouraged cuts in the cost of energy, broadband services, and logistics. We advanced the Internet Plus Government Services initiative, the local authorities explored and extended a number of distinctive reform measures, and both businesses and the public now enjoy increasingly better access to government services.

**Fourth, we continued to implement the innovation-driven development strategy and further increased innovation capacity and performance.**

We greatly improved the innovation ecosystem to keep innovators of all kinds fully motivated. The reform of the management system for science and technology was deepened, steps were taken to achieve breakthroughs in core technologies for key fields, and the building of major science and technology infrastructure and innovation centers was stepped up.

We strengthened the principal position of enterprises in technological innovation, and extended the policy on raising the proportion of additional tax-deductible R&D costs to cover all enterprises.

We developed policies and measures to support innovation and business startups. The volume of contracted technology transactions grew by over 30 percent. The contribution of technological advances to economic growth has risen to 58.5 percent.

**Fifth, we intensified reform and opening up and continued to strengthen the momentum of development.**

We deepened reforms of state capital and state-owned enterprises (SOEs) and made new gains in upgrading and restructuring SOEs and in improving their quality and performance. In addressing difficulties and issues encountered by private enterprises, we used every feasible means to help them overcome problems and concerns.

We advanced the reform of the fiscal and tax systems, and launched performance-based budget management reform across the country. We reformed the financial regulatory system and improved the mechanisms through which interest rates and exchange rates are set by the market. Steady progress was made in reforms related to agriculture, rural affairs, social programs, and environmental protection.

In opening up, we introduced a series of major moves. Joint efforts to pursue the Belt and Road Initiative are producing a pace-setting effect, cooperation mechanisms for countries along its routes are steadily improving, and economic cooperation, trade, and cultural and people-to-people exchanges under the Initiative have gathered momentum.

We launched policies to ensure steady growth in foreign trade, and cut the time needed for customs clearance by more than half. Import tariffs on some goods were lowered, and the overall tariff level was reduced from 9.8 to 7.5 percent.

A number of new integrated pilot zones for cross-border e-commerce were established. Reform measures proven to work in pilot free trade zones were replicated and applied elsewhere. We shortened significantly the negative list for foreign investment, opened up sectors like finance and automobiles wider to foreign competition, and sped up the implementation of a number of major foreign investment projects. The number of new foreign enterprises grew by nearly 70 percent.

**Sixth, we pursued balanced development across rural and urban areas and regions and sped up the formation of a pattern of positive interplay.**

The rural revitalization strategy was implemented with vigor; grain output was kept above 650 million metric tons. Solid progress was made in the pursuit of new urbanization, and close to 14 million people originally from rural areas gained permanent urban residency.

A full range of reforms and innovative measures were introduced to advance development in the western region, revitalize the northeast, energize the central region, and support the eastern region in spearheading development.

Major progress was made in boosting the coordinated development of the Beijing-Tianjin-Hebei region. Along the Yangtze Economic Belt, efforts to prioritize ecological conservation and boost green development were strengthened.

Substantive steps were taken in the planning and building of the Guangdong-Hong Kong-Macao Greater Bay Area, and the Hong Kong-Zhuhai-Macao Bridge was opened to traffic.

We expanded support for reforms and development in old revolutionary base areas, areas with large ethnic minority populations, border areas, and poor areas.

Another 4,100 kilometers of high-speed railways opened to traffic, and over 6,000 kilometers of expressways and more than 300,000 kilometers of rural roads were built or improved.

With all this, the balance in development between rural and urban areas and between regions has continuously improved.

**Seventh, we continued to ensure and improve living standards in the course of pursuing development and enabled the people to share more fully and fairly in the benefits of reform and development.**

We took prompt steps to ease the impact of changes in the external environment on employment.

We made strong moves to ensure the implementation of policies on pay packages of teachers in compulsory education, stepped up the development of small rural schools and boarding schools in towns and townships, and fostered development of substance in higher education.

We established a system for the central government to allocate nationwide enterprise employees’ basic aged-care insurance funds, raised retirees’ basic pensions, and increased the minimum basic aged-care pension benefits for rural and non-working urban residents from 70 to 88 yuan per person per month.

We continued to increase benefits for entitled groups and subsistence allowances, and ensured that all people with disabilities who are eligible can access living allowances and nursing care subsidies.

For demobilized military personnel, we improved service provision and management and protected their lawful rights and interests.

Coordinated medical service, medical insurance, and pharmaceutical reforms continued. We made steady progress in developing the tiered diagnosis and treatment model. We raised the level of government subsidies for rural and non-working urban residents’ basic medical insurance and the reimbursement rate of their serious illness insurance.

The reform for evaluation and approval of new medicines was stepped up; the prices of 17 cancer drugs were slashed and these drugs were included in the national medical insurance catalog.

We sped up the implementation of cultural projects designed to benefit the people, and continued to strengthen public cultural services at the community level. Fitness-for-All activities flourished. Chinese athletes excelled themselves in international competitions.

**Eighth, we made progress in building a rule of law government and pursuing innovation in governance and ensured social harmony and stability.**

We submitted 18 legislative proposals to the Standing Committee of the National People’s Congress for deliberation, and formulated or revised 37 sets of administrative regulations. We reformed and adjusted the composition and responsibilities of government bodies. The State Council conducted major accountability inspections to ensure the implementation of reform and development policies and plans. We made full use the role of auditing in oversight.

We reformed and improved urban and rural governance at the primary level. New approaches were adopted to address public complaints. We reformed and strengthened emergency management, responded swiftly and effectively to major natural disasters, and achieved a continued reduction in both the total number of workplace accidents and the number of serious and major accidents.

We strengthened oversight over food and drug safety and investigated and took stern action in defective vaccines cases like that involving Changchun Changsheng.

We improved the national security system. We strengthened comprehensive measures to maintain law and order, launched a campaign to combat organized crime and root out local mafia, and cracked down on crime and other legal violations in accordance with law. Further headway was made in carrying out the Peaceful China initiative.

We fully implemented the Party Central Committee’s strategic decision on enforcing full and strict discipline over the Party, and intensified efforts to improve Party conduct and build a clean government. We moved to ensure that all Party members, on a regular and institutionalized basis, work to gain a good command of the Party Constitution, Party regulations, and General Secretary Xi Jinping’s policy addresses and to meet Party standards.

We acted in strict accordance with the central Party leadership’s eight-point decision on conduct and the rules for its implementation. We took stern action against formalities performed for formalities’ sake, bureaucratism, hedonism, and extravagance. Activities of various types in violation of laws or regulations were severely punished or prosecuted. Steps were taken to bring the corrupt to justice, and the fight against corruption was a resounding success.

Over the past year, we attained new achievements in pursuing diplomacy with our own characteristics as a major country. We successfully hosted major diplomatic events such as the Boao Forum for Asia annual conference, the Qingdao Summit of the Shanghai Cooperation Organization, and the Beijing Summit of the Forum on China-Africa Cooperation. President Xi Jinping and other Chinese leaders visited many countries and attended major international events, including the APEC Economic Leaders Meeting, the G20 Leaders Summit, the BRICS Leaders Meeting, the Asia-Europe Meeting, and the East Asian leaders’ meetings on cooperation.

China’s relations with other major countries remained generally stable, our relations with neighboring countries saw all-round growth, and our bond of unity and cooperation with other developing countries grew stronger.

We promoted the development of a new type of international relations and a human community with a shared future, and resolutely protected China’s sovereignty, security, and development interests. Our pursuit of economic diplomacy and cultural and people-to-people exchanges yielded rich fruit. China endeavored to promote world peace and development and made important contributions recognized around the world.

Fellow Deputies,

We owe our achievements of the past year to the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, to the sound guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and to the concerted efforts of the Party, the military, and the people of all ethnic groups in China. On behalf of the State Council, I express sincere thanks to the people of all our ethnic groups, and to all other political parties, people’s organizations, and public figures from all sectors of society. I express sincere appreciation to our fellow countrymen and women in the Hong Kong and Macao special administrative regions, in Taiwan, and overseas. I also express our sincere gratitude to the governments of other countries, international organizations, and friends from all over the world who have shown understanding and support for China in its endeavor to achieve modernization.

Only alertness to danger will ensure safety. While fully recognizing our achievements, we must also be clear about the problems and challenges our country faces in its development.

Growth in the global economy is slowing, protectionism and unilateralism are mounting, and there are drastic fluctuations in the prices of commodities on the international market. Instability and uncertainty are visibly increasing, and externally-generated risks are on the rise.

Downward pressure on the Chinese economy continues to increase, growth in consumption is slowing, and growth in effective investment lacks momentum. The real economy faces many difficulties. The difficulties that private firms and small and micro businesses face in accessing affordable financing have not yet been effectively solved. The business environment still falls far short of market entities’ expectations.

Our capacity for innovation is not strong, and our weakness in terms of core technologies for key fields remains a salient problem. Budgetary deficits in some localities are quite large. There are still many risks and hidden dangers in the financial and other sectors. In deeply impoverished areas, we still face many difficulties in the fight against poverty. Ecological conservation and pollution prevention and control continue to be a weighty task.

There is still public dissatisfaction in many areas, such as education, healthcare, elderly care, housing, food and drug safety, and income distribution. Last year saw the occurrence of a number of public safety incidents and major workplace accidents. The lessons these incidents left us with should never be forgotten.

There is room for improvement in the work of government. Some measures and policies for reform and development have not been fully implemented. We still have a serious problem with pointless formalities and bureaucratism. Excessive and over-frequent inspections and evaluations and a focus on the superficial to the neglect of the substantive have increased the burden on officials working at the primary level. A small number of government employees lack drive. Instances of corruption still occur frequently in some sectors.

We must face the problems and challenges squarely, shoulder our responsibility, fully perform our duties, and do all we can to truly live up to people’s expectations.

**II. Economic and Social Development in 2019:**

**Overall Requirements and Policy Directions**

This year is the 70th anniversary of the founding of the People’s Republic of China. It will be a crucial year for us as we endeavor to achieve the first Centenary Goal of building a moderately prosperous society in all respects. To fulfill the work of government, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, we must:

* follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era;
* implement fully the guiding principles of the Party’s 19th National Congress and the second and third plenary sessions of its 19th Central Committee;
* pursue coordinated progress in the five-sphere integrated plan;[[2]](#footnote-1)
* pursue balanced progress in the four-pronged comprehensive strategy;[[3]](#footnote-2)
* adhere to the general principle of pursuing progress while ensuring stability;
* continue to apply the new development philosophy;
* continue to work for high-quality development;
* continue to pursue supply-side structural reform as our main task;
* continue to deepen market-orientated reforms and expand high-standard opening up;
* work faster to modernize the economy;
* continue the three critical battles;
* invigorate micro entities;
* explore innovations in and improve macro regulation;
* make coordinated efforts to maintain stable growth, advance reform, make structural adjustments, improve living standards, guard against risks, and ensure stability;
* keep major economic indicators within an appropriate range;
* take further steps to ensure stable employment, a stable financial sector, stable foreign trade, stable foreign investment, stable domestic investment, and stable expectations;
* boost market confidence;
* enable people to feel more satisfied, happy, and secure; and
* sustain healthy economic development and maintain social stability.

By doing the above, we will create the pivotal underpinning for completing the building of a moderately prosperous society and celebrate with outstanding accomplishments the 70th anniversary of the founding of the People’s Republic.

A full analysis of developments in and outside China shows that in pursuing development this year, we will face a graver and more complicated environment as well as risks and challenges, foreseeable and otherwise, that are greater in number and size. We must be fully prepared for a tough struggle. The difficulties we face must not be underestimated, our confidence must not be weakened, and the energy we bring to our work must not be allowed to wane.

China is still in an important period of strategic opportunity for development and has ample resilience, enormous potential, and great creativity to unleash. The longing of our people for a better life is strong. We have the unshakable will and the ability needed to prevail over difficulties and challenges of any kind, and our economic fundamentals are sound and will remain sound over the long term.

With the above in mind, the main projected targets for economic and social development this year are set as follows:

* GDP growth of 6–6.5 percent
* Over 11 million new urban jobs, a surveyed urban unemployment rate of around 5.5 percent, and a registered urban unemployment rate within 4.5 percent
* CPI increase of around 3 percent
* A basic equilibrium in the balance of payments, and stable, better-structured imports and exports
* A macro leverage ratio that is basically stable, and effective prevention and control of financial and fiscal risks
* A reduction of over 10 million in the rural poor population
* Personal income growth that is basically in step with economic growth
* A further improvement in the environment
* A drop of around 3 percent in energy consumption per unit of GDP
* Continued reductions in the discharge of major pollutants

The above projected targets are ambitious but realistic—they represent our aim of promoting high-quality development, are in keeping with the current realities of China’s development, and are aligned with the goal of completing the building of a moderately prosperous society in all respects. But to realize these goals we need to redouble our efforts.

We will ensure that the right direction is set for the pursuit of our macro policies. We will continue to pursue a proactive fiscal policy and a prudent monetary policy, implement an employment-first policy, and strengthen the coordination between these policies to keep major economic indicators within an appropriate range and sustain healthy economic and social development.

We will pursue a proactive fiscal policy with greater intensity and enhance its performance. Deficit-to-GDP ratio this year is projected at 2.8 percent, a 0.2-percentage-point increase over that of last year. The budgetary deficit is projected at 2.76 trillion yuan, with a central government deficit of 1.83 trillion yuan and a local government deficit of 0.93 trillion yuan. In moderately increasing the deficit-to-GDP ratio, we have given full consideration to factors such as government revenue and expenditure and the issuance of special bonds; we have also taken into account the need to leave policy space to address risks that could arise in the future.

Government expenditure is budgeted at over 23 trillion yuan, a 6.5 percent increase. The central government’s transfer payments to local governments for equalizing access to basic public services will increase by 10.9 percent. We will reform and improve the mechanism for ensuring basic fiscal capacity at the county level, ease the pressure of budgetary constraints faced by some localities, and make certain that people’s basic living needs are met.

Our prudent monetary policy will be eased or tightened to the right degree. Increases in M2 money supply and aggregate financing should be in keeping with nominal GDP growth to keep major indicators within an appropriate range.

In implementation, we will ensure the valve on aggregate monetary supply is well controlled and refrain from using a deluge of stimulus policies; but will also use flexibly a variety of monetary policy instruments to improve the transmission mechanism of monetary policy, maintain reasonably sufficient liquidity, effectively mitigate difficulties faced in the real economy, especially by private enterprises and small and micro businesses, in accessing affordable financing, and forestall and defuse financial risks.

We will deepen reforms to strengthen the market’s role in setting interest rates and lower real interest rates. We will improve the exchange rate mechanism and keep the RMB exchange rate generally stable and at an adaptive and balanced level.

An employment-first policy will be pursued with full force. Employment is the cornerstone of wellbeing, and the wellspring of wealth. This year, for the first time, we are elevating the employment-first policy to the status of a macro policy. This is to increase society-wide attention to employment and support for it. Both in the immediate future and for some time to come, the pressure on aggregate job creation will continue unabated, the related structural issues will become more pronounced, and new factors that affect employment will continue to grow. All this means we must give greater priority to increasing employment.

Maintaining stable growth, first and foremost, is to ensure employment. This year, on top of the urban job creation target, we will work to reach the actual employment figures of the past few years so as to ensure employment for the urban workforce while creating nonagricultural employment opportunities for the surplus rural workforce. With stable employment and increasing incomes, we can continue to be fully confident.

We will continue to pursue supply-side structural reform as our main task, focusing on consolidating, strengthening, upgrading, and ensuring unimpeded flows: we will use more reforms and means in accordance with market principles and law to consolidate the gains made in the five priority tasks;[[4]](#footnote-3) to strengthen the dynamism of micro entities; to upgrade industrial chains; and to ensure unimpeded flows in the economy, thus moving toward high-quality development.

We will continue the three critical battles and adopt precise measures to deliver solid outcomes.

To forestall and defuse major risks, we should be clear about potential dangers, continue structural deleveraging, forestall abnormal financial market fluctuations, deal prudently with local government debt risk, and guard against and control externally-generated risks.

We will intensify precision poverty alleviation efforts in accordance with current standards, with the focus on deeply impoverished areas and the most vulnerable groups to deliver solid outcomes.

In addressing pollution, we will focus on major priorities such as the fight to keep our skies blue, take a holistic approach, address both symptoms and root causes, and make continuous improvements to the environment.

For the government to deliver this year, we need to get the following relationships right.

First, we need to handle in a holistic way the relationship between domestic and international issues, and focus on running our own affairs well. China is still and will long remain in the primary stage of socialism; and it continues to be the world’s largest developing country. Development is the foundation of and key to solving all our country’s problems. We must pursue with dedication the central task of economic development, never falter in our commitment to the strategic thinking that development is of paramount importance and that it should be sound and of a high quality, and continue to unleash and develop productive forces.

Against the backdrop of a complex and fast-changing international environment, we must maintain strategic focus and carry out work in accordance with the goals and plans already set. We should make better use of both international and domestic markets and resources, face challenges squarely, turn risks into opportunities, and remain firm in our commitment to pursuing development.

Second, we need to achieve the right balance in the relationship between maintaining stable growth and guarding against risks, to ensure sustained, healthy economic development. The many risks and potential problems that have built up over the years demand stronger mitigating action, but in doing so we need to observe objective laws and take the right approach. Our approach must be firm, controllable, and systematic, and it should be applied with the right degree of intensity. We need to defuse risks step by step in the course of pursuing development and decisively forestall any systemic or regional risks.

Against the backdrop of mounting downward pressure on the economy, the policies and measures we adopt should ensure stable expectations, stable growth, and structural adjustments. In working to forestall and control risks, we need to get the pace and intensity right. We should see that the effects of tightening are not amplified, and we must never allow economic indicators to slide out of the appropriate range.

At the same time, we must not attend only to immediate concerns or adopt short-term strong stimulus policies that will end up undermining long-term development and generating new risks.

Third, we need to balance the relationship between government and market, and energize market entities through reform and opening up. As long as market entities are energized, we can boost the internal forces driving development and withstand the downward pressure on the economy. We must work hard to advance reform and opening up, speed up the establishment of a unified and open, competitive and orderly modern market system, relax restrictions on market access, ensure impartial regulation, and create a business environment based on rule of law that is internationalized and enabling, in order to energize market entities.

Ultimately, market vitality and social creativity stem from the initiative of hundreds of millions of people being put into action. We must stay true to the vision of people-centered development and do everything within our capacity to meet people’s basic needs, resolve key problems affecting living standards, promote social fairness and justice, and help our people achieve better lives.

The Chinese are an industrious and talented people and possess boundless potential for innovation and creativity. All we need to do is unleash that potential and the space for China’s development going forward will doubtless be vast.

**III．Tasks for 2019**

This year, in pursuing economic and social development, we will face weighty tasks, many challenges, and high demands. We must have clear priorities and address crucial issues to deliver a solid performance across the board.

**1. We will continue to develop new and improved approaches to macro regulation and** **keep the main economic indicators within an appropriate range.**

We will keep using market-oriented reform thinking and approaches to resolve problems in development; make good use of countercyclical macro policy regulation; add to and use flexibly financial, monetary, and employment policy instruments; make regulation more forward-looking, targeted, and effective; and create the conditions for ensuring a stable economic performance.

*We will implement larger-scale tax cuts.*

We will introduce both general-benefit and structural tax cuts, focusing primarily on reducing tax burdens in manufacturing and on small and micro businesses.

VAT reform will be deepened: we will reduce the current rate of 16 percent in manufacturing and other industries to 13 percent, and lower the rate in the transportation, construction, and other industries from 10 to 9 percent, thus ensuring that tax burdens in our main industries are meaningfully reduced; keep the lowest bracket rate unchanged at 6 percent, while adopting supporting measures, like increased tax deductions for producer and consumer services, to see that in all industries tax burdens only go down, not up; and continue making progress toward cutting the number of VAT brackets from three to two and simplifying the VAT system. We will ensure that the general-benefit tax cut policies issued at the start of the year for small and micro businesses are put into effect. Our moves to cut tax on this occasion aim at an accommodative effect to strengthen the basis for sustained growth while also considering the need to ensure fiscal sustainability; are a major measure to lighten the burden on businesses and boost market dynamism; are an important reform to improve the tax system and achieve better income distribution; and are the result of a major decision taken at the macro policy level in support of the efforts to ensure stable economic growth, employment, and structural adjustments.

*We will significantly reduce enterprise contributions to social insurance schemes*.

We will lower the share borne by employers for urban workers’ basic aged-care insurance, and localities may cut contributions down to 16 percent. The social insurance premium collection methods currently in operation will be kept unchanged. No locality should take any measure that increases the burden on small and micro enterprises when reforming their collection systems, or require, on their own, that longstanding arrears be paid off in a lump sum. The current policy of reducing premiums for unemployment insurance and work injury compensation insurance will continue. This year, premium payments, particularly for small and micro businesses, must be substantively reduced.

We will speed up reforms in the provincial-level management of aged-care insurance funds, continue to increase the proportion of enterprise workers’ basic pension funds under central government allocation, and replenish social security funds through the injection of state capital. We must reduce burdens on enterprises, but also ensure that employees’ social security benefits are not affected and aged-care pensions increase as appropriate and are paid on time and in full, so that social security funds are sustainable and both enterprises and employees benefit.

*We will ensure tax and fee cuts are fully implemented.*

Tax cuts and fee reductions get right to the spot in tackling the pains and difficulties currently troubling market entities; as a policy option, they are both fair and efficient. This year, we will reduce the tax burdens on and social insurance contributions of enterprises by nearly 2 trillion yuan. This will create big pressure on government budgets at all levels. To support this lightening of the burden on enterprises, governments at all levels must tighten their belts and find workable means of raising funds.

The central government needs to increase revenue and reduce expenditures. Profits turned in by designated state-owned financial institutions and enterprises directly under the central government should be increased; general expenditures should be cut by over 5 percent, spending on official overseas visits, official vehicles, and official hospitality should be cut by another 3 percent, and all funds that have long stayed unused will be taken back.

Local governments also need to dig deep, take big steps to improve the mix of spending, and put various funds and assets to good use through multiple avenues.

We will let market entities, especially small and micro businesses, feel the weight of their burden being meaningfully lightened, honoring our promise to enterprises and society, and seeing that no matter the number of difficulties, this important job gets done and gets done well.

*We will work hard to alleviate the difficulties faced by enterprises in accessing affordable financing*.

We will reform and refine monetary and credit supply mechanisms, and employ as needed a combination of quantitative and pricing approaches, like required reserve ratios and interest rates, to guide financial institutions in increasing credit supply and bringing down the cost of borrowing, ensure targeted and efficient support for the real economy, and avoid funds circulating within the financial sector without entering the real economy or being diverted out of the real economy.

More targeted cuts will be made to required reserve ratios for medium and small banks; the additional funds thus released will be lent to private enterprises and small and micro businesses.

We will support large commercial banks in replenishing capital through multiple channels, strengthen their capacity to supply credit, and encourage them to increase medium- and long-term loans and credit loans to the manufacturing sector. This year, loans to be granted to small and micro businesses by large state-owned commercial banks will increase by over 30 percent.

Fees charged for banking and intermediary services will be overhauled. We will improve the internal assessment mechanisms of financial institutions, encourage more inclusive financial services, achieve a marked improvement in providing financing for medium, small, and micro enterprises, and see that there are definite reductions in overall financing costs.

*We will make effective use of local government bonds*.

This year, 2.15 trillion yuan of special local government bonds will be issued, an 800 billion yuan increase on last year. This is designed to both provide funding for key projects and create conditions for better forestalling and defusing local governments’ debt risks.

The scope of use for special local government bonds will be moderately expanded. We will continue the issuance of some local government bonds to replace outstanding debts in order to reduce the interest payment burdens of local governments. We will encourage the adoption of market approaches to solve the issue of maturing debts on financing platforms and make sure that projects financed by such debts are not stopped half way.

*We will use multiple channels to achieve stable and expanding employment*.

We will work to ensure employment for key groups such as college graduates, demobilized military personnel, and rural migrant workers; and we should give greater employment support for urban jobseekers facing difficulties in securing employment. Enterprises hiring staff from rural poor people or urban residents registered as unemployed for at least six months will be entitled to a fixed amount of tax and fee deductions for three years.

We will strengthen support for flexible employment and new forms of employment.

We will resolutely protect against and stop gender and identity discrimination in employment.

We will implement a vocational skills training initiative, and allocate 100 billion yuan from the surplus in unemployment insurance funds to provide training for over 15 million people upgrading their skills or switching jobs or industries. We will put in place better mechanisms and policies for the career development of skilled workers.

Stepping up the development of modern vocational education is a strategic move that will not only ease current employment pressure, but also help to address the shortage of highly-skilled personnel. We will reform and improve the ways that vocational colleges conduct examinations and enrollment, encourage more high school graduates, demobilized military personnel, laid-off workers, and rural migrant workers to apply, and this year achieve a large-scale expansion of one million in student enrollments.

We will expand the coverage of scholarships and grants for vocational college students and raise the level of financial assistance, and speed up work to align vocational technical grade certificates with academic credentials. We will reform the operating mechanisms of vocational colleges, strengthen work on building the teaching workforce, and raise the quality of vocational education. We will encourage a number of regular undergraduate institutions to transform themselves into applied colleges.

The central government will greatly increase fiscal support for vocational colleges, and local governments should also strengthen their support. A state scholarship for secondary vocational education will be established. We will support enterprises and private actors in providing vocational education, and speed up work to build instruction centers that integrate technical training and academic education. Through major reforms and the development of modern vocational education, we will move faster to train the different types of technicians and skilled workers urgently needed in China’s development, enabling more young people to gain professional skills and realize their potential and producing a vast range of talent ready to shine bright.

1. **We will work to energize market entities and improve the business environment.**

There are hundreds of millions of market entities in China, and the number continues to grow. The key to promoting stable economic growth lies in maintaining and increasing their level of activity. We must push forward with reforms that delegate power, improve regulation, and upgrade services, bring down government-imposed transaction costs, and make every effort to create an enabling environment for development.

*We will cut government approvals and improve services to create a favorable environment for investment and business startups.*

Market allocation is the most efficient form of resource allocation. We will further shorten the negative list on market entry and promote across-the-board implementation of the policy of “entry unless on the list.” The government must act with resolve to hand matters it shouldn’t manage over to the market, and make maximum reductions to its direct allocation of resources. Every requirement for government approval that should be canceled will be canceled. When approval is required, the procedures and steps involved will be simplified. This will leave companies to spend more time doing business and less time chasing approvals.

This year, all operating permits required of businesses will be separated from the business license to make it quicker and easier for companies to get a license and start operating as soon as possible; and we will put an end to the phenomenon of “letting firms in but not letting them do business.” Reform of the system for construction project approval will be introduced nationwide, and the time of approval needed at every stage of a project will be significantly shortened. We will continue to cut the time it takes to have a patent approved and a trademark registered.

We will encourage online approvals and services, and work faster to build a national online platform for government services, enabling access via one website and remote processing, so that more matters can be handled without the need to be physically present. For matters that do require presence in person, they should be processed at a single window, within a specified time, and without the need for a second visit. We will continue to pursue the Cut Certification to Create Convenience reform initiative, and see that businesses and the public are not saddled with running from pillar to post for certificates.

We will establish a government service evaluation system, and let businesses and the public judge if our service is up to scratch. Delivering good services is what a government is meant to do; failure to do so means failing in its duties.

*We will conduct impartial regulation to promote fair competition.*

Fair competition is at the heart of a market economy, and impartial regulation is a safeguard for fair competition. We will reform and improve the fair competition review and impartial regulation systems, and move faster to do away with all regulations and practices that impede the functioning of a unified market and fair competition.

Simple regulations are easy to follow. The simpler and more transparent the rules are, the more robust and effective regulation is. At the national level, the focus is on developing unified regulatory rules and standards, while local governments should concentrate most of their energy on conducting impartial regulation.

We will continue interdepartmental oversight conducted through the random selection of both inspectors and inspection targets and the prompt release of results. We will promote credit rating-based regulation and the Internet Plus Regulation reform initiative, develop better ways of enforcing laws on environmental protection, fire prevention, tax collection, and market oversight, and see that law breakers are punished in accordance with law and the law-abiding are let be.

We will deepen the reform of coordinated law enforcement by government departments, overhaul government penalties and punitive measures, and address overlap and duplication in enforcement. Regulators themselves must also be subject to strong oversight and follow rules. There can be no tolerance for selective or arbitrary law enforcement or for making things difficult for businesses and people.

We will, in accordance with law, crack down on violations of law such as the production and sale of counterfeit and substandard goods, and make the price to pay for serious offenders too dear to afford. We will improve the mechanism for joint punitive action against bad faith, and encourage all market entities to do business in accordance with law and in good faith. We will use impartial regulation to ensure a fair, efficient, and dynamic market.

*We will carry out reforms to promote reductions in business-related charges.*

We will deepen market-oriented reforms in the electric power sector, overhaul surcharges on electricity prices, lower electricity costs in manufacturing, and cut the average electricity price for general industrial and commercial businesses by another 10 percent.

We will advance the reform of the toll roads system, move to cut tolls on highways and bridges, and put a stop to unjustified requirements for approval as well as arbitrary charges and fines on passenger and freight transport vehicles. Within two years, we will remove almost all expressway toll booths at provincial borders and make nonstop, swift collection a reality. This will cut traffic congestion and make road transport more convenient. A number of railway and port charges will be abolished or lowered.

We will launch an initiative to address the collection of charges by intermediary organizations. We will continue reviewing and standardizing government levied charges. We will speed up the development of a comprehensive listing system for the collection of fees and charges, making charge collecting open and transparent and leaving unauthorized charges no place to hide.

1. **We will continue to pursue innovation-driven development and foster new growth drivers.**

We will make full use of our country’s combined strengths—its abundant human resources and talent and vast domestic market, reform and develop new mechanisms for scientific and technological R&D and industrial application, and foster professionalism, to speed up the replacement of old growth drivers with new ones.

*We will work to transform and upgrade traditional industries.*

To promote the development of high-quality manufacturing, we will strengthen the foundations of industry and the capacity for technological innovation, boost the integrated development of advanced manufacturing and modernized services, and work faster to make China strong in manufacturing.

We will create industrial internet platforms and expand Intelligent Plus initiatives to facilitate transformation and upgrading in manufacturing. We will support enterprises in speeding up technological transformation and equipment upgrading by extending the preferential policy of accelerated depreciation of fixed assets to the entire manufacturing sector.

We will strengthen the supporting capacity of quality infrastructure, upgrade our standards to meet advanced international ones, and improve the quality of products and services to encourage more domestic and foreign users to choose Chinese goods and services.

*We will work to speed up the growth of emerging industries.*

We will strengthen R&D and the application of big data and artificial intelligence technologies, foster clusters of emerging industries like next-generation information technology, high-end equipment, biomedicine, new-energy automobiles, and new materials, and expand the digital economy. We will continue accommodative and prudential regulation, support the growth of new forms and models of business, and stimulate the healthy development of the platform economy and the sharing economy. We will speed up efforts to pursue Internet Plus initiatives in all industries and sectors.

We will continue to speed up broadband and lower internet rates. We will launch demo projects to extend 1,000M broadband connectivity to urban homes, upgrade networks for distance education and telemedicine, and increase the capacity of and upgrade mobile networks, to provide faster and more reliable broadband connections for internet users.

This year, average broadband service rates for small and medium enterprises will be lowered by another 15 percent, and average rates for mobile internet services will be further cut by more than 20 percent. Cellphone subscribers nationwide will be able to keep their numbers while switching carriers, and cellphone packages will be regulated to achieve solid fee cuts for all consumers to see.

*We will increase our ability to provide scientific and technological support.*

We will increase support for basic research and application-oriented basic research, step up original innovation, and work harder to achieve breakthroughs in core technologies in key fields. We will act quickly to undertake overall planning on national laboratories and restructure the system of key national laboratories. We will improve the organization and management of major science and technology programs.

We will refine enterprise-led mechanisms for bringing together firms, universities, and research institutes to engage in innovation, and support companies in heading up major science and technology programs. We will speed up the development of platforms for sharing scientific and technological innovation resources, and provide better services to small and medium businesses to facilitate their technological innovation. Innovation cooperation with other countries will be expanded. We will strengthen intellectual property protection across the board, improve the system of punitive compensation for IP infringements, and promote invention and creation and their industrial application.

Technological innovation is in essence a human creative activity. We must fully respect and trust our scientists and researchers, and empower teams and leaders of innovation by placing more human, financial, and material resources at their disposal and giving them more power to make decisions on technology roadmaps. We will further increase the proportion of indirect funding for basic research projects, pilot the creation of ceilings in funding that enable the retention of unused funds, set no limits on the proportions of spending items, and give research teams the power to decide how to use funds. We will improve the assessment mechanisms for advances in science and technology.

We will work to ensure that measures to reform science and technology management systems are fully implemented, and must not allow reform policies to become hollow promises. We will work hard to cut red tape to enable researchers to concentrate on the pursuit of learning, innovation, and breakthroughs. We will strengthen research ethics, improve academic practice, take disciplinary action against academic misconduct, and guard firmly against rash action.

China has the largest pool of scientific and technological personnel in the world. If we foster a healthy research environment, we’ll be sure to see brilliant and capable people emerge in all fields and create a boundless stream of innovations.

*We will do more to encourage startups and innovation nationwide.*

We will encourage more private actors to engage in innovation and start businesses, expand the space for economic and social development, strengthen comprehensive services, and give play to the pathfinding role of innovation and entrepreneurship demo centers.

We will strengthen inclusive support for innovation and business startups, and implement preferential tax policies such as raising the VAT threshold from 30,000 to 100,000 yuan in monthly sales for small-scale taxpayers.

We will reform and improve financial support mechanisms, establish a science and technology innovation board that will pilot an IPO registration system, encourage the issuing of special bonds for innovation and entrepreneurship, expand the use of intellectual property pledge financing, and support the growth of venture capital investment.

We will reform and improve mechanisms for training, employing, and evaluating capable people and provide better services for students returning from overseas and foreign professionals. By combining our response to market demand with a championing of the spirit of humanity, and by bringing together and using well capable people with talents of all kinds, we will be sure to see better development in Chinese innovation, and thus do our part for the progress of human civilization.

**4. We will stimulate the development of a robust domestic market and keep unlocking the potential of domestic demand.**

We will fully leverage the basic role of consumption and the key role of investment, ensure steady effective domestic demand, and thus boost stable economic performance.

*We will promote steady growth in consumption.*

We will use a combination of measures to increase urban and rural personal incomes and boost capacity for consumption. We will fully implement the revised Individual Income Tax Law to see that approximately 80 million taxpayers to whom reductions apply get the most out of these policies. We will adapt to new changes in consumption needs, use multiple avenues to increase the supply of quality products and services, and act faster to resolve problems and difficulties blocking the entry of private investment.

The number of people in China aged 60 and above has now reached 250 million. We will take significant steps to develop elderly care, especially community elderly care services. We will provide support to institutions offering services in the community like day care, rehabilitation care, and assisted meals and assisted mobility using measures such as tax and fee cuts and exemptions, funding support, and reduced charges for water, electricity, gas, and heating. New residential areas should include facilities for community elderly care services, and we will step up the development of such facilities in rural areas. We will reform and refine policies for integrating medical and elderly care services, and extend trials for long-term care insurance to cover more areas. Only when the elderly live happily can the young have a future to look forward to.

Infant and child care is important to millions of families. In response to the new demands created by the full implementation of the two-child policy, we will move faster to develop various types of infant and child care services, encourage private actors to run childcare and early childhood education agencies, and provide better protection for the safety of our children.

We will promote higher quality and an expansion of capacity in the housekeeping service sector. We will develop integrated tourism and strengthen the tourism industry. To maintain stable automobile consumption, we will continue preferential policies on the purchase of new-energy vehicles and facilitate the building of charging and hydrogenation facilities. We will develop new forms and models of consumption, promote the growth of both online and offline consumption, and foster new growth areas in consumer spending. We will improve logistics networks in rural areas and support the development of e-commerce and express delivery services. We will strengthen the protection of consumers’ rights and interests, and ensure worry-free and convenient consumption.

*We will expand effective investment as appropriate.*

We will closely follow national development strategies and accelerate the implementation of a number of key projects. 800 billion yuan will be invested in railway construction, 1.8 trillion yuan will be invested in road construction and waterway projects, and work will start on a number of major water conservancy projects. We will speed up planning and construction of the Sichuan-Tibet Railway, and boost infrastructure investment for intercity transportation, logistics, utilities, disaster prevention and mitigation, and civil and general aviation. We will further develop next-generation information infrastructure. This year, 577.6 billion yuan is included in the central government budget for related investment, an increase of 40 billion yuan on last year.

We will explore new forms of project financing, lower as appropriate capital contribution requirements for infrastructure projects, make good use of developmental financial instruments, and attract more private capital into projects in key areas. We will see that policies to encourage private investment are implemented, and take systematic steps to strengthen cooperation between the government and private capital. We will undertake reforms to improve the public bidding system.

The government must set an example in acting in good faith and honoring contracts; new officials must not be allowed to get away with ignoring obligations undertaken by predecessors. Over 50 percent of overdue payments to enterprises must be made by the end of the year, and new arrears are impermissible.

**5. We will make solid progress in poverty alleviation and rural revitalization and move closer to completing the tasks of building a moderately prosperous society in all respects.**

We will continue to prioritize the development of agriculture and rural areas, strengthen both poverty alleviation and rural revitalization, and ensure that the poverty alleviation goals are achieved and rural living standards reach the level of moderate prosperity in all respects according to plan.

*We will beat poverty with precision alleviation.*

We will give priority to our work of seeing that the basic living needs of rural poor populations are met and that such people have access to compulsory education, basic medical services, and housing. We will intensify poverty alleviation in areas of extreme poverty like the “three regions and three prefectures,”[[5]](#footnote-4) strengthen infrastructure development in such areas, and ensure social safeguards for the most vulnerable groups.

The eradication of poverty and achievement of prosperity cannot happen without the support of industries. We will do more to support impoverished areas in developing businesses that leverage local strengths.

We will launch an initiative to address school dropout rates and ensure attendance, and achieve clear reductions in rural student dropout rates in poor areas. We will continue to increase the size of special enrollment quotas at key universities for students from rural and poor areas, and make full use of the fundamental role of education in stopping poverty from being passed on to the next generation.

We will move toward completion of the 13th Five-Year Plan’s construction tasks for planned relocations of poor populations from inhospitable areas, and strengthen follow-up support. Support policies that apply to counties and populations that have recently been lifted out of poverty will be maintained for a period to consolidate progress in poverty alleviation. We will improve evaluation and oversight, and ensure that the results of special inspections on poverty alleviation by central government inspection teams serve their intended purpose. The further we get in the crucial stage of the fight, the greater the need, in every aspect of our work, to tackle real problems with attention paid to details, to be certain to deliver substantive, sustainable outcomes that stand the test of time.

*We will improve agriculture, particularly grain production.*

We must ensure, through our own efforts, the grain supply for almost 1.4 billion Chinese people. To this end, we will keep grain output stable and optimize the mix of crop varieties. We will strengthen farmland irrigation and water conservancy, and increase the area of high-standard cropland by no less than 5.33 million hectares. We will ensure that the production of hogs and other types of livestock, and poultry, remains stable, and strengthen the prevention and control of epidemics and diseases like African swine fever.

We will speed up reform and innovation in agricultural technologies, make a big push to develop a modern seed industry, step up efforts to encourage the widespread use of advanced practical technologies, implement programs to protect agricultural products with geographical indications, and advance the mechanization of entire agricultural production processes. We will foster new types of agricultural businesses such as family farms and farmer cooperatives, improve commercial services catering to small agricultural households, and develop a diverse range of large-scale agricultural operations. We will support major agricultural production areas in developing intensive farm product processing.

We will provide support to people who are returning or moving to the countryside to start businesses or pursue innovations, promote the integrated development of the primary, secondary, and tertiary industries, and strengthen county economies. Income from nonagricultural work plays a big part in increasing rural incomes. We must address at the root wage arrears owed to rural migrant workers, act fast to draw up government regulations specifically with this aim, and make sure that our hard-working rural migrant workers get the pay they have earned on time.

*We will take solid steps to upgrade rural infrastructure.*

To significantly improve living and working conditions, we will design sound development plans and put them into effect. Implementation will be accelerated of programs to consolidate and build on progress already made in providing safe drinking water in rural areas. Remaining problems in access to safe drinking water will be resolved within two years so that an additional 60 million rural residents have access to safe drinking water. The new round of rural power grid upgrading will be completed. Roughly 200,000 kilometers of rural roads will be built or improved. We will continue to renovate dilapidated rural houses. We will work to improve rural living environments in light of local conditions, make progress in the Toilet Revolution, and improve garbage and sewage treatment to build a beautiful countryside.

*We will deepen comprehensive rural reforms.*

We will expand the use of practices proven successful through trials of rural land requisitions, marketing rural collective land for development purposes, and reforming the system of rural residential land.

We will deepen reforms relating to collective property rights, collective forest tenure, state forestry areas and farms, state farms, and supply and marketing cooperatives. We will reform and improve the agricultural protection and support system, refine the market-based pricing mechanism for grains, expand trial reforms on policy-based agricultural insurance, and create new and better ways of providing financial services in rural areas. Rural reforms will be deepened, and all these efforts will without doubt inject new vitality in China’s vast countryside.

**6. We will promote coordinated development across regions and improve the quality of new urbanization.**

To address unbalanced and insufficient development, we will reform and refine the relevant mechanisms and policies to equalize access to basic public services, enable regions to complement each other with their respective strengths, and promote integrated urban-rural development.

*We will improve the layout of development for all our regions.*

To promote development and opening up in the west of China, we will adopt new policies and measures and continue current policies like corporate income tax relief for the region on their expiration. Reforms and innovative measures will be implemented and improved to facilitate northeast China’s full revitalization, central China’s rise, and east China’s trailblazing development.

In pursuing integrated development of the Beijing-Tianjin-Hebei region, we will give priority to relieving Beijing of functions nonessential to its role as the capital and on developing the Xiongan New Area according to high standards.

In developing the Guangdong-Hong Kong-Macao Greater Bay Area, we will work to ensure the development plan’s implementation, achieving compatibility between each region’s rules, and facilitating flows of factors of production and the movement of people.

We will elevate the integrated development of the Yangtze River Delta to the status of national strategy and design and implement an overall development plan.

In the development of the Yangtze Economic Belt, we will continue to pursue coordinated development along the upper, middle, and lower reaches of the river, and strengthen both the protection and restoration of ecosystems and the development of a comprehensive transportation system, to create a belt of quality economic development.

We will support economic transformation in resource-depleted areas. We will move faster to strengthen development in old revolutionary base areas, areas with large ethnic minority populations, border areas, and poor areas to help them catch up. We will develop the blue economy, protect the marine environment, and strengthen China’s maritime development.

*We will advance new urbanization.*

We will continue to stimulate the development of city clusters through the development of leading cities. We will make more progress in granting permanent urban residency to people who have moved to cities from the countryside and work toward making basic urban public services cover all permanent urban residents.

We will better address people’s housing needs, require local governments to shoulder primary responsibility, reform and improve housing market and support systems, and sustain the steady and healthy development of real estate markets. We will continue to build government subsidized housing and rebuild rundown urban areas to meet the basic housing needs of disadvantaged groups.

We will continue to improve underground utility tunnels. Old residential areas in cities are large in both number and area. We will make a big push toward their regeneration, update their roads, water, power, and gas supplies and other supporting infrastructure; support the installation of elevators and the development of barrier-free environments; and improve amenities like markets, convenience stores, pedestrian streets, and parking lots.

New urbanization should be people-centered in every respect: we need to be better at conducting flexible governance and providing thoughtfully-designed services to make our cities more livable and give them a more inclusive and welcoming feel.

**7. We will strengthen pollution prevention and control, enhance ecological improvement, and make big advances in green development.**

Green development is a critical element of modernizing an economy; it is also a fundamental solution to pollution. We will reform and refine relevant systems, and pursue both high-quality development and environmental protection.

*We will keep intensifying efforts to prevent and control pollution.*

Gains made in the fight to keep our skies blue will be consolidated and expanded. This year, sulfur dioxide and nitrogen oxide emissions will be cut by 3 percent, and there will be a continuous decline in PM2.5 concentrations in key areas. We will continue to curb air pollution in and around the Beijing-Tianjin-Hebei region, in the Yangtze River Delta, and in the Fenhe-Weihe River Plain area. We will make stronger moves to tackle three major sources of pollution: industrial production, coal used as fuel, and motor vehicles. We will make a good job of promoting clean heating in northern China and ensure people’s homes are warm for the winter.

Water and soil pollution prevention and control will be strengthened, and this year we will achieve a 2-percent drop in both chemical oxygen demand and ammonia nitrogen emissions. Efforts to clean up black, malodorous water bodies will be accelerated; work will take place to prevent and control agricultural pollution from non-point sources; and comprehensive measures will be taken to improve the environment in key river basins and offshore areas. We will step up sorting in solid waste and urban garbage disposal, and work toward the reduction, recycling, and safe disposal of such waste. We will intensify efforts to achieve major scientific and technological breakthroughs in pollution prevention and control.

As the primary actors in pollution prevention and control, enterprises must fulfill their responsibility of protecting the environment according to law. We need to reform and find new approaches to environmental governance. While we must conduct oversight over enterprises in compliance with laws and regulations, we must also heed their justified concerns and provide better assistance and guidance to them. Enterprises that need to take measures to meet standards should be given a reasonable grace period to do so, and we must avoid handling things in a simplistic and crude way or just shutting firms down to be done with it. When enterprises have both motivation themselves and external pressure, our work to prevent and control pollution is certain to produce more effective results.

*We will* *strengthen green and environmentally friendly industries.*

To address problems at the source, we will quicken the pace of upgrading in thermal power, steel, and other industries to achieve ultra-low emissions, and enforce upgrades in heavy-polluting sectors to achieve compliance with standards. We will adjust and improve the energy mix, promote the cleaner use of coal, and establish better systems for the production, supply, storage, and sale of natural gas. We will promote the dynamic development of renewable energy, and work faster to address the problem of idle capacity in wind, solar, and hydroelectric power. The development of sewer networks and treatment facilities in urban areas will be sped up. We will encourage the economical and intensive use of resources and their recycling, and expand the construction of eco-friendly buildings and the use of green packaging in the delivery industry.

We will reform and improve environmental economic policies, improve the pollution rights trading system, accelerate the development of green finance, develop leading enterprises specializing in environmental protection, and enhance our capacity for green development.

*We will step up efforts to protect and restore ecosystems.*

We will press ahead with trials to conserve and restore the ecosystems of mountains, rivers, lakes, forests, farmland, and grassland. We will continue to strengthen afforestation and the control of desertification, rock desertification, and soil erosion. Biodiversity protection will be strengthened. Work will continue on turning marginal farmland into forest, grassland, and wetlands. Reform of the national parks system will be deepened. Compensation mechanisms for ecological conservation will be improved.

Promoting green development is down to every last one of us; its success hinges on action and commitment. We must all work together to create a beautiful and livable environment for our people.

**8. We will deepen** **reforms in key sectors and speed up the improvement of market mechanisms.**

We will focus on resolving acute problems and strengthening key links, deepen relevant reforms, make our systems and mechanisms better able to promote high-quality development, and fully unlock market dynamism and social creativity.

*We will accelerate state capital and SOE reforms.*

We will strengthen and improve the regulation of state assets, and continue to conduct trial reforms to establish state capital investment and management companies, so as to maintain and increase the value of state assets. Reforms to introduce mixed ownership will be actively but prudently advanced.

We will improve corporate governance structures, make their operating mechanisms market-based, and introduce measures and practices such as hiring professional managers.

We will work in accordance with law to address “zombie enterprises.” Reforms will be deepened in sectors including power, oil and natural gas, and railways. In natural monopoly industries, network ownership and operation will be separated in light of the specific conditions of these industries to make the competitive aspects of their operations fully market based. SOEs should get stronger and healthier through reform and innovation to continue increasing their vitality and core competitiveness.

*We will work for big improvements in the development environment for the private sector.*

We will uphold the “two no irresolutions” principle,[[6]](#footnote-5) and encourage, support, and guide the development of the non-public sector. We will follow the principle of competitive neutrality, so that when it comes to access to factors of production, market access and licenses, business operations, government procurement, public biddings, and so on, enterprises under all forms of ownership will be treated on an equal footing.

We will foster a new type of cordial and clean relationship between government and business, improve mechanisms for their communication, inspire entrepreneurial spirit, and promote development and upgrading in the private sector.

In the protection of property rights we must be firm and unwavering. Infringements on property rights will be dealt with in accordance with law and any wrongly adjudicated cases will be corrected. We will strive to create a positive business environment in which entrepreneurs can be free of concerns in doing business and running companies.

*We will deepen reforms of the fiscal, taxation, and financial systems.*

We will take further reform measures to make budgets more transparent, and conduct performance-based budget management across the country. We will deepen the reform to define the respective fiscal powers and expenditure responsibilities of central and local governments and move forward with reforming the way revenue is divided between them. We will improve the transfer payments system. We will improve local tax systems and make steady progress in legislation on real estate tax. We will improve the mechanisms by which local governments secure financing.

We will reform and improve the structure of the financial system, and develop private and community banks, to better serve the real economy. We will reform and improve the basic systems of the capital market to promote the healthy and steady development of multi-tiered capital markets. The proportion of direct financing, particularly equity financing, will be increased. The insurance sector’s role in protecting against risk will be enhanced. We will strengthen monitoring, early warnings, mitigation, and control of financial risks.

China’s fiscal and financial systems are on the whole stable, and we have many policy tools available, so we are fully capable of ensuring that no systemic risks will emerge.

**9. We will promote all-round opening up and foster new strengths in international economic cooperation and competition.**

We will open more sectors and improve the layout of opening up, continue to promote opening up based on flows of goods and factors of production, and give greater emphasis to opening up based on rules and related institutions, driving an all-round deepening of reforms through high-standard opening up.

*We will promote stable and higher quality growth of foreign trade.*

We will work to diversify export markets. We will expand the coverage of export credit insurance, and reform and improve support policies for new forms of business such as cross-border e-commerce. We will encourage innovative development in service trade, guide the transformation and upgrading of processing trade and its shift to the central and western regions, and give better play to the role of integrated bonded areas. The import mix will be improved and imports will be actively expanded. We will host the second China International Import Expo. We will step up efforts to facilitate customs clearance.

*We will do more to attract foreign investment.*

We will further relax controls over market access, shorten the negative list for foreign investment, and permit wholly foreign funded enterprises to operate in more sectors. We will implement reform and opening up measures in the financial and other sectors, and improve policies on opening the bond market. We will further align our policies with internationally accepted trade rules, enhance policy transparency and consistency in implementation, and create a fair and impartial market environment where Chinese and foreign companies are treated as equals and engage in fair competition. We will strengthen efforts to protect foreign investors’ lawful rights and interests.

We will grant greater autonomy to pilot free trade zones to carry out reform and innovation, expand the China (Shanghai) Pilot Free Trade Zone, step up the building of the China (Hainan) Pilot Free Trade Zone, and explore the opening of a free trade port with Chinese features. We will support national-level economic development zones, new- and high-tech development zones, and new areas in implementing trial reforms pioneered and developed in pilot free trade zones, so that they can better lead their surrounding areas and grow into pacesetters of reform and opening up. China’s investment environment is all set to get better and better, which means more and more business opportunities for foreign companies in China are a sure thing.

*We will promote the joint pursuit of the BRI*.

We will adhere to the principle of pursuing shared growth through discussion and collaboration and observe market principles and international rules. We will see that enterprises are the main actors, advance infrastructural connectivity, strengthen international cooperation on production capacity, and expand third-party market cooperation. We will host the second Belt and Road Forum for International Cooperation. We will work to ensure the healthy and orderly growth of outbound investment and international cooperation.

*We will promote trade and investment liberalization and facilitation*.

China is committed to safeguarding economic globalization and free trade, and is actively involved in the reform of the World Trade Organization. We will accelerate the establishment of a network of high-standard free trade areas, advance negotiations on the Regional Comprehensive Economic Partnership, the China-Japan-RoK Free Trade Agreement, and the China-EU Investment Agreement, and continue to promote China-US economic and trade negotiations. China is committed to mutually beneficial cooperation, win-win development and settling trade disputes through discussion as equals. We faithfully honor our commitments and are resolute in safeguarding our lawful rights and interests.

**10. We will speed up the development of social programs to better ensure and improve living standards.**

Although the pressure of maintaining a balanced budget will grow this year, inputs to ensure basic living standards will only be increased and not cut. We will support private actors in boosting the supply of non-basic public services to meet people’s multilevel and diverse needs.

*We will develop more equitable and higher quality education*.

We will deepen education and teaching reforms. We will promote the integrated development of urban and rural compulsory education, move faster to improve conditions in rural schools, strengthen the ranks of teachers working in the countryside, quickly address the problem of oversized classes in urban schools, and ensure access to education for children living with their migrant worker parents in cities. We will develop Internet Plus Education models and promote quality resource sharing.

We will increase the supply of pre-school education through multiple avenues. The government will support all kindergartens that meet safety standards, charge reasonable fees, and have the trust of parents, regardless of whether they are public or private. We will continue work to make senior secondary education universal, provide quality ethnic minority education, special needs education, and continuing education, and support the development of private schools in accordance with law.

We will continue to strictly ensure the full payment of pay packages to teachers working in compulsory education. We will continue efforts to develop world-class universities and world-class disciplines, and support the central and western regions in building universities with their own character and of a high quality. This year, despite significant fiscal constraints, government budgetary spending on education will remain above 4 percent of GDP, and central government spending on education will exceed one trillion yuan. We need to use these precious funds well, and work hard to provide education that our people are happy with, to do justice to our hope for tomorrow.

*We will ensure access to basic medical and health services*.

We will continue to increase basic medical insurance and serious disease insurance protection for rural and non-working urban residents. Government subsidies for resident medical insurance will be raised by an average of 30 yuan per person, half of which is to be used for serious disease insurance.

We will lower and unify the deductible line for serious disease insurance, raise the reimbursement rate from 50 to 60 percent, and further reduce the burden of medical care for people with serious diseases and people living in poverty.

We will strengthen the prevention and treatment of serious diseases. Tens of millions of Chinese families are affected by cancer. To ease this pain that has such an effect on people’s lives, we will take action in cancer prevention and treatment, and promote preventive screening, early diagnosis and treatment, and breakthroughs in cancer research. We will improve prevention and treatment of common chronic illnesses. Outpatient medicines for treating high blood pressure, diabetes, et cetera, will be made reimbursable under the medical insurance scheme. We will speed up R&D on medicines for children. We will improve the guarantees for drugs used in treating rare diseases.

We will deepen the reform of medical insurance payment models and refine the spending structure of medical insurance funds. We will speedily implement and improve the policy on interprovincial on-the-spot settlement of medical bills through basic medical insurance accounts; we will work as quickly as possible to enable patients to use their medical insurance cards for medical treatment in any designated hospitals and settle their bills straight away regardless of the locality. This will make things easier for the migrant population and for elderly people who relocate to be with their children.

We will improve the mechanisms for centralized medicine procurement and use. We will deepen the comprehensive reform of public hospitals and encourage the development of private hospitals. We will develop Internet Plus Healthcare models, establish a system for remote medical care services, strengthen efforts to build the capacity of community-level healthcare institutions and train their workers, and improve services provided both under the tiered diagnosis and treatment model and by contracted family doctors.

Prevention will continue to be our priority. The increase in government subsidies for basic public health service expenditures will be used entirely for villages and communities, to ensure direct benefits to the people. We will work to ensure the effective prevention and control of infectious diseases, endemic diseases, and myopia in children and young people. We will refine supporting policies for childbirth and improve maternal and child healthcare services. We will support the preservation, innovation, and development of traditional Chinese medicine. Health education and management will be strengthened.

Drugs and vaccines protect lives. We must strengthen the entire process of their regulation from production to use. We will bring lawbreakers to justice, and investigate negligence and the dereliction of duty and hold the guilty to account, to guard the line protecting the lives and health of our people.

*We will improve the social security system and related policies*.

We will build a robust multilevel aged-care social protection system and continue to increase the basic retirement pension. We will ensure benefits for demobilized military personnel, and improve the policy on their basic medical insurance and basic aged-care insurance. Urban and rural subsistence allowances and special assistance benefits will be adequately increased and social protection for children in difficult situations will be improved. Efforts will be intensified to assist struggling urban employees to get out of poverty. Disability prevention and rehabilitation services will be improved. We must do our best to address urgent needs of people in difficulty, provide help when they need it most and ensure that the basic living needs of the people are met.

*We will work to enrich the intellectual and cultural life of our people*.

We will foster and practice core socialist values, carry out a broad range of public activities to promote cultural and ethical advancement, and encourage the spirit of struggle, the spirit of science, a role-model work ethic, and the pursuit of fine workmanship. This will create a powerful source of aspiration for the pursuit of excellence and moral integrity.

We will accelerate the development of philosophy and social sciences with Chinese features. We will intensify efforts to improve online content. We will work to see that art and literature thrive, and develop the press, publishing, radio, film, television, and archiving. The protection and use of cultural relics and the preservation of intangible cultural heritage will be strengthened. We will promote the reform and development of cultural programs and industries and build stronger public cultural service capacity at the community level. We will champion a culture of reading among our people and advance the building of a learning society. People-to-people and cultural exchanges with other countries will be boosted.

Extensive Fitness-for-All activities will be carried out. We will make sure we’re ready for the 2020 Olympic and Paralympic Games, undertake detailed planning and preparatory work for the 2022 Winter Olympics and Paralympics in Beijing, and host a successful Seventh World Military Games. When our people are in good health both mentally and physically, our society will be full of vitality, and our country will thrive.

*We will strengthen social governance and explore new ways to conduct it*.

We will shift the focus of social governance to the community level, extend the Fengqiao experience in promoting social harmony, and develop a new model of urban and rural community governance. We will guide and support the healthy development of social organizations, humanitarian assistance, volunteer services, and charity. The social credit system will be improved. We will protect the legitimate rights and interests of women, children, the elderly, and people with disabilities. We will improve work to address public complaints, and work in line with law to promptly meet justified public demands. We will improve public psychological and counseling services.

We will improve the national emergency response system and our capacity for disaster prevention, mitigation, and relief. We will strengthen workplace safety and resolutely guard against and curb the occurrence of serious and major accidents. Seismological, meteorological, hydrological, geological, and mapping work will be done well.

We will improve the public legal service system and continue activities to improve public awareness of laws. We will strengthen national security capacity building.

We will improve the multidimensional crime prevention and control system, and intensify the special campaign to root out organized crime and local mafia. We will, in accordance with law, punish illegal and criminal offenses such as theft, robbery, fraud, pornography, gambling, and drug-related crime, crack down on economic crimes like illegal fundraising and pyramid schemes, and tackle prominent problems such as the abuse of personal information. In short, we will make every effort to ensure that our people live in peace and safety.

Fellow Deputies,

The new developments and tasks have created new and higher demands for the work of government.

At every level of government, we should keep firmly in mind the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment. We should strengthen our confidence in the path, theory, system, and culture of socialism with Chinese characteristics. We should resolutely uphold General Secretary Xi Jinping’s core position on the Party Central Committee and in the Party as a whole, and resolutely uphold the Party Central Committee’s authority and its centralized, unified leadership. And we should maintain a high degree of unity in thought, stance, and action with the Party Central Committee with Comrade Xi Jinping at its core and exercise full and rigorous self-discipline in the Party.

We should have the courage to conduct self-reform, further streamline administration and delegate power, speed up the transformation of our functions and the improvement of our performance, and strengthen government credibility and capacity for execution, to better meet the people’s new expectations for a better life.

*We will continue to fully perform the functions of government in accordance with law.*

We must fully implement the basic strategy on comprehensive law-based governance, strictly abide by the Constitution and the law, and bring all government activities into line with the rule of law.

At every level of government, we must accept, as law requires, the oversight of the people’s congresses and their standing committees at the corresponding level. We should readily subject ourselves to the democratic oversight of CPPCC committees, public oversight, and oversight through public opinion, so that power is exercised with transparency.

Everything the government does should be something the people want. We will make decisions in a sound, democratic, and legally-compliant way, listen carefully to the views of the deputies to people’s congresses and CPPCC committee members; listen to the views of other political parties, federations of industry and commerce, people without party affiliation, and people’s organizations, and listen to the views of the general public and the business community. This will make sure that each of our policies fits the conditions and realities of our country, responds to people’s desire, and better satisfies public demand.

We will promote transparency in all government affairs. We will support trade unions, Communist Youth League organizations, women’s federations, and other people’s organizations in better playing their roles.

We will fully implement the system of responsibility and accountability for government enforcement of laws and regulations. All actions that violate laws or regulations will be resolutely investigated and punished; all instances of failure to enforce the law impartially and with basic decency must be resolutely stopped; and any employee of government found to be not doing their job must be firmly held to account.

*We will step up efforts to improve Party conduct and ensure clean government.*

We will hold activities about keeping in mind our Party’s founding mission. We will fully enforce the Party Central Committee’s eight-point decision on conduct and its rules for implementation, and keep up efforts to address formalities performed for formalities’ sake, bureaucratism, hedonism, and extravagance.

We will intensify work to build a clean government, and take coordinated action to make government employees not dare, not able, and not want to commit corruption.

Auditing-based oversight will be strengthened. We in the government must readily subject ourselves to the oversight of the law, supervisory bodies, and the people. The ultimate measure of our performance is whether and what we deliver.

Governments at all levels must firmly oppose and put a stop to all pointless formalities and bureaucratism in all its manifestations. We should free government employees from the mountains of documents and endless meetings, from the superfluities surrounding evaluations and inspections, and from report writing and form filling-in, and instead spend our energy on solving real problems.

We will cut down on and overhaul matters subject to inspection, checks, and evaluations, and implement an Internet Plus Inspection initiative. The number of meetings and documents will be cut. This year, the State Council and its offices and departments will lead the way in making major reductions to the number of meetings and will cut the number of documents issued by over a third.

*We will strengthen our readiness to shoulder responsibility.*

The tremendous achievements of China’s reform and development to date have been made by our officials and people through perseverance and hard work. To achieve the Two Centenary Goals,[[7]](#footnote-6) and let the happiness and ambitions of the Chinese people be realized, we need to continue to put in long-term hard work.

Government works for the public; words can’t compare with actions. All levels and employees of government should be down to earth and practical and eschew doing things for show. We should let what we have achieved in reform and development speak for itself. We should deliver a good performance in what we do. We will improve the mechanisms for offering incentives, imposing constraints, and ensuring no one who has fulfilled their duties is held liable. We should create an atmosphere in which officials are ready and eager to try, and able to try and deliver real outcomes.

We will keep central and local governments motivated, respect the pioneering spirit of officials working at the primary level and the people, and offer incentives and leave ample space for local governments to make bold explorations.

All of us working in the government must have true dedication and be enterprising. We must never sidestep difficulties or shirk obligations; we must knuckle down and work hard, and be creative while aware of what is feasible. We should make new achievements worthy of our people and make remarkable new accomplishments in pursuing China’s development.

Fellow Deputies,

We will uphold and improve the system of regional ethnic autonomy, implement in full the Party’s policies on ethnic affairs, heighten public awareness of ethnic unity and progress, build a strong sense of community among the Chinese people, and enable the people of all our ethnic groups to live together happily, work together for a common cause, and develop in harmony. We will strengthen support for development in ethnic minority areas and for the development of ethnic groups with smaller populations. We will redouble efforts to boost development in the border regions to benefit the people living there. Together, we will build a beautiful homeland in which 56 ethnic groups work together for common prosperity and development.

We must fully implement the Party’s fundamental policy on religious affairs, abide by the principle that religions in China must be Chinese in orientation, oversee religious affairs in accordance with law, and encourage religious leaders and believers to take an active part in promoting economic and social development.

We will act on policies related to overseas Chinese nationals, and protect the legitimate rights and interests of overseas Chinese nationals, returned overseas Chinese, and relatives of overseas Chinese nationals residing in China. We will improve and strengthen our services for them, give play to their unique strengths and important role, seek the greatest convergence of interests among all Chinese, both at home and overseas, and forge a mighty force, as we endeavor to create more remarkable achievements.

Fellow Deputies,

Over the past year, we achieved solid progress in strengthening national defense and the armed forces, made many new accomplishments in this endeavor, and brought new changes to our military. In the year ahead, we will continue to take as our guide the Party’s goal of building stronger armed forces for the new era, and ensure that our work to develop national defense and the armed forces is guided by Xi Jinping’s thinking on strengthening the military. We will further efforts to ensure the political loyalty of the armed forces, strengthen them through reform, science and technology, and run them in accordance with law.

We will observe the fundamental principle and system of absolute Party leadership over the armed forces, and fully enforce the system of ultimate responsibility resting with the chairman of the Central Military Commission.

We will implement the military strategy for the new era, strengthen military training under combat conditions, and firmly protect China’s sovereignty, security, and development interests.

We will continue reforms in national defense and the armed forces, and establish a sound system of socialist military policies and institutions with Chinese characteristics. The system for national defense mobilization will be strengthened and improved, and educational activities will be carried out to heighten public consciousness about national defense. We will further implement the military-civilian integration strategy, and speed up efforts to make innovations in defense related science and technology.

We in government at all levels must concern ourselves with and vigorously support the development of national defense and the armed forces, conduct extensive activities to promote mutual support between the military and civilians, so that the tree of unity between the military and the government and between the military and the people continues to grow deep roots and is always in blossom.

Fellow Deputies,

We will continue, fully and faithfully, to implement the policies of “one country, two systems,” the people of Hong Kong governing Hong Kong, the people of Macao governing Macao, and a high degree of autonomy for both regions, and act in strict compliance with China’s Constitution and the basic laws of the Hong Kong and Macao special administrative regions.

The governments and chief executives of the two regions have our full support in exercising law-based governance. We will support the two regions in seizing the major opportunities presented by the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development strategy, giving better play to their strengths, and deepening mutually beneficial cooperation with the mainland in all fields. We have every confidence that Hong Kong and Macao will develop and thrive together with the mainland and maintain long-term prosperity and stability.

We will adhere to the major principles and policies on work related to Taiwan. We will implement in full the guiding principles embodied in General Secretary Xi Jinping’s speech at the meeting to commemorate the 40th anniversary of the issuance of the Message to Our Compatriots in Taiwan. We will uphold the one-China principle and the 1992 Consensus, promote the peaceful growth of relations across the Taiwan Strait, and advance China’s peaceful reunification.

We will resolutely oppose and deter any separatist schemes or activities seeking “Taiwan independence,” and resolutely protect China’s sovereignty and territorial integrity.

We will deepen integrated development on both sides of the Taiwan Strait, and keep expanding cross-Strait economic and cultural exchanges and cooperation. The people on both sides of the Taiwan Strait are bound by kinship and share a common destiny. We should work together to create a beautiful future for all Chinese.

Fellow Deputies,

The world today faces profound changes of a kind unseen in a century. China will remain on the path of peaceful development, pursue mutually beneficial opening up, and resolutely uphold multilateralism and the international system built around the United Nations. We will participate actively in reforming and improving the global governance system and firmly uphold an open world economy to build a human community with a shared future.

We will strengthen communication, dialogue, coordination, and cooperation with other major countries. We will deepen relations with our neighbors and expand mutually beneficial cooperation with other developing countries. We will actively offer constructive Chinese approaches for responding appropriately to global challenges and addressing flashpoints in some regions. China stands ready to work together with all other countries to make new contributions in promoting enduring world peace and shared prosperity.

Fellow Deputies,

Struggle creates history; hard work makes a bright future. We will rally closer around the Party Central Committee with Comrade Xi Jinping at its core, hold high the banner of socialism with Chinese characteristics, follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, rise to each challenge, and create new progress. We will commemorate the 70th anniversary of the founding of the People’s Republic of China with great achievements in economic and social development.

Let us continue our struggle to secure a decisive victory in building a moderately prosperous society in all respects, to achieve the great success of socialism with Chinese characteristics for a new era, to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful, and to realize the Chinese Dream of national rejuvenation!

1. This refers to the battles against potential risks, poverty, and pollution. [↑](#footnote-ref-0)
2. This refers to a plan to promote coordinated economic, political, cultural, social, and ecological advancement. [↑](#footnote-ref-1)
3. This refers to a strategy for comprehensive moves to finish building a moderately prosperous society in all respects, deepen reform, advance law-based governance, and strengthen Party self-governance. [↑](#footnote-ref-2)
4. The tasks are to cut overcapacity, reduce excess housing inventory, deleverage, lower costs, and strengthen areas of weakness. [↑](#footnote-ref-3)
5. The “three regions” refers to Tibet, four prefectures of southern Xinjiang—Hotan, Aksu, Kashi, and the Kirgiz Autonomous Prefecture of Kizilsu, and the areas of Sichuan, Yunnan, Gansu, and Qinghai provinces with large Tibetan populations; the “three prefectures” are Liangshan in Sichuan, Nujiang in Yunnan, and Linxia in Gansu. [↑](#footnote-ref-4)
6. This refers to no irresolution in consolidating and developing the public sector, and no irresolution in encouraging, supporting, and guiding the development of the non-public sector. [↑](#footnote-ref-5)
7. The two goals are to complete the building of a moderately prosperous society in all respects by the centenary of the Communist Party of China in 2021 and to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful by the centenary of the People’s Republic of China in 2049. [↑](#footnote-ref-6)