

**REPORT ON THE IMPLEMENTATION OF THE 2019 PLAN FOR  
NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT AND ON  
THE 2020 DRAFT PLAN FOR NATIONAL ECONOMIC AND  
SOCIAL DEVELOPMENT**

*Delivered at the Third Session of the Thirteenth National People's Congress  
on May 22, 2020*

**National Development and Reform Commission**

Esteemed Deputies,

The National Development and Reform Commission has been entrusted by the State Council to deliver this report on the implementation of the 2019 plan and on the 2020 draft plan for national economic and social development to the Third Session of the 13th National People's Congress (NPC) for your deliberation. The Commission also invites comments from members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

## **I. Implementation of the 2019 Plan for National Economic and Social Development**

In 2019, under the strong leadership of the Central Committee of the Communist Party of China (CPC) with Comrade Xi Jinping at its core, as well as the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, all regions and departments fully implemented the guiding principles of the 19th CPC National Congress and the second, third, and fourth plenary sessions of the 19th CPC Central Committee. We raised our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment; increased our confidence in the path, theory, system, and culture of socialism with Chinese characteristics; and resolutely upheld General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and resolutely upheld the Party Central Committee's authority and its centralized, unified leadership.

We faithfully executed the decisions and plans of the Party Central Committee and the State Council, implemented the Report on the Work of the Government and the 2019 Plan for National Economic and Social Development approved at the Second Session of the 13th NPC, and adopted the NPC Financial and Economic Affairs Committee's suggestions based on its review of the 2019 plan. We followed the general principle of pursuing progress while ensuring stability, continued to apply the new development philosophy, advanced supply-side structural reform as our main task, pursued high-quality development, and took solid steps to ensure stability on six fronts.<sup>1</sup> We coordinated efforts to maintain stable growth, promote reform, make structural adjustments, improve people's lives, guard against risks, and maintain stability.

The main targets and tasks in economic and social development for the year were accomplished, and progress in achieving the main targets listed in the 13th Five-Year Plan (2016-2020) met our expectations. All of these successes laid a crucial foundation for completing the building of a moderately prosperous society in all respects.

*1. We conducted well-conceived macro regulation and kept major economic indicators within an appropriate range.*

We strengthened range-based, targeted, well-timed, and precision regulation, stepped up coordination between policies, and improved the management of expectations, thus promoting

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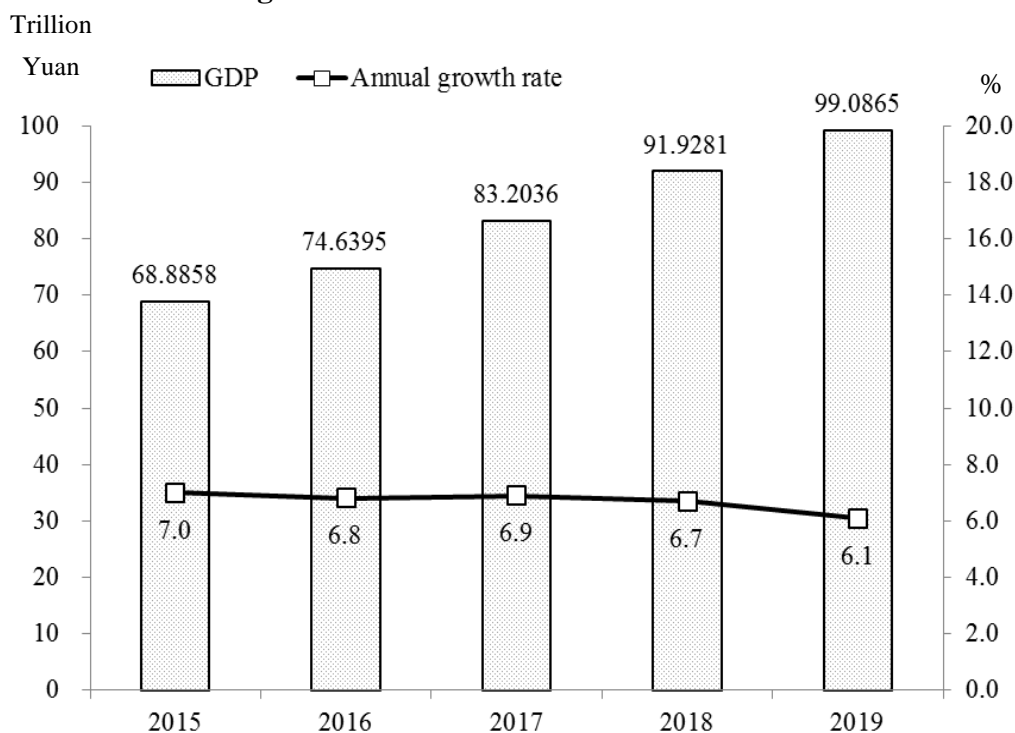
<sup>1</sup> The six fronts refer to employment, the financial sector, foreign trade, foreign investment, investment, and expectations.

stable and healthy economic growth.

*1) Major macroeconomic targets were achieved.*

China's gross domestic product (GDP) reached 99.1 trillion yuan, an increase of 6.1%, which was consistent with the projected target. A total of 13.52 million urban jobs were created, and the year-end survey-based and registered urban unemployment rates were 5.2% and 3.62% respectively. The consumer price index (CPI) rose by 2.9%. A basic equilibrium was maintained with regard to the balance of payments, and foreign exchange reserves were kept at over US\$ 3 trillion.

**Figure 1. GDP and Annual GDP Growth**



Source: National Bureau of Statistics

*2) Counter-cyclical macro policy regulation proved to be effective.*

With the focus on cutting taxes and fees, we implemented a proactive fiscal policy with greater intensity and better performance, continued to improve the structure of government spending, and ensured sufficient funding for major areas such as the improvement of living standards.

Revenue in the national general public budget was 19.04 trillion yuan, an increase of 3.8%; expenditures totaled 23.89 trillion yuan, an increase of 8.1%; and the fiscal deficit was 2.76 trillion yuan, the same as the budgeted figure. Tax and fee reductions totaled 2.36 trillion yuan over the year. We appropriately expanded the range of uses for special local government bonds and quickened the pace of bond issuance.

We maintained a prudent monetary policy with an appropriate level of intensity. Counter-cyclical regulation continued to have an effect, and the credit structure continued to improve, while the credit supply to the real economy, particularly to micro and small businesses and private enterprises, was increased further. At the end of 2019, growth in the M<sub>2</sub> money supply was 8.7%, and aggregate financing grew by 10.7%.

We made greater efforts to implement the policy of prioritizing employment, as well as the policy of refunding unemployment insurance premiums, and increased support for enterprises in keeping employment stable. A stable employment situation was generally maintained with regard to key groups such as college graduates, rural migrant workers, and demobilized military personnel.

*2. We moved forward with supply-side structural reform and promoted the formation of a strong domestic market.*

We adhered to our principles of consolidating the gains made in the five priority tasks,<sup>2</sup> strengthening the dynamism of micro entities, upgrading industrial chains, and ensuring unimpeded flows in the economy. We consistently advanced industrial restructuring, and worked hard to keep circulation dynamic in order to ensure that market supply meets demand.

*1) Supply-side structural reform in agriculture was advanced.*

We made sustained efforts to ensure sufficient grain production, maintaining total grain output at over 650 million metric tons for the fifth year in a row. We adopted a strategy for securing the supply of major agricultural products and implemented a scheme to revitalize the production of soybeans. Functional zones for grain production and protective areas for the production of major agricultural products were established. Farmland irrigation and water conservancy continued to improve, with the total area of high-quality cropland increasing by 5.33 million hectares and the total area of farmland covered by efficient water-saving irrigation increasing by 1.33 million hectares.

We continued our efforts to prevent and control African swine fever and accelerate the recovery of hog production, and improved the system for the production, supply, storage, and sale of vegetables.

We refined the policy for setting minimum prices for state grain purchases and the policy for guaranteeing base prices for cotton. We advanced reform of the system for the state purchase and storage of major agricultural products and the reserve system for important agricultural supplies. Cold-chain logistics and storage facilities for agricultural products witnessed rapid development.

We continuously promoted industrial integration in rural areas, resulting in the establishment of 107 modern agriculture industrial parks and 210 demonstration parks for integrated industrial development in rural areas. We also accelerated the formulation and improvement of a new policy framework to support and protect agriculture.

*2) Transformation and upgrading of manufacturing picked up pace.*

We rolled out policies and measures to promote high-quality development of the

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<sup>2</sup> The tasks are to cut overcapacity, reduce excess inventory, deleverage, lower costs, and strengthen areas of weakness.

manufacturing sector and released the Catalog of Industrial Structural Adjustments (2019).

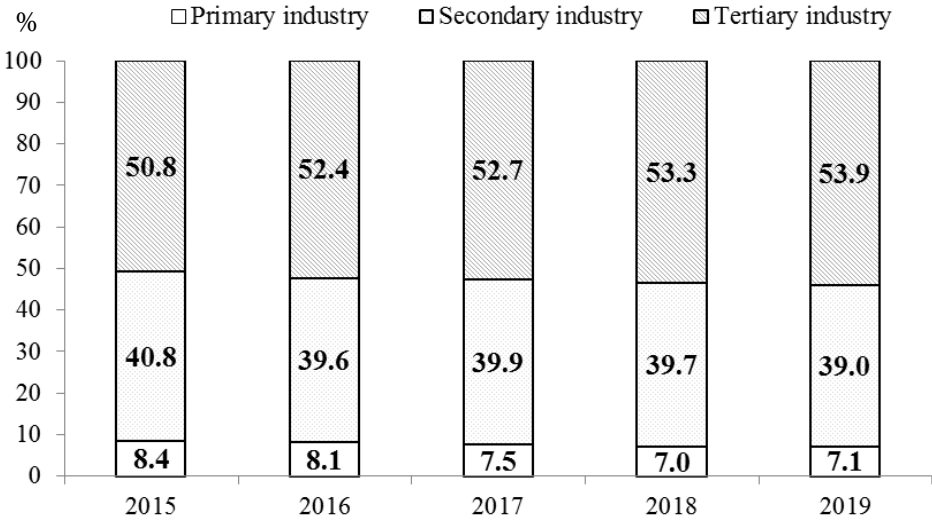
We continued to employ market- and law-based methods to cut outmoded coal production capacity by around 100 million metric tons, prudently moved forward with the merging and reorganization of steel enterprises, and implemented major petrochemical projects. We organized a new series of technological transformation projects, and promoted the demonstration and application of newly-developed equipment that was made in China such as Chinese standard type-A subway cars.

*3) Solid steps were taken to promote high-quality development of the service sector.*

We introduced policies and measures on high-quality development of the service sector and transformation and upgrading of traditional service industries, stepped up the development of new forms and new models of business, and promoted the integrated development of advanced manufacturing and modern services.

We supported the development of platforms for generic technology R&D, industrial design, and the industrial internet.

**Figure 2. Contribution of Primary, Secondary, and Tertiary Industries to GDP**



Source: National Bureau of Statistics

*4) More support was provided to help reduce costs in the real economy.*

The rate of value added tax (VAT) was lowered from 16% to 13% in manufacturing and several other industries, and from 10% to 9% in industries such as transportation and construction. We implemented general-benefit tax cuts for micro and small businesses, raising the VAT threshold from 30,000 yuan to 100,000 yuan in monthly sales for small-scale taxpayers. We enabled all provincial-level regions to reduce the ratio of enterprise contributions to workers' basic old-age insurance to 16%, and extended for another year the policy of temporary reduction of premiums for unemployment insurance and workers' compensation. We deepened reforms to liberalize interest rates, with overall financing costs being notably

reduced throughout society.

We settled overdue payments of 664.7 billion yuan owed by government departments and state-owned enterprises (SOEs) to private enterprises and small and medium-sized enterprises (SMEs). We further cut the number of items in the catalog of government-set business service fees, and cancelled or lowered some administrative charges.

The price of electricity for general industrial and commercial businesses was cut by another 10% on average, thus reducing electricity costs for businesses by 84.6 billion yuan for the year. We helped businesses save 79 billion yuan by enabling them to buy electricity directly from power generation companies.

We lowered the prices for refined oil products, natural gas city gate prices, and prices for natural gas transmission through trans-provincial pipelines, lightening the burden on consumers by approximately 65 billion yuan. Through rescinding or cutting railway charges, port charges, and civil airport charges, we helped reduce the burden on businesses by more than 10 billion yuan.

*5) New growth areas in consumption that benefit the people continued to expand.*

We introduced several policies and measures to speed up commodity distribution and facilitate consumption, to improve the quality and expand the size of the domestic services sector, to unlock consumption potential in the areas of culture and tourism, to encourage fitness and sports consumption, and to promote the development of “internet-plus social services.” We stepped up support for nighttime consumption, and encouraged the purchase of new automobiles, home appliances, and electronic products to replace old ones.

Comprehensive demonstrations for introducing e-commerce into rural areas were carried out. Express delivery depots in rural areas exceeded 30,000, thus covering 96.6% of all townships and towns.

Total annual retail sales of consumer goods exceeded 40 trillion yuan, an increase of 8.0%. Total online retail sales nationwide reached 10.6 trillion yuan, an increase of 16.5%, with sales of goods increasing by 19.5% and accounting for 20.7% of the total retail sales of consumer goods. We successfully organized a series of activities for the 2019 Chinese Brands Day.

**Box 1: Policies and Measures to Spur Consumption**

<b>Platforms for Forming Synergy</b>	<ul style="list-style-type: none"> <li>• We established the interdepartmental joint conference system for refining consumption-promoting systems and mechanisms.</li> <li>• We boosted capacity and promoted upgrading of household consumption in a coordinated manner.</li> <li>• We promoted synergy between different policies.</li> </ul>
<b>Consumption Facilitating</b>	<ul style="list-style-type: none"> <li>• We promoted the renewal and upgrading of major consumer goods.</li> <li>• We accelerated efforts to improve recycling networks for automobiles, home appliances, and electronics.</li> </ul>
<b>Online and Offline Consumption</b>	<ul style="list-style-type: none"> <li>• We promoted integrated development of online and offline consumption, and strengthened the building of related service systems and infrastructure.</li> <li>• We fostered the growth of key consumption areas to fully bring into play their demonstrating and guiding role.</li> </ul>

<b>Potential of Service Consumption</b>	<ul style="list-style-type: none"> <li>• We increased support for consumption in areas such as elderly care, childcare, domestic services, and sports.</li> <li>• We improved and upgraded culture, leisure, and tourism consumption.</li> <li>• We improved nighttime services such as catering, shopping, and entertainment.</li> </ul>
<b>A Worry-Free Consumption Environment</b>	<ul style="list-style-type: none"> <li>• We pushed forward with the development of a consumer credibility system.</li> <li>• We broadened channels for consumers to defend their rights.</li> <li>• We supported local governments in exploring the establishment of systems for unconditional refund and exchange for tourism products with local features.</li> </ul>

*6) We appropriately expanded effective investment in key areas.*

We published the Regulations on Government Investment, and lowered, as appropriate, capital contribution requirements for projects in priority areas. We improved the reserve mechanisms for major projects, and actively promoted the construction of projects funded by special bonds. We carried out public-private partnership (PPP) projects in a well-regulated and orderly way, and encouraged the participation of non-governmental capital in key areas to shore up points of weakness. Out of 172 major water conservancy projects, construction has already begun on 144 projects.

The Plan for Developing China's Strengths in Transportation was published. The construction of 23 national logistics hubs was steadily advanced. The preliminary work for the Chengdu-Lhasa railway progressed steadily. Beijing Daxing International Airport began operation. The construction of large hydropower stations such as Wudongde and Baihetan was accelerated.

By the end of 2019, the total length of in-service railways exceeded 139,000 kilometers, including 35,000 kilometers of high-speed rail lines, the number of civil airports in service totaled 235, the total length of power grids of 220 KV and above increased by 34,000 kilometers, and trunk oil and gas pipelines increased by 4,000 kilometers.

The fixed-asset investment for the year (excluding investment by rural households) rose by 5.4%, with investment from non-governmental sources growing by 4.7%, while the composition of investment witnessed a continuous improvement, with investment in high-tech industry and the social domain up 17.3% and 13.2% respectively.

*3. We made an all-out effort to focus on key areas, address inadequacies, and solve challenging problems, with major progress being made in the three critical battles.<sup>3</sup>*

We made substantial progress in targeted poverty alleviation, secured an overall improvement in the quality of the environment, and effectively prevented and controlled financial risks.

*1) We made solid progress in poverty alleviation.*

We worked hard to eliminate poverty through the development of local industries and

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<sup>3</sup> This refers to the battles against poverty, pollution, and potential risks.

through boosting employment and consumption. We pooled resources to resolve outstanding issues with regard to ensuring adequate food and clothing, as well as access to compulsory education, basic medical services, and safe housing for poor rural populations in areas of extreme poverty such as the three regions and three prefectures.<sup>4</sup>

We helped 7.33 million registered poor households renovate their dilapidated houses, and completed the construction of 35,000 resettlement areas, comprising more than 2.6 million units of housing that can accommodate 9.47 million registered poor people who have been relocated from inhospitable areas, thereby essentially completing the task set in the 13th Five-Year Plan one year ahead of schedule. We continued to increase follow-up industry-led support and employment assistance, and effectively advanced dedicated poverty alleviation efforts.

Over the course of the year, China's rural poor decreased by an additional 11.09 million, with 344 counties having been lifted out of poverty and the poverty headcount ratio having dropped to 0.6%. By the end of 2019, 97% of rural residents living below the current poverty line having lifted themselves out of poverty, and 94% of poor counties having been removed from the poverty list. As a result, regional poverty was largely eradicated.

*2) We made strong headway in both environmental protection and pollution prevention and control.*

We made solid progress in keeping our skies blue, our waters clear, and our land pollution-free. The annual average concentrations of fine particulate matter (PM2.5) decreased by 2.4% in the cities at and above prefecture level that fell short of the national standards. The proportion of surface water with a quality rating of Grade III or higher stood at 74.9%. The non-fossil fuel share of the total energy consumption reached 15.3%, with this target set in the 13th Five-Year Plan being met one year ahead of schedule.

The central government launched the second round of environmental inspections as scheduled. We put in place the system of river chiefs and lake chiefs. The environmental improvement of county-level water sources was essentially completed and nearly 87% of black, malodorous bodies of water in cities at or above prefecture level were cleaned up.

We strictly blocked illegal waste imports, and registered a year-on-year reduction of 40.4% in solid waste imports. We also carried out trials for a No-Waste Cities initiative.

We implemented the emissions permit system at a faster pace, and introduced the Catalog of Green Industries (2019). We launched initiatives to control both the total amount and the intensity of energy consumption, and to promote nationwide water conservation and eco-friendly lifestyles. Energy consumption per unit of GDP fell by 2.6%, and water consumption per 10,000 yuan of GDP dropped by 6.1%.

We improved the system for protecting natural forests, allowed more marginal farmland to return to forest and grassland, and took coordinated steps to control desertification and prevent the spread of stony deserts. We launched trials of comprehensive ecological compensation. Carbon dioxide emissions per unit of GDP decreased by 4.1%.

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<sup>4</sup> The three regions refer to Tibet, the four southern Xinjiang prefectures of Hotan, Aksu, Kashi, and Kirgiz Autonomous Prefecture of Kizilsu, and the Tibetan ethnic areas in Sichuan, Yunnan, Gansu, and Qinghai provinces; the three prefectures refer to Liangshan in Sichuan, Nujiang in Yunnan, and Linxia in Gansu.

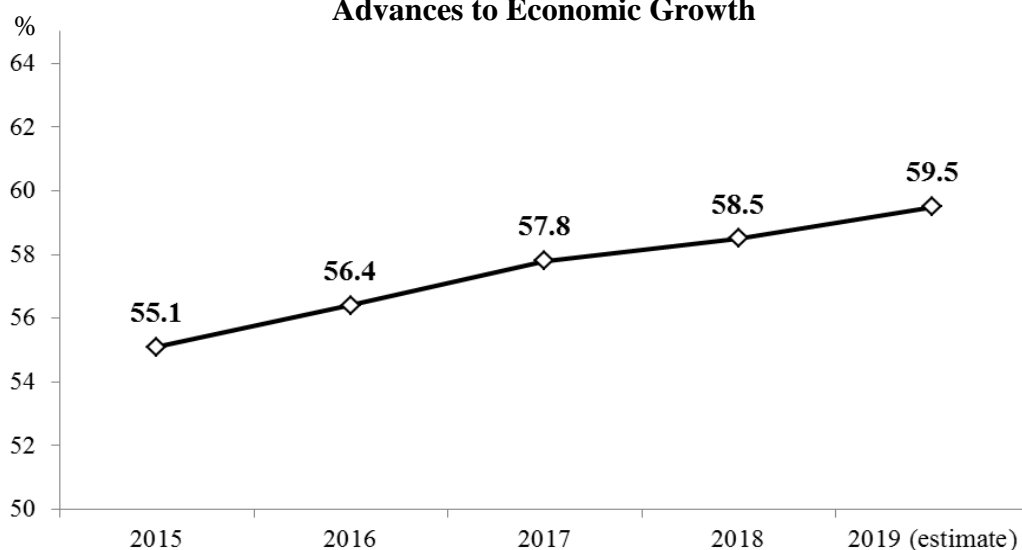
*3) We effectively prevented and controlled major risks in the financial sector.*

We made steady efforts to defuse risks related to the hidden debts of local governments and the debts of enterprises, and succeeded in curbing excessively rapid growth of the macro-leverage ratio. We effectively addressed the disorderly growth of shadow banking, made significant progress in defusing risks in some high-risk financial institutions, particularly in small and medium-sized banks, and addressed the risks related to internet finance and other financial risks that impact a large number of people. The operations of the financial market were stable and orderly, and the foreign exchange market and the RMB exchange rate remained generally stable, while the financial regulatory system was further improved.

*4. We pursued the innovation-driven development strategy and enhanced our capacity for scientific and technological innovation.*

We deepened reform of the management system for science and technology, and intensified support for basic research and application-oriented basic research. China's spending on R&D amounted to 2.19% of GDP, while the contribution made by advances in science and technology to economic growth hit 59.5%.

**Figure 3. Contribution of Scientific and Technological Advances to Economic Growth**



Source: Ministry of Science and Technology

*1) The pace of independent innovation increased.*

We saw a constant stream of significant scientific and technological advances throughout the year: The *Chang'e-4* lunar probe successfully landed on the far side of the moon; the deployment of the core constellation of the *Beidou-3* global navigation system was completed; the launch of commercial 5G operations was brought forward; the *Long March-5 Y3* carrier rocket was successfully launched; and China's first domestically built aircraft carrier *Shandong* was commissioned.

We continued implementing major projects of the Sci-Tech Innovation 2030 Agenda and major national science and technology programs, and started construction on a number of major science and technology infrastructure projects such as the High Energy Photon Source.

We made steady progress in pilot reforms of comprehensive innovation, with 169 preliminary trials being completed.

Significant headway was made in turning Beijing and Shanghai into innovation centers for science and technology, and the initiative to develop the Guangdong-Hong Kong-Macao Greater Bay Area into an international science and technology innovation center got off to a smooth start. We expedited the construction of comprehensive national science centers in Huairou in Beijing, Zhangjiang in Shanghai, and Hefei in Anhui, along with the planning for another such center in the Greater Bay Area.

*2) We stepped up our efforts to foster new drivers of growth.*

We started construction of a national pilot zone to boost the innovation-driven development of the digital economy. We coordinated efforts to advance major IT application projects, beginning with a number of major projects to build an IT-enabled government as required in the 13th Five-Year Plan. We also undertook projects for the development of clusters of strategic emerging industries.

*3) We continued to inspire enthusiasm for innovation, business startups, and creativity.*

We piloted the contract system for research project funding, along with the “green channel” program. We ensured the success of 2019 National Entrepreneurship and Innovation Week. By the end of 2019, more than 225,000 new- and high-tech enterprises and more than 151,000 small and medium-sized sci-tech businesses had been established across the country, with a year-on-year increase of approximately 24% and 15% respectively. China rose to 14th place in the Global Innovation Index 2019, with an average of at least 10,000 new businesses being registered per day in 2019.

*5. We thoroughly and effectively implemented major strategies and achieved higher levels of coordination between urban and rural development and the development of different regions.*

We promoted effective implementation of key strategies regarding rural revitalization and coordinated regional development, improved the quality of new urbanization, and reduced the disparities in development between rural and urban areas and between regions.

*1) We stepped up the implementation of the rural revitalization strategy.*

Work began on the major projects, plans, and actions defined in the Strategic Agenda for Rural Revitalization. Rural areas saw the continuous emergence of new forms of business, including rural tourism and farm-based recreation.

We continued to promote reduced yet more efficient use of chemical fertilizers and pesticides. Efforts to recycle resources from livestock and poultry waste and crop straw were stepped up.

With notable improvements in rural roads and water and power supply and the full launch of the campaign to control pollution in agriculture and in rural areas, the improvement of rural living environments was accelerated. Efforts to develop rural culture and improve rural governance were intensified.

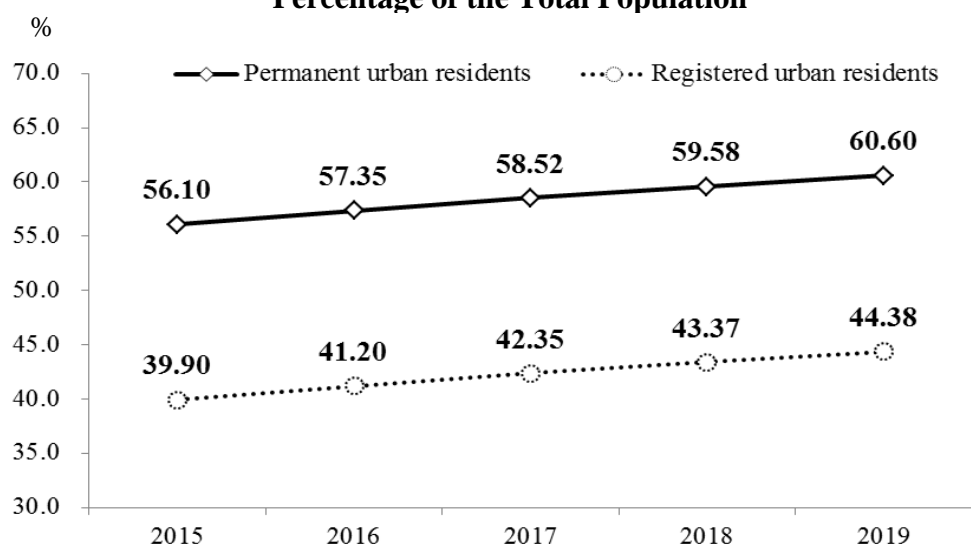
*2) The quality of new urbanization was steadily increased.*

We carried out policies and measures for building sound institutions and mechanisms for integrated urban-rural development.

Over 10 million people from rural areas were granted urban residency, constituting significant progress toward the goal of granting urban residency to 100 million people without local household registrations. The percentage of permanent urban residents reached 60.60%, while the percentage of registered urban residents reached 44.38%.

The ability of principal cities and city clusters to attract people to them gradually increased, and modern metropolitan areas grew in an orderly fashion. Breakthroughs were made in elevating very large towns to cities, while the development of towns with distinct features was further regulated.

**Figure 4. Permanent and Registered Urban Residents as a Percentage of the Total Population**



Source: National Bureau of Statistics, National Development and Reform Commission, etc.

*3) We accelerated the development of new mechanisms for coordinated regional development.*

Policy frameworks for supporting the development of the western region, the revitalization of northeast China, the rise of the central region, and the spearhead development of the eastern region were further improved.

Steady and substantial progress was made in promoting the coordinated development of the Beijing-Tianjin-Hebei region, with construction starting on Xiongan New Area. Positive results were achieved with regard to addressing prominent environmental issues in the Yangtze Economic Belt. The policies for the development of the Guangdong-Hong Kong-Macao Greater Bay Area were further refined. The Plan for Integrated Development of the Yangtze River Delta was published, and construction began on a demonstration zone for eco-friendly development in the delta. We began drafting the plan for the ecological conservation and

high-quality development of the Yellow River basin.

We stepped up work on revitalizing and developing regions with unique features such as old revolutionary base areas, areas with large ethnic minority populations, border areas, and impoverished areas. One-to-one assistance programs were also scaled up. Widespread construction efforts began on demonstration zones for developing the marine economy.

**Box 2: Progress in Major Strategies for Regional Development**

<b>Development of the Western Region</b>	<ul style="list-style-type: none"> <li>• The Guidelines on Creating a New Pattern of Large-Scale Development of the Western Region in the New Era were issued.</li> <li>• The opening up and development of border areas was advanced.</li> <li>• The construction of key pilot zones for development and opening up in border areas was stepped up.</li> </ul>
<b>Revitalization of Northeast China</b>	<ul style="list-style-type: none"> <li>• We supported northeast China in improving the business environment, reforming SOEs, and boosting the private sector.</li> <li>• Cooperative partnerships with the eastern region were promoted.</li> </ul>
<b>Rise of the Central Region</b>	<ul style="list-style-type: none"> <li>• Progress was made in formulating the guidelines on promoting high-quality development of the central region in the new era.</li> </ul>
<b>Spearhead Development of the Eastern Region</b>	<ul style="list-style-type: none"> <li>• Enterprises in the eastern region were encouraged and guided to preferentially relocate to the central, western, and northeastern regions.</li> </ul>
<b>Coordinated Development of the Beijing-Tianjin-Hebei Region</b>	<ul style="list-style-type: none"> <li>• High-quality standards were adopted for the planning and building of Xiongan New Area and Beijing's administrative center in Tongzhou.</li> <li>• Efforts were made to relieve Beijing of functions that are nonessential to its role as the capital in an orderly manner.</li> <li>• Initial breakthroughs were made in the areas of transportation, ecological conservation, and industrial development.</li> <li>• The establishment of systems and mechanisms for coordinated development was accelerated.</li> <li>• Active progress was made in the joint development and sharing of basic public services.</li> </ul>
<b>Development of the Yangtze Economic Belt</b>	<ul style="list-style-type: none"> <li>• Steady progress was achieved with regard to the "4+1" project for treating urban sewage and garbage and curbing pollution from the chemicals industry, ships, agricultural non-point sources, and tailing sites.</li> <li>• A negative-list-based management system was established for the development of the Yangtze Economic Belt.</li> <li>• The initial framework for a comprehensive transportation system was established.</li> </ul>
<b>Development of the Guangdong-Hong Kong-Macao Greater Bay Area</b>	<ul style="list-style-type: none"> <li>• The Guidelines on Supporting Shenzhen to Build Itself into a Pilot Demonstration Zone for Socialism with Chinese Characteristics, as well as specific plans, policies, and measures for developing the Guangdong-Hong Kong-Macao Greater Bay Area were published.</li> <li>• A development framework consisting of "two corridors" (Guangzhou-Shenzhen-Hong Kong and Guangzhou-Zhuhai-Macao) and "two pivots" (Hetao and Hengqin) began to take shape.</li> </ul>
<b>Integrated Development of the Yangtze River Delta</b>	<ul style="list-style-type: none"> <li>• The Overall Plan for Integrated Development of the Yangtze River Delta was formulated.</li> <li>• The General Plan for Building Demonstration Zones for Integrated, Eco-friendly Development of the Yangtze River Delta and the General Plan for Developing the Lin'gang Special Area of China (Shanghai) Pilot Free Trade Zone were both published.</li> </ul>

<p><b>Ecological Conservation and High-Quality Development of the Yellow River Basin</b></p>	<ul style="list-style-type: none"> <li>• The ecological conservation and high-quality development of the Yellow River basin was elevated to a major national strategy.</li> <li>• We stepped up efforts to draw up an overall plan for the ecological conservation and high-quality development of the Yellow River basin.</li> </ul>
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*6. We promoted market-oriented reforms and further energized market entities.*

We upheld and improved the basic socialist economic system, and made significant progress with regard to reform of key areas and sectors.

*1) The business environment was further optimized.*

We further pushed forward with reforms to streamline administration and delegate power, improve regulation, and upgrade services. The Regulations on Improving the Business Environment were promulgated, demonstrating the efforts China is making to build a business environment evaluation system. We carried out business environment evaluations in 41 cities nationwide.

The Negative List for Market Access (2019) was published and the number of items listed was reduced to 131. We worked to ensure that investment approval is conducted in line with relevant procedures, and is accessible online. The approval procedures for construction projects were further simplified.

Interdepartmental oversight conducted through the random selection of both inspectors and inspection targets and the prompt release of results was rolled out incrementally. We accelerated the formulation of the list of items for the Internet Plus Oversight initiative. The functions and services of the national platform for sharing credit information were improved. We also accelerated the setting up of a new, credit-based oversight mechanism.

A national online platform for government services was launched on a trial basis. The nationwide network for financial credit information database services was set up.

*2) Reforms in the areas of mixed ownership, the protection of property rights, and the nurturing of entrepreneurial spirit were pushed forward in a coordinated manner.*

Pilot reforms of mixed ownership were carried out in the fourth group of 160 SOEs. We strengthened the protection of property and intellectual property rights and made breakthroughs in reviewing and correcting wrongly adjudicated cases involving property rights. Steady progress was made in dedicated campaigns to address property rights disputes involving the government.

The policies and measures for supporting reform and development of private enterprises and promoting healthy development of SMEs were promulgated. A sound mechanism for entrepreneurs to participate in enterprise-related policy formulation was established.

**Box 3: Major Progress in Reform of State Capital and SOEs**

<p><b>Introducing Mixed Ownership</b></p>	<ul style="list-style-type: none"> <li>• An additional over 1,000 central government enterprises were put under mixed ownership.</li> <li>• By the end of 2019 over 70% of central government enterprises were under mixed ownership.</li> </ul>
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	<ul style="list-style-type: none"> <li>• This share exceeded 50% among local government enterprises.</li> </ul>
<b>Improving Modern Corporate System</b>	<ul style="list-style-type: none"> <li>• 83 central government enterprises established boards of directors in which external directors are in the majority.</li> <li>• 90% of class one local government enterprises had established boards of directors, while that number rose to 76% among class two and class three businesses under central government enterprises.</li> </ul>
<b>Focusing Oversight on Capital</b>	<ul style="list-style-type: none"> <li>• The Guidelines on Accelerating the Shift of Oversight over State Assets with the Focus on State Capital were formulated.</li> <li>• Lists of Powers Authorized and Delegated to Enterprises (2019) were published.</li> <li>• 91 state capital investment and management companies were established or restructured.</li> </ul>
<b>Solving Longstanding Problems</b>	<p>The completion rates of the following three tasks have exceeded 95%:</p> <ul style="list-style-type: none"> <li>• relieving SOEs of the obligation to provide water, electricity, heating, gas, and property management services to their employees' homes</li> <li>• reforming educational and medical institutions operated by SOEs</li> <li>• transferring municipal facilities managed by SOEs and the SOEs' community administration responsibilities to local governments</li> </ul>
<b>Making SOEs Leaner and Healthier</b>	<ul style="list-style-type: none"> <li>• The number of legal persons affiliated with central government enterprises was reduced by 14,000, a drop of 26.9%.</li> <li>• The management hierarchy of central government enterprises was limited to five layers or less.</li> </ul>

*3) We stepped up reforms for the market-based allocation of factors of production.*

We formulated guidelines on institutional reform to promote the social mobility of labor and talent.

We revised the Securities Law, set up the Science and Technology Innovation Board and launched trials for a registration-based IPO system, and reformed and improved the loan prime rate (LPR) mechanism.

We gave greater say to research institutes and universities with regard to their research, piloted the practice of granting researchers ownership of or permanent use rights over scientific and technological output at work, and set up a service system for technology transfer.

The Land Administration Law and the Urban Real Estate Administration Law were revised. The secondary markets for the transfer, leasing, and mortgage of use rights for land for construction purposes were further improved, while the systems for the sale of land designated for industrial purposes through various means and for ensuring adequate market supply of such land were made more robust.

*4) Reforms in key areas were deepened.*

The China Oil & Gas Piping Network Corporation was founded. We opened up markets for upstream oil and gas exploration and exploitation.

Reform measures for dividing fiscal authority and spending responsibilities between central and local governments in the areas of education, science and technology, and transportation were rolled out.

More and more electricity transactions were market-based, and steady progress was made

in reforms to raise the number of electricity distributors as well as in trials for the spot trading of electricity. The reform of the price-setting mechanism for on-grid electricity from coal-fired power plants, the pricing reform of on-grid electricity generated from wind power and photovoltaic power, the comprehensive reform of the pricing of water used in agriculture, and price reform in the transportation industry were all steadily advanced.

The China State Railway Group Co., Ltd. and the China Post Group Co., Ltd. were established by means of restructuring. In addition, reforms for cutting links between industry associations and chambers of commerce and the government were carried out across the board.

**Box 4: Main Progress in Reform of Investment and Financing Systems**

<b>Project Capital Management</b>	<ul style="list-style-type: none"> <li>• The capital contribution requirements for infrastructure projects were appropriately lowered.</li> <li>• New channels for raising project capital were created.</li> <li>• A coordinated approach was adopted to promote effective investment and forestall risks.</li> </ul>
<b>Legislation</b>	<ul style="list-style-type: none"> <li>• The Regulations on Government Investment were issued.</li> </ul>
<b>Reform of Investment Approval</b>	<ul style="list-style-type: none"> <li>• We launched legal compliance reviews for investment approval.</li> <li>• For fixed-asset investment projects, the items subject to administrative approval and registration was further reviewed and standardized.</li> <li>• Investment approval and management items required by the national online platform for reviewing, approving, and monitoring investment projects were standardized.</li> </ul>

*7. We continued to expand high-level opening up and worked faster to develop an open economy.*

We promoted opening up across more sectors and in a more thorough fashion, and stepped up efforts to develop new strengths in international economic cooperation and competition.

*1) Joint efforts to advance the Belt and Road Initiative made solid headway.*

We successfully held the second Belt and Road Forum for International Cooperation. China has so far signed 200 cooperation agreements with 138 countries and 30 international organizations for jointly advancing the Belt and Road Initiative (BRI).

Smooth progress was achieved in the China-Pakistan Economic Corridor and other projects. Active progress was made in key projects such as the Jakarta-Bandung high-speed line, the China-Laos rail line, and Gwadar port. The China-Russia east-route natural gas pipeline began operating. We established mechanisms for third-party market cooperation with 14 countries, including France, the United Kingdom, and Japan.

The BRI International Green Development Coalition was launched. Steady progress was made in developing the Digital Silk Road and Silk Road E-Commerce.

China-Europe freight train services registered a total of over 20,000 trips, incorporating 57 cities in 18 European countries, and the ratio of loaded containers reached 94%. The General Plan for New Land-Sea Transit Routes for the Western Region was published.

*2) Foreign trade saw stable, higher-quality growth.*

We carried out the Guidelines on Promoting High-Quality Development of Trade. We

successfully hosted the second China International Import Expo. Significant progress was made in the negotiations on the Regional Comprehensive Economic Partnership (RCEP). Imports and exports between China and the EU and ASEAN countries, and between China and other BRI countries both grew rapidly. The export of high-value-added products such as the integrated circuits and knowledge-intensive services continued to see rapid growth.

We built an additional 24 integrated experimental zones for cross-border e-commerce, and steadily advanced trials of the market procurement trade methods as well as trials for the innovative development of the trade in services. We also raised the quality of development with regard to special customs regulation zones such as integrated bonded areas.

*3) The utilization of foreign capital continuously increased.*

The Foreign Investment Law and the regulations regarding its implementation were enacted. We boosted efforts to attract investment in a broader range of sectors, and to encourage foreign investment in the manufacturing sector and producer services. We supported the relocation of foreign-invested industries to the central and western regions.

The two editions of the 2019 negative list for foreign investment, one concerning the whole country and the other concerning pilot free trade zones, were reduced to 40 and 37 items respectively. The restrictions on the shareholding ratio and the scope of operations of foreign-invested financial institutions in China were relaxed, expanding the bidirectional opening up of the financial market.

We promoted innovation and upgrading of state-level economic and technological development zones. We improved the management of foreign-debt registration for enterprises, and strengthened efforts to guard against foreign debt risks in key industries. China's utilized foreign investment totaled US\$ 138.1 billion over the year.

*4) Positive results were achieved in developing pilot free trade zones.*

We expanded the Shanghai Pilot Free Trade Zone by setting up a Lin'gang Special Area, and established an additional six pilot zones including one in Shandong, thus having established pilot free trade zones in all coastal provincial-level regions and in border areas for the first time. We applied 49 institutional innovation practices of free trade zones across the country in 2019, bringing the total number of such practices to 223. The Hainan Free Trade Port saw rapid development.

*5) Outward investment grew steadily.*

We implemented the Guide on Compliance Management for Enterprises' Overseas Operations, as Chinese equipment, technology, standards, and services made steady progress in "going global." Non-financial outward direct investment reached US\$ 110.6 billion in 2019. We expanded channels for cross-border financing of the RMB and advanced the internationalization of the RMB in an orderly manner.

*8. We worked to safeguard and improve the people's wellbeing, ensuring that our people lead happier, more satisfying, and more secure lives.*

Remaining committed to a people-centered philosophy of development, we worked to ensure that basic living needs are met, especially for those most in need, and that the policies for improving living standards are implemented in full.

*1) We stepped up efforts to keep employment stable and promote growth in incomes.*

We implemented the employment-first policy, and issued guidelines on further ensuring stable employment. We provided stronger support for key groups and people having difficulties finding jobs, improved public employment services in a comprehensive manner, and facilitated the free flow of employees so that they have more job opportunities.

In 2019, 55.2 billion yuan from unemployment insurance funds was refunded in order to help 1.15 million enterprises maintain stable employment, benefiting 72.9 million employees. A total of 2 billion yuan of upskilling subsidies in 1.26 million payments from the unemployment insurance funds was distributed to insured workers, while over 100 billion yuan from the surplus in unemployment insurance funds was spent on upskilling programs, and the yearly target of providing 15 million training places was surpassed. We also rolled out a system for life-long vocational skills training, and continued to augment the development of public vocational training centers.

We used a combination of measures to increase personal incomes, strived to increase the salaries of workers, especially those working on the front lines of production, and carried out oversight and inspections on the resolution of the wage arrears problem. Per capita disposable personal income exceeded 30,000 yuan.

*2) The social security system was further improved.*

A total of 968 million people are now covered by basic old-age insurance schemes. We raised the centrally-regulated share of enterprise employees' basic old-age insurance funds from 3% to 3.5%, and steadily increased basic pension benefits for enterprise retirees.

We carried out the work to transfer a portion of state capital into social security funds nationwide. We further improved the basic medical insurance and serious disease insurance systems for rural and non-working urban residents, and made solid strides in guaranteeing medical insurance for poor people and in adjusting the catalog of medicines covered by medical insurance.

Worker's compensation benefits were paid out to 1.94 million employees who have suffered work-related injuries and their dependents. We increased unemployment insurance benefits steadily. In 2019, 4.612 million unemployed people received unemployment benefits for varying durations, totaling 1,393 yuan per person per month on average.

We made steady progress in establishing a unified system for subsistence allowances in rural and urban areas, improved the dynamic adjustment mechanism for subsistence allowance standards, and ensured that the system for providing assistance and basic necessities to people in extreme poverty was fully implemented.

We promoted the renovation of old residential communities in cities and towns, began renovations on 3.16 million units of housing in run-down urban areas, and rapidly developed the housing rental market in large and medium-sized cities.

*3) Significant progress was made in addressing inadequacies in public services, shoring up points of weakness, and enhancing the quality of service.*

Government budgetary spending on education continued to exceed 4% of GDP. We continued to increase funding for education in poor areas and weak sectors. The retention rate

in nine-year compulsory education hit 94.8%, while the gross enrollment ratio for senior secondary education reached 89.5%, and the gross enrollment ratio for higher education exceeded 50%, with the goal of increasing student enrollments in vocational colleges by 1 million being achieved. We launched trials of a national initiative for integrating industry and vocational education of different types at different levels.

We launched the Healthy China initiative, advanced trials for the development of regional medical service centers, and promoted trials for centralizing the procurement and use of medicines. We published the Guidelines on Preserving, Innovating, and Developing Traditional Chinese Medicine.

We further refined policies for developing elderly care services. We continued to strengthen the protection of the rights and interests of women and children, regulated the establishment and management of childcare and early childhood education agencies, and promoted the development of care services for children under the age of three.

We continued to strengthen regulation in key areas such as the food and drug sectors. Access to basic public cultural services became more equitable, and the development of the Great Wall, Grand Canal, and Long March national cultural parks was pushed forward in a coordinated manner.

We offered greater support for building public fitness centers. Construction of stadiums and gymnasiums for the 2022 Winter Olympics proceeded in an orderly way.

The National Medium- and Long-Term Plan on Population Aging was published. The country's total population at the end of 2019 reached 1.40005 billion, with a natural population growth rate of 3.34‰.

#### **Box 5: Measures to Improve Capacity in Providing Public Services**

<b>Public Education</b>	<ul style="list-style-type: none"> <li>• We consolidated the funding mechanism for compulsory education in urban and rural areas.</li> <li>• We stepped up initiatives to modernize Chinese education.</li> <li>• We facilitated efforts to strengthen weak links and enhance capacity in compulsory education.</li> <li>• We expanded the coverage of the subsidy scheme for improving the nutrition of rural students in compulsory education.</li> <li>• We worked to make high-quality, public-interest preschool educational resources more broadly available.</li> </ul>
<b>Medical and Healthcare</b>	<ul style="list-style-type: none"> <li>• We pushed forward the program to ensure a healthy population.</li> <li>• We initiated trials for the development of regional medical service centers.</li> <li>• We increased support for the preservation and innovation of traditional Chinese medicine.</li> <li>• With the focus on centralized procurement and use of medicines, we further coordinated medical service, medical insurance, and pharmaceutical reforms.</li> </ul>
<b>Social Services</b>	<ul style="list-style-type: none"> <li>• We adopted measures to ensure the provision of social services for groups that are most in need.</li> <li>• We formulated guidelines on further ensuring social protection of children who live on their own.</li> <li>• We increased the supply of service facilities for child welfare, the protection of minors, funerals, and interment.</li> <li>• We continued with the campaign to promote synergy between city governments and enterprises in providing public-interest care services for</li> </ul>

	<p>the elderly, and made substantial efforts to develop community-based elderly care.</p> <ul style="list-style-type: none"> <li>• We launched initiatives to support private actors in providing public-interest childcare services.</li> </ul>
<b>Culture and Sports</b>	<ul style="list-style-type: none"> <li>• We carried out the project to promote cultural tourism.</li> <li>• We explored establishing new mechanisms for involving the private sector in the provision of public cultural services.</li> <li>• We developed the press and publishing in ethnic minority areas.</li> <li>• We implemented the project to boost the popularity of community sports.</li> <li>• We increased the availability of public fitness facilities.</li> <li>• We made efforts to see that public sports complexes are opened to the public either free of charge or at a low cost.</li> </ul>
<b>Services for People with Disabilities</b>	<ul style="list-style-type: none"> <li>• We refined the system of disability employment security funds to further promote the employment of people with disabilities.</li> <li>• We implemented the systems for providing living allowances to people with disabilities who face financial difficulties and for granting care subsidies to people with serious disabilities.</li> <li>• We improved the quality of special education.</li> <li>• We launched the campaign to provide targeted rehabilitation services to people with disabilities.</li> </ul>

In assessing economic and social development in 2019, major targets for economic growth, employment, CPI, and the balance of payments, as well as targets concerning innovation, resource conservation, environmental protection, and people's wellbeing were satisfactorily met.

Due to the rapid growth of steel, building materials, non-ferrous metals, chemicals, and the service sector, one of the obligatory targets—energy consumption per unit of GDP saw an actual reduction of only 2.6%, falling short of the projected target of around 3%. However, the total reduction from 2016 to 2019 achieved a completion rate of 87.1% for the target set in the 13th Five-Year Plan period, and thus was in line with the scheduled reduction for this period.

Of the anticipatory targets, the value-added of primary industry, total retail sales of consumer goods, general government revenue, and urban per capita disposable income all fell short of expectations.

The projected growth in value-added of primary industry was around 3.5%, but the actual increase was only 3.1%. The main reason for this was the sharp decline in the output of pork and some other agricultural products, with a 21.3% reduction in pork output.

The expected growth for total retail sales of consumer goods was approximately 9.0%, but actual growth was only 8.0%. This was mainly due to the fact that there was a slowdown in the growth of traditional forms of consumption like automobiles and home appliances. Other new growth areas in consumer spending are still awaiting development.

General government revenue was projected to grow by 5.0%, but actually grew by only 3.8%, due to the larger-than-expected tax and fee cuts made to support the development of the real economy.

Urban per capita disposable income was set to grow essentially in step with economic

growth, but the actual growth rate was 5.0%, which was lower than the 6.1% growth in GDP. This was mainly due to a slowdown in the growth of urban residents' net incomes from business and property as well as larger price rises compared to the previous year.

Esteemed Deputies,

This year, the sudden outbreak of covid-19 has heavily impacted China's economic and social development. This epidemic is the fastest-spreading, largest in scale, and most challenging public health emergency China has faced since the founding of the People's Republic.

In the face of this serious challenge, General Secretary Xi Jinping has personally taken charge and planned our response. A Central Committee leading group for responding to the epidemic was quickly established and a central guidance team was dispatched to Hubei Province. The role of joint prevention and control mechanism under the State Council was given full play. The health and safety of the people have, right from the beginning, been our top priority in fighting the epidemic.

Under the firm leadership of the Party Central Committee with Comrade Xi Jinping at its core, all regions and departments conscientiously implemented the decisions and plans of the Party Central Committee and the State Council, and the whole country was united as one and ready to assist those in need. In accordance with the general requirement to stay confident, come together in solidarity, adopt a science-based approach, and take targeted measures, China quickly declared an all-out people's war against the epidemic.

**An all-out effort was made to control the epidemic and treat patients.**

The efforts of the entire nation were marshaled in support of Wuhan and the rest of Hubei, the country's main battleground: more than 40,000 medical personnel were sent to help; specialized hospitals like Huoshenshan and Leishenshan and temporary hospitals for centralized treatment were completed with extraordinary speed; and vigorous efforts were made to raise the hospital admission and cure rates and bring down the infection and mortality rates.

A joint mechanism and an all-of-society framework for prevention and control were set up. One after another, provinces, autonomous regions, and municipalities activated level-one responses to this major public health emergency. Officials were dispatched to communities to ensure effective epidemic control there, while social organizations of all kinds, specialized social workers, and volunteers received the guidance they required to provide epidemic control and social services in accordance with law and in an orderly manner.

We worked solidly to ensure the adequate supply of medical materials and stabilize the supply and prices of daily necessities. We quickly ramped up the production of facemasks and other medical protective materials and medical equipment, and added more hospital beds, thereby basically meeting epidemic control needs. We did everything possible to ensure the supply and stable prices of grain, cooking oil, and other foods such as meat, eggs, vegetables, and milk.

With the intensification of scientific research into epidemic prevention and control, rapid

testing kits were quickly developed and employed on a wide-scale basis. Both traditional Chinese medicine and Western medicine were utilized and patients, experts and resources were concentrated in designated facilities to provide treatment, in an attempt to save as many lives as possible.

Responding to the rapid spread of the epidemic around the world and guarding against imported risks, the Chinese government provided care and support for overseas Chinese nationals and arranged temporary flights to bring back to China in an orderly fashion those individuals facing difficulties abroad.

In promoting international epidemic control cooperation, China strengthened cooperation with the World Health Organization (WHO), and has provided as much assistance as it can to countries and regions hit by the epidemic.

**Coordinated efforts were made to curb the spread of the epidemic and promote economic and social development.**

*Resumption of business and production was carried out in an orderly manner in different regions according to local conditions.* With the precondition of the epidemic under effective control, active assistance was provided to enterprises to help them solve the problems they faced with regard to labor, logistics, funding, and the supply of raw materials and spare parts. Every effort was made to ensure the operation of urban and rural roads and public transportation services, and emergency assistance was provided to micro, small, and medium-sized enterprises and to self-employed individuals. These measures have helped enterprises of all sizes both up- and down-stream resume business and production in a coordinated manner. By the end of April, 99.4% of large industrial enterprises had resumed production, and 94.3% of their employees had returned to work. We strengthened online approval of investment projects, ensured support for these projects in terms of labor, land use, funding, energy use, and environmental impact assessment, and acted promptly to help solve the problems major projects faced in resuming construction.

*A range of policies were rolled out in a timely manner to offset the impact of the epidemic.* In addition to the 1.29 trillion yuan of local government special bonds to be issued in 2020 that the central government had already approved in advance last year, a further 1 trillion yuan was approved. In scaling up tax and fee cuts, we reduced or exempted VAT on small-scale taxpayers on a time-limited basis, reduced or waived enterprises' social insurance premiums and allowed them to delay their contributions to the housing provident fund at the current stage, and lowered both power and gas costs for enterprises. These measures resulted in more than 700 billion yuan of tax and fee reductions in the first quarter of 2020. We made three general and targeted cuts to required reserve ratios, increased quotas for relending and rediscounts by 1.8 trillion yuan, and strengthened inclusive financial support for micro, small, and medium-sized enterprises. Delayed repayment was allowed for the loans of micro, small, and medium-sized businesses. We introduced policies and measures to expand and upgrade consumption and to boost a robust domestic market, and further extended the policies on purchase subsidies and purchase tax exemption for new-energy vehicles. We took prompt steps to explain the situation and our policies, actively responded to public concerns, and maintained the confidence of

market entities.

*Agricultural production proceeded smoothly in the spring.* With sufficient production and supply of seeds, chemical fertilizers, pesticides, and agricultural machinery, plowing and sowing progressed smoothly. The area that will be sown with early rice is predicted to total 4.73 million hectares and the winter wheat and winter canola crops are growing well. We worked hard to resolve inadequate supply of feed required for livestock and aquaculture farming and difficulties faced in the sale of some agricultural products that were having difficulties finding buyers.

*Concerted efforts were made in poverty reduction.* We moved quickly to ensure the resumption or start of work on poverty reduction projects, such as those to develop infrastructure in resettlement areas for people relocated from inhospitable areas, poverty-reduction workshops, projects to ensure safe drinking water in rural areas, and work-relief programs. We made the most of public-welfare posts in creating jobs, helped people in poverty find jobs in their hometowns or nearby areas, gave priority to assisting workers struggling with poverty in returning to their jobs in cities or finding jobs in other places, and quickly enacted measures to provide support and assistance for those who sink back or fall into poverty due to the epidemic.

*Efforts were redoubled to help stabilize employment and ensure people's basic living needs were met.* We made full use of the unemployment insurance funds to support enterprises in keeping employment stable. Recruitment into SOEs, enrollment of graduate students, admission of junior college graduates into undergraduate education, and enlistment of undergraduates into the military were scaled up. Home-to-work transportation services were provided to help rural migrant workers return to their posts, and schools and colleges were organized to carry out online teaching throughout the country, both in an orderly fashion. In providing assistance to people facing financial difficulties due to the epidemic, we continued the practice of increasing social security assistance and benefit payments in step with price rises, and increased benefits and expanded assistance coverage for the current period.

Through the arduous efforts of the entire Party and the whole nation, our country has secured a decisive victory in the battle to protect Wuhan and Hubei Province, achieved a major strategic result in containing the epidemic, and made positive progress in coordinating continued prevention and control efforts with economic and social activities.

These achievements once again fully demonstrate the strong vitality and great strengths of the CPC's leadership, of our system of socialism, and of our state governance system, which will enable us to surmount any difficulty and make a significant contribution to human civilization and progress.

At the same time, we must be keenly aware that although the epidemic has been brought under effective control at home, it is still spreading rapidly in other countries. The world economy is heading toward a serious recession, and instabilities and uncertainties are clearly increasing, while China has major challenges to address in pursuing economic development.

**Internationally,** covid-19 is severely impacting the global industrial and supply chains, while the international financial market is experiencing growing volatility. Unilateralism and

protectionism are increasing, international economic and trade rules are being challenged, and geopolitical risks remain relatively high. All this will increase external risks to China's development.

**Domestically,** China is under great pressure in preventing covid-19 from entering from other countries and has new challenges to overcome before its economy and industrial and supply chains can recover.

*First, decline in domestic and foreign demand has led to impeded flows in the economy.* Consumption of non-necessities was squeezed due to the impact of the epidemic, and the consumption of automobiles and other big-ticket items fell sharply. In short, growth in consumer spending has been checked. Businesses are experiencing growing difficulties in operations and receiving fewer orders. Added to this are the limitations on investments by local governments, and the result is great difficulty in increasing investment. Due to the sluggish foreign demand and the broken global supply chains, we are under increasing pressure to ensure stable foreign trade and stable foreign investment.

*Second, the situation is challenging for some enterprises and industries.* The value-added of corporate profits dropped sharply. Consumer services were worst-affected. Many micro, small, and medium-sized enterprises are experiencing breaks in their capital chains and have therefore had to suspend or shut down production, and it is likely that more such enterprises in some localities and industries will have no choice but to declare bankruptcy.

*Third, there are pronounced weaknesses in our public health and emergency response systems.* Our management institutions for disease prevention and control need to be further improved. Our capacity for the monitoring over, early warning of, and response to new infectious diseases needs to be enhanced. Public health infrastructure in counties, towns, and villages needs to be strengthened. Our national reserve system for important supplies also needs to be further improved.

*Fourth, our capacity for scientific and technological innovation is still not robust.* Our R&D spending falls short of what is required to turn China into a country of innovators, while deep-seated institutional barriers to scientific and technological innovation have yet to be removed, and our country still has to depend on others for core technologies in key fields.

*Fifth, reforms in key sectors need to be strengthened.* Mechanisms still need to be improved so that factors of production are priced by the market. Continued efforts will be made to overcome challenges with regard to key reforms such as those involving SOEs and state-owned assets, the fiscal, tax, and financial systems, the business environment, the private sector, the expansion of domestic demand, and integrated urban-rural development.

*Sixth, risks are accumulating in some key sectors.* Externally-generated risks are on the rise, credit default risks may increase, and risks for some small and medium-sized financial institutions are relatively high. Government at all levels face higher prevention and control expenditures and smaller tax revenues due to the covid-19 outbreak, and some county-level governments are even facing difficulties in their financial operations.

*Seventh, there are prominent problems that need to be addressed to ensure people's wellbeing.* It has become more challenging to stabilize employment, and we are facing mounting pressure to

generate employment for college graduates and other key groups and increasing difficulties with regard to creating jobs for unemployed people in some places. It has also become more difficult to increase incomes, and some workers find their salary incomes decreasing.

We face a formidable task in lifting those still living below the poverty line out of poverty. Areas of extreme poverty face new challenges in ensuring compulsory education, basic medical services, and safe housing for residents living below the poverty line.

There are also weak areas and deficiencies to address in ecological conservation and environmental governance. Public service systems, such as those for old-age services, childcare, and education, fall short of the expectations of the general public.

**In addition**, there are still areas of improvement in our work. For instance, our policies on epidemic control need to be better coordinated, with some still functioning in a fragmented or isolated manner. Some policies need to be better implemented. Our methods of governance and capacity in some areas need to be improved and strengthened. Pointless formalities and bureaucratism still exist in the performance of our work.

While noting these difficulties and challenges, we must recognize that the shocks and impacts of covid-19 on China are short-term and manageable, and that the fundamentals of the Chinese economy, with its strong potential and great resilience, remain favorable for long-term growth. With challenges also come opportunities, and challenges can turn into opportunities if dealt with well.

Under the firm leadership of the Party Central Committee with Comrade Xi Jinping at its core, with the manifest strengths of the system of socialism with Chinese characteristics, along with our strong ability to mobilize all sectors of society, China's formidable comprehensive strength, and the concerted efforts of the Party, the military, and the people of all our ethnic groups, we will be able to defeat this epidemic, and we are also certain to maintain good momentum in our country's economic and social development, realize the goal of eradicating poverty, and achieve moderate prosperity.

## **II. Overall Requirements, Main Objectives, and Policy Directions for Economic and Social Development in 2020**

The year 2020 is the final year for completing the building of a moderately prosperous society in all respects and for concluding the 13th Five-Year Plan. Our economic and social development work this year will take on added importance, as we seek to complete the first Centenary Goal and to lay a good foundation for progress on the 14th Five-Year Plan and the second Centenary Goal.

### **1. Overall Requirements**

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 in full the guiding principles of the Party's 19th National Congress and the second, third, and fourth plenary sessions of its 19th Central Committee, and firmly act on the Party's basic theory, line, and policy.

We must strengthen our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership; enhance our confidence in the path, theory, system, and culture of socialism with Chinese characteristics; and uphold General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and uphold the Central Committee's authority and its centralized, unified leadership.

As we focus on the objectives and tasks for completing the building of a moderately prosperous society in all respects, we need to coordinate the prevention and control of covid-19 with the task of economic and social development. While ensuring regular prevention and control efforts, we must stay committed to the general principle of pursuing progress while ensuring stability and to the new development philosophy. Keeping supply-side structural reform as the main task, we need to draw on the impetus of reform and opening up to promote high-quality development.

We need to secure progress in the three critical battles and step up efforts to ensure stability on six fronts and maintain security in six areas.<sup>5</sup> We need to firmly pursue the strategy of expanding domestic demand, ensure economic development and social stability, and make sure that we accomplish the targets and tasks for winning the battle against poverty and bring to completion the building of a moderately prosperous society in all respects.

In carrying out specific tasks, we need to remain mindful of worst-case scenarios and fully prepare ourselves, both mentally and in our work, for the occurrence of all possible scenarios. It is important to fully appreciate the inherent unity between ensuring stability on the six fronts and maintaining security in the six areas. We must focus on maintaining security in the six areas in order to ensure stability on the six fronts. By doing so, we will be able to keep the fundamentals of the economy stable. Maintaining security will deliver the stability needed to pursue progress, thus laying a solid foundation for accomplishing our goal of building a moderately prosperous society in all respects.

With a focus on maintaining security in the six areas, we need to intensify the implementation of macro policies. We will ensure full implementation of the policies we have already announced to tackle pressing problems and difficulties, and roll out new counter policies in light of new developments, so that we are able to ensure that people's basic needs are met.

At the same time, we must focus on our main objectives, employ well-conceived tactics and methods, and ensure that we can respond to external risks and meet domestic challenges, solve both short-term and long-standing problems, and give full play to the role of market and better leverage the role of government. We must do everything within our capacity, be adept at turning challenges into opportunities, and make sure that the decisions and plans of the Party Central Committee and the State Council are put into action and achieve real results.

## **2. Main Objectives**

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<sup>5</sup> The six areas refer to job security, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments.

In accordance with the afore-mentioned requirements and considerations, and adhering to objective economic laws and a pragmatic and realistic approach, we have taken into account our international and domestic imperatives, our present and long-term needs, and what is required and what is possible, and have set the following main objectives for economic and social development in 2020.

- *Giving top priority to stabilizing employment and ensuring living standards, winning the battle against poverty, and working to achieve the objectives and tasks for moderate prosperity*

Our main considerations in setting this goal were as follows: China will face some factors in its development that are difficult to predict due to the great uncertainty regarding the covid-19 pandemic and the world economic and trade environment. Not setting a quantified target for economic growth this year will allow all sectors to continue implementing the decisions and plans of the Party Central Committee and the State Council and keep the focus of work on the six areas of security and pursuing high-quality growth, so that we can solve the main problems and difficulties facing us at the present moment. At the same time, not quantifying the economic growth target does not mean that we will not pursue economic growth. Efforts to ensure employment and basic living needs, eliminate poverty, achieve moderate prosperity, and forestall and defuse risks all need to be supported by economic growth.

- *Over 9 million new urban jobs, a surveyed national urban unemployment rate of approximately 6%, and a registered urban jobless rate of around 5.5%*

In setting these objectives, our main considerations were:

Regarding the target for new urban jobs, the shocks caused by covid-19, as well as mounting downward pressure on the economy, mean that the pressure on the creation of urban jobs has grown significantly. However, given the level of employment demand among new entrants to the workforce in the cities, it is not only necessary but essential to maintain a considerable level of job growth, and this also embodies our jobs-first policy orientation.

With regard to unemployment rates, although the impact of the epidemic is likely to persist for some time to come, we have the confidence and the ability to forestall and defuse risks of large-scale job losses and thus keep employment stable.

- *A CPI increase of approximately 3.5%*

In setting this objective, we have taken into account the following factors: Consumer price increases from 2019 are exerting a significant carryover effect on prices this year, while the adverse impact of the epidemic has added some new inflationary factors, with the upward pressure on prices remaining relatively high. In projecting a CPI increase of around 3.5%, we have also taken into account the need to keep market expectations stable.

- *Personal income growth that is basically in step with economic growth*

This objective is based on the following considerations: It is compatible with the goal of building a moderately prosperous society in all respects, and it will better serve our people's growing need for a better life and embody the people-centered development philosophy. Moreover, with implementation of the rural revitalization strategy making progress and

policies and measures to boost personal incomes gradually taking effect, this year's target for personal income growth is an attainable one.

▪ *More stable and higher-quality imports and exports and a basic equilibrium in the balance of payments*

Our primary considerations for this objective are: Given the relative difficulty of maintaining growth in foreign trade in 2020, we not only need to strive to promote steady growth in foreign trade and keep market expectations and business confidence stable, but also must move quickly to develop new competitive strengths and encourage high-quality development of foreign trade.

▪ *A further drop in energy consumption per unit of GDP and discharge of major pollutants, with major efforts being made to fulfill the targets and tasks in the 13th Five-Year Plan*

By the end of last year, we had achieved 87.1% of the 15% reduction in energy consumption per unit of GDP set out in the 13th Five-Year Plan. However, the tasks for this year remain formidable, particularly as the impact of the epidemic on economic growth is likely to be greater than the impact on total energy consumption. Much hard work will be required in order to achieve the target.

### **3. Main Policy Directions**

To achieve the above-mentioned objectives, it is imperative that we make an adequate assessment of the shocks and impact of covid-19 on the global economy, adopt a targeted approach in intensifying macro policy regulation and implementation, strengthen coordination and mutual support between macro policies, and work to keep economic growth stable and guarantee living standards, with a view to preventing short-run shocks from turning into long-term trends.

▪ *We will pursue a more proactive and impactful fiscal policy.*

The 2020 deficit-to-GDP ratio is projected at more than 3.6%, with the deficit increased by 1 trillion yuan over last year; the central government will issue 1 trillion yuan of covid-19 bonds this year, which will not be included in the deficit. All these newly increased funds will be transferred in full to local governments to be predominantly used to ensure job security, basic living standards, and the operations of market entities and to support efforts to cut taxes and fees, reduce rental and loan interests, spur consumption, and increase investment.

We will make every effort to optimize the composition of government spending, firmly cut general expenditures, strictly prohibit construction of new government buildings and wasteful and excessive spending, and pledge to increase spending on ensuring people's wellbeing, including funds for poverty alleviation, compulsory education, basic old-age insurance, basic medical insurance, and urban and rural subsistence allowances. Overall planning will be carried out to use funds carried over from previous years to support efforts to achieve moderate prosperity, overcome the impact of the epidemic on the economy, and carry out major projects in the 14th Five-Year Plan. We will increase transfer payments to local governments whose revenues have been badly affected by the epidemic in order to ensure basic living needs, the payment of salaries, and the normal government functioning.

- *We will pursue a prudent monetary policy in a more flexible and appropriate manner.*

We will guide considerably faster growth in the  $M_2$  money supply and aggregate financing in the economy than that achieved last year. We will use a combination of tools, such as open market operations, interest rate cuts, required reserve ratio reductions, re-lending, and rediscounts, to maintain reasonably sufficient liquidity and guide loan interest rates in continuing moving downward, in an effort to reduce the overall financing costs of businesses.

We will continue the policy of allowing micro, small, and medium-sized enterprises to defer their loan repayments; this policy will be extended as far as possible to inclusive loans granted to micro and small businesses, while other businesses facing serious financial difficulties may also have their loan repayments postponed upon negotiation.

New monetary policy tools will be created to directly serve the real economy, providing financing support in the case of emergencies. We will guide financial institutions in increasing the credit supply to micro, small, and medium-sized businesses, and encourage them to grant inclusive credit loans to micro and small businesses.

We will work to keep the RMB exchange rate generally stable at an adaptive, balanced level, and maintain an appropriate scale of foreign exchange reserves. We will ensure financial stability, manage risks effectively, and forestall systemic risks.

- *We will ensure full, stronger implementation of our employment-first policy.*

Giving top priority to protecting job security, we will adjust policy intensity as the employment situation changes, so as to keep the workforce stable, improve the composition of employment, and increase its overall quality.

We will increase support for businesses in keeping their payrolls stable, and provide tailored support and assistance for different areas, enterprises, and groups, so as to forestall and defuse risks of large-scale job losses.

We will make better use of the role of business startups and innovation in creating jobs, and explore ways of using related support policies to encourage college graduates to engage in innovation and start businesses. We will guide the healthy development of flexible employment and new forms of employment.

We will give stronger support to key groups such as college graduates, rural migrant workers, and demobilized military personnel, allow the time-limited practice of getting hired first with later completion of vocational qualifications, make good use of upskilling funds, provide more employment assistance for people who have difficulty finding work, especially those living in poverty, and eliminate the phenomenon of zero-employment families.

- *We will step up overall planning and coordination of macro policies.*

We will strengthen preparatory research on policy options, and promote greater coordination and synergy between fiscal, monetary, employment, consumption, investment, industrial, and regional policies.

We will firmly implement the strategy of expanding domestic demand, fully tap the potential of our enormous market, give full play to the basic role of consumption and the key role of investment, guide investment toward areas that have benefits for both supply and

demand sides and multiplier effects, and push for the steady expansion of domestic demand.

To promote high-quality development of manufacturing, our industrial policies need to combine government guidance with market mechanisms, allow independent development and opening up and cooperation to mutually reinforce one another, and focus on upgrading industrial foundations and modernizing industrial chains.

We will strengthen the fundamental position of competition policies, and create an institutional environment that encourages fair competition, thereby further boosting market dynamism.

We will ensure that regional policies give full play to the comparative advantages of each region, use major projects and policies to lead the implementation of major regional development strategies, and work faster to foster new drivers for high-quality development nationwide.

### **III. Major Tasks for Economic and Social Development in 2020**

In 2020, we will act on the decisions and plans of the CPC Central Committee and the State Council for coordinating epidemic containment with economic and social development, and focus our work on the following nine areas:

*1. Consolidating and expanding initial progress in epidemic containment and ensuring regular prevention and control efforts*

In line with the overall strategy of preventing both the importation of cases and a possible domestic resurgence, we will implement targeted and effective measures in all aspects of epidemic containment in a timely, solid, and meticulous manner.

*1) We will consolidate progress in prevention and control work throughout the country.*

We will improve the regular containment mechanism to ensure timely detection, rapid response, targeted management, and effective treatment. We will refine and launch relevant contingency plans in a timely manner and take science-based prevention measures to close loopholes. We will comprehensively consolidate community-based networks for epidemic control, while at the same time strengthening IT-based smart prevention and control capabilities. We will continue to do everything we can in treating suspected and confirmed patients, and provide psychological counseling for recovered patients, people under quarantine, and front-line medical workers. We will also step up vaccine research and development.

*2) We will strengthen and improve measures to prevent imported cases.*

We will continue to increase support and care for overseas Chinese citizens. The line of epidemic defense will be held firmly in point-of-entry cities, and medical resources and health workers will be better allocated. We will support border areas in building public health facilities and enhancing their testing and quarantine capabilities, so that risk points and risk sources can be rapidly and accurately identified and controlled. We will improve services to ensure the safety of those quarantined at designated facilities, monitoring their health and providing necessary counseling.

*3) We will promote international cooperation to combat covid-19.*

We will deepen exchanges and cooperation with the WHO, explore the establishment of a regional liaison mechanism for public health emergencies, continue to provide assistance within our capacity to relevant countries, advance the Healthy Silk Road initiative, and contribute to international cooperation on fighting covid-19 in multiple ways. We will ensure the quality of exported epidemic prevention supplies. We will also strengthen international cooperation on research and development in order to achieve breakthroughs in the development of effective covid-19 remedies and vaccines as early as possible.

*2. Achieving progress in the three critical battles and ensuring that all tasks are accomplished on schedule*

We will ensure that poverty alleviation is accomplished on schedule, the objectives for pollution prevention and control for the present stage are attained, and systemic financial risks are forestalled.

*1) We will secure a decisive victory over poverty.*

By fully implementing the working mechanism whereby the central government is responsible for overall planning, provincial-level governments assume principal responsibility, and city and county governments are responsible for program implementation, we will continue to focus on poverty alleviation efforts in deeply impoverished areas such as the three regions and three prefectures, list all counties and villages which have not yet eliminated poverty in order to oversee their poverty-alleviation efforts, and ensure that rural residents living below the current poverty line are lifted out of poverty and the poor counties are removed from the poverty list.

In alleviating poverty through boosting employment, we will give priority to helping impoverished workers return to their posts; ensure that poverty-reduction programs restart quickly; encourage enterprises to recruit employees from poor areas, particularly from the registered poor families; and support poverty-reduction workshops and leading enterprises in creating job opportunities for local people.

We will further promote consumption as a means of poverty alleviation, ensure better linkage between production and sales, and address the difficulties some impoverished areas have in selling their agricultural products due to the epidemic.

In reducing poverty through developing local industries, we will make good use of assistance funds and microfinance, allow local governments to make appropriate adjustments and improvements to poverty-alleviation funds this year, and increase rewards and subsidies for related programs.

We will work quickly to reopen and press ahead with final-phase projects to relocate people from inhospitable areas and to ensure safe drinking water for poor rural populations, so that all of these projects are essentially completed in the first half of the year. We will set out detailed follow-up support measures for relocated families, and shore up weaknesses in education and medical care facilities in large resettlement areas. We will step up the development of public services infrastructure and promote education in poor areas, and consolidate and build on our achievements in reducing drop-out rates and ensuring attendance.

We will continue to carry out renovation of dilapidated rural houses so as to complete the task of ensuring safe housing for every poor household. We will carry out work-relief

programs in more sectors and more areas for greater numbers of impoverished people.

We will provide assistance and support for those who have sunk back or fallen into poverty due to the epidemic outbreak and ensure that their basic living needs are covered. We will strengthen social security to better meet basic needs of those impoverished people who have no capacity to work and ensure that our social safety net covers all eligible residents.

We will strengthen poverty alleviation efforts in targeted impoverished areas. We will support old revolutionary base areas in reducing poverty and promoting revitalization and development. Major support policies will remain in place for counties that have recently been lifted out of poverty. We will conduct research on establishing a long-term mechanism for addressing relative poverty.

*2) We will continue to strengthen pollution prevention and control.*

By maintaining the same direction and intensity of effort, we will address problems at the source, bring about sustained improvement in the environment, and speed up the establishment of a modern environmental governance system. We will consolidate our successes in the campaigns to keep our skies blue, our waters clear, and our land pollution-free.

We will work to establish long-term mechanisms for clean winter heating in northern China in an orderly manner; upgrade more steel enterprises so that they meet the ultra-low emissions target; control pollution caused by diesel trucks; build more special-purpose railway lines; and continue to bring about a shift in freight transportation from highways to railways. These measures will ensure that the 13th Five-Year Plan target for the percentage of days with good or excellent air quality in cities at and above prefecture level is achieved.

We will take stronger steps to treat urban sewage, clean up black, malodorous water bodies in cities, improve the water environment in the Bohai Sea region through comprehensive measures, control pollution in agriculture and rural areas, protect water sources, and launch a number of major projects to protect the environment in the Yangtze River and Yellow River basins.

We will make steady progress in soil pollution prevention and control, and work to ensure that cropland and other land plots that have been polluted are used safely.

We will draw up a national plan for undertaking major projects to protect and restore important ecosystems, refine the river chief and lake chief systems, move quickly to implement the forest chief system, continue our holistic approach to the conservation of mountain, river, lake, forest, farmland, and grassland ecosystems, and work to comprehensively address groundwater over-abstraction. Water consumption per 10,000 yuan of GDP will drop by 1.2%.

We will tighten oversight over ecological conservation, and work to improve the system of oversight standards for ecological red lines and supporting policies. We will improve mechanisms for ecological compensation, draft regulations regarding compensation for ecological conservation efforts, and carry out trials of comprehensive ecological compensation. We will also step up development of national ecological conservation pilot zones.

We will proactively respond to global climate change, and speed up development of the national carbon market.

We will develop green industries, publish the Green Technology Catalog, and support

third-party participation in pollution control in industrial parks.

We will step up efforts to shore up weaknesses in environmental infrastructure such as facilities for urban sewage and garbage treatment and for collection and disposal of medical waste and hazardous waste. We will promote waste sorting across the country, look into measures for controlling the pollution created by express delivery packaging and the problem of excessive packaging, and raise the percentage of urban household waste that is safely disposed of.

*3) We will ensure that no systemic risks arise.*

We will keep a close eye on external uncertainties which might arise from the volatile global financial markets and commodity markets, and improve the mechanisms for early warning and response with regard to cross-border capital flow.

We will follow and monitor the liquidity risk of industries and enterprises with high leverage ratios and decreased profit-making ability in order to prevent breaks in the funding chains coalescing into chain reactions. We will continue to manage the risks associated with high-risk financial institutions in an orderly manner.

We will actively work to ensure the stability of the bond market, move quickly to refine market- and law-based mechanisms for handling bond defaults, and set up a risk prevention and control system that incorporates early detection, early warning, early discovery, and early handling of risks.

We will ensure implementation of policies for cancelling the non-performing loans of banks and encourage market entities to participate in the handling of non-performing loans. We will refine the recovery and resolution mechanism for financial institutions and support banks in replenishing capital through multiple channels. We will steadily defuse hidden debt risks of local governments.

In accordance with the principle that houses are for living in, not for speculation, we will move steadily to develop a sound, long-term mechanism to implement city-specific policies and promote steady and healthy development of real estate markets, while working hard to keep land prices, housing prices, and market expectations stable.

*3. Adhering to the strategy of expanding domestic demand and fostering a strong domestic market*

To address the influence and impact of the epidemic, we will tap into and stimulate both the supply and the demand potentials of the domestic market, and enhance the role of domestic demand as a driver of economic growth.

*1) We will unleash the potential of consumption.*

While maintaining effective epidemic containment measures, we will promote the orderly resumption of business with regard to all kinds of stores and markets, and facilitate the speedy recovery of offline consumption.

We will foster and expand online consumption and promote closer integration between the internet and various modes of consumption.

We will promote integrated development of online and offline consumption in services such as education, healthcare, elderly care, domestic services, culture, tourism, and sports. Further support will be given to internet-based takeout and food delivery platforms, online

ride-hailing, and other new types of business.

We will expand the coverage of e-commerce and express delivery services in rural areas, and facilitate the flow of industrial goods into rural areas and of agricultural products to the cities.

We will step up development of the 5G network and applications, improve the layout of new types of infrastructure, promote ultra-high definition video, virtual reality, and other forms of emerging consumption, and develop the wellness industry.

Efforts will be made to actively increase purchases of vehicles and the parallel import of vehicles will be allowed if their exhaust emissions are tested up to China VI standards. Rewards and subsidies will be provided as appropriate to the Beijing-Tianjin-Hebei region and other key areas to remove diesel trucks at and below China III emission standards from the roads. We will increase financial support for purchases of vehicles and environmentally friendly smart home appliances.

Subsidies for replacing old home appliances with new ones will be encouraged in localities where conditions allow. We will step up the building of a recycling system for old home appliances. We will expand the supply of smart, customized, and environmentally friendly products, and promote green consumption.

We will develop some cities into international consumption centers and create regional consumption centers based on local circumstances. We will actively develop smart business clusters and step up the building of new types of cultural and tourism consumption clusters. We will quickly reopen rural tourism and farm-based recreation, and encourage development of the nighttime economy.

Restrictions on low altitude airspace will be loosened in an orderly manner, and development of the general aviation network will be stepped up.

We will strengthen efforts to build national logistics hubs, national backbone cold-chain logistics bases, and commodity distribution networks, and promote the development of the supply chain and of cold-chain, smart, and international logistics. We will promote the coordinated development of e-commerce and express delivery services. We will also intensify efforts to renovate and upgrade pedestrian malls.

We will improve the consumer credibility system, work hard to address problems like substandard goods, counterfeiting, and infringements, intensify regulation of the commodity distribution market in rural areas, improve the legal framework and policy system for consumer rights protection, and thereby create a safe and reassuring consumption environment.

*2) We will increase effective investment.*

A total of 600 billion yuan from the central government budget will be allocated for investment this year, 22.4 billion yuan more than last year. Issuance of local government special bonds will total 3.75 trillion yuan, an increase of 1.6 trillion yuan year on year. In line with the requirement that funding follows specific projects, we will make good use of projects funded by these special bonds, and give priority to supporting infrastructure and public service projects that will yield a certain degree of revenue.

We will shore up weaknesses in public health, biosecurity, emergency supplies, material

and energy reserves, logistics facilities, agriculture, forestry, water conservancy, and urban and rural infrastructure. We will introduce policies for supporting the construction of new types of infrastructure, and promote investment in new types of infrastructure including 5G, the Internet of Things, the Internet of Vehicles, the industrial internet, artificial intelligence, and the national big data center.

We will push forward the renovation of old residential communities in cities, with the focus on improving local amenities such as water, power, and gas supply networks, roads, and information services facilities, while adding elevators and parking facilities where conditions allow. We will carry out urban renewal, work harder to build car parks and install charging facilities in cities, improve sewage and waste treatment facilities in urban and rural areas, adopt comprehensive solutions in areas affected by mining-induced subsidence, and relocate or renovate independent industrial and mining areas and old industrial areas within cities. We will work steadily to rebuild run-down urban areas.

We will successfully conduct the 165 major projects set out in the 13th Five-Year Plan and key projects of major national strategies for regional development. Efforts will be redoubled in building high-speed railway lines along the Yangtze River and the coastline. Construction will begin on the Chengdu-Lhasa Railway, and the planning and construction of intercity and intra-city (suburban) railways for major city clusters and metropolitan areas will be sped up. We will accelerate major water conservancy projects that are already underway and start a number of new ones. We will step up projects for building, relocating, renovating, or expanding hub airports, and promote the development of regional airports and general-purpose airports in a well-planned way. We will press ahead with the construction of national expressways, ordinary national and provincial trunk highways, rural roads, and inland waterways.

In line with the requirement that factors of production follow specific projects, we will provide green channels for major projects by ensuring land use, sea use, and energy use for these projects. We will continue to increase financial support, give full play to the guiding role of government funds, and promote well-regulated and innovative application of the PPP model, thereby encouraging the participation of non-governmental capital in strengthening areas of weakness and in new types of infrastructure projects.

We will prudently carry out trials of real estate investment treatment trusts for infrastructure, and fully stimulate the enthusiasm of all type of non-governmental capital including private investment, thereby putting to use all idle assets.

*3) We will strive to keep public expectations stable.*

We will improve the mechanisms for the release of epidemic information, providing the public with information in an open, transparent, timely, and accurate fashion in accordance with law. We will increase public awareness and education about the Law on the Prevention and Control of Infectious Diseases, and put out a high density of authoritative information across multiple levels, thereby more effectively ensuring overall social stability.

We will increase policy stability and predictability, improve policy target management and the mechanism for releasing major government decisions, and make our policies more transparent. We will promote policy coordination between departments and between central

and local authorities, strengthening coordination in terms of the orientation, objectives, timing, and scope of policies.

We will further strengthen the management of expectations, adopt new approaches in policy communication, do an effective job with regard to information release and policy interpretations, respond promptly to public concerns, and boost the confidence of market entities.

*4. Pressing ahead with supply-side structural reform and steadily enhancing industrial chains and supply chains*

We will revitalize the real economy, constantly enhance basic industrial capacities and modernize industrial chains, and maintain the stability and competitiveness of China's industrial chains and supply chains.

*1) We will increase support for businesses, in particular micro, small, and medium-sized businesses and self-employed individuals.*

We will simplify procedures for all policy measures designed to help businesses, and handle matters related to enterprises online as far as possible. We will accelerate the review of intermediary service charges and rectify all kinds of irregular charges on enterprises.

We will work to lower energy, internet, logistics, and rental costs for enterprises. We will continue to reduce electricity prices for large industrial enterprises (with the exception of energy-intensive ones) and general industrial and commercial businesses by 5% and cut average charges for broadband and dedicated internet access services by 15% in the second half of the year.

The rental of state-owned real estate will be reduced, and owners of all other types of property will be encouraged to reduce or postpone the rental payment. The problem of defaults on payments to private enterprises and SMEs by government agencies and SOEs will be resolved within the set time frame.

To guide banks in benefitting the real economy, we will encourage commercial banks to grant interest relief for a certain period of time on loans to enterprises in areas badly hit by the epidemic as well as businesses engaged in the wholesale and retail trade, the hotel and restaurant trade, logistics and transportation, culture, entertainment, tourism, and foreign trade which have also suffered greatly.

We will refine the policy of subsidizing interest payments on guaranteed loans for business startups, increase the proportion of credit loans and the renewal of loans for micro and small businesses, increase support for first-time loan receivers, and increase inclusive finance lending by large commercial banks to micro and small businesses by more than 40%.

We will support financial institutions in issuing 300 billion yuan of financial bonds for granting micro and small business loans. The net corporate debt financing secured on trust will increase by 1 trillion yuan over last year, and micro and small businesses will realize 800 billion yuan of accounts receivable financing this year. We will encourage the capital market to increase financing support for sci-tech SMEs in fighting the epidemic. Major enterprises and leading enterprises will be encouraged to use available financing to make advance payments in cash to both upstream and downstream micro, small, and medium-sized businesses. We will

issue guidelines on supporting private manufacturers in stabilizing growth and transforming and upgrading, and encourage local governments to help and support quality private enterprises in difficulties through market-based measures.

*2) We will promote high-quality development of the manufacturing sector.*

More medium- and long-term loans will be provided to support manufacturing enterprises, with the focus on high-end equipment manufacturing, the transformation and upgrading of traditional industries, and electronic and information manufacturing. We will effectively implement projects for enhancing core competitiveness in the manufacturing sector, and improve the service system for technological transformation. We will launch smart manufacturing projects and formulate guidelines on promoting the smart-technology upgrading of the manufacturing sector.

We will actively encourage the reorganization and transformation of steel enterprises, continue to optimize the layout of the petrochemical industry, and continue to help relocate and renovate hazardous chemical plants located in densely-populated districts.

We will also carry out the green manufacturing initiative. We will promote the use of steel understructures and prefabricated modules, and promote integrated development of smart manufacturing and industrialization of construction industry. Support will be given to demonstration areas for the transformation and upgrading of old industrial cities and resource-dependent cities. We will launch pilot and demonstration programs to foster advanced manufacturing clusters.

*3) We will ensure stability in the industrial and supply chains.*

We will ensure the smooth, improved operation of logistics and transportation networks, and support enterprises in increasing their stock of key materials.

We will implement projects for rebuilding industrial foundations. We will make great efforts to boost the development of those enterprises that have a leading position in their industries, cultivate a number of internationally competitive advanced manufacturing clusters, and give full play to role of industrials chains in concentrating industries. We will develop a group of SMEs that apply special, sophisticated techniques to produce unique and novel products.

Research will be conducted on carrying out supply chain risk assessment, optimizing productivity layout, and increasing emergency reserves in order to further enhance the resilience and stability of supply chains. We will push on with the project for the innovative development of the industrial internet, set up a system of industrial internet platforms, and enhance compatibility between different platforms.

We will promote integrated development of advanced manufacturing and the modern service industry, and vigorously develop service-oriented manufacturing. We will also step up the building of a public service platform for producer services, and boost producer services such as research, development, and design, modern logistics, and inspection, testing, and certification.

*4) We will strive to develop new drivers of economic growth.*

We will press ahead with the projects to develop China's strategic emerging industry

clusters, and develop complexes of public services for innovation. Innovations will be made in providing financial products and services to strategic emerging industries.

We will press ahead with the cloud-based big data and artificial intelligence initiatives, the digital transformation partnership campaign, the SME digitalization campaign, and the initiatives for cultivating new forms of business in the digital economy. We will build pilot zones for innovative development of the digital economy, facilitate the digitalization of key sectors of the economy and society such as manufacturing and commodity distribution, develop digital e-commerce, and support the building of digital supply chains.

We will press ahead with the national big data strategy, the Internet Plus action plan, the development of new types of smart cities, and the in-depth application of 5G technology. We will vigorously develop the bio-economy, exploit and utilize biological resources effectively, and cultivate hubs of bio-industrial development. We will step up the development of smart manufacturing, unmanned delivery, online shopping, healthcare, robotics, and other emerging industries.

We will support the development of the commercial space industry, extend the space industry chain, and expand satellite applications in areas such as communications, navigation, and remote sensing. We will formulate a national strategic plan for developing the hydrogen power industry.

We will support the development of new-energy vehicles and the energy storage industry, and implement the strategy for the innovative development of intelligent vehicles. We will speed up the innovative development of open-sea and deep-sea fishery and aquaculture facilities, and develop modern marine ranching.

**Box 6: Measures to Support the Development of Digital Economy**

<b>Establishing a Sound Policy System</b>	<ul style="list-style-type: none"> <li>Formulating the Innovation-driven Development Plan for the Digital Economy</li> <li>Working on the establishment of a coordinated governance policy framework for the digital economy</li> </ul>
<b>Digitalizing the Real Economy</b>	<ul style="list-style-type: none"> <li>Expediting the digitalization of traditional industries</li> <li>Making plans for a number of national centers for facilitating digitalization</li> <li>Encouraging the development of industrial “data brains” and platforms for providing generic support to industrial digitalization</li> <li>Promoting innovation based on the integration of cutting-edge information technologies, as well as the integrated application of these technologies</li> </ul>
<b>Expanding Digital Industries</b>	<ul style="list-style-type: none"> <li>Advancing the application of our independently developed products with the aim of making breakthroughs in core digital technologies</li> <li>Encouraging the development of new business forms and models, such as the platform economy, the sharing economy, and Internet Plus</li> </ul>
<b>Facilitating the Flow of Data</b>	<ul style="list-style-type: none"> <li>Carrying out initiatives to develop a market for data, which have arisen as a new factor of production</li> <li>Researching patterns of data circulation</li> <li>Pushing ahead with the sharing and opening of government services data</li> <li>Conducting pilot programs for the exploitation and utilization of public data resources</li> <li>Establishing mechanisms for big data acquisition, formation, sharing, and</li> </ul>

	integration that depend upon the interaction between government and society
<b>Building a Digital Government</b>	<ul style="list-style-type: none"> <li>• Deepening the integration and intensive construction of government information systems, along with information sharing between these systems</li> <li>• Further advancing the development of a unified national government service platform as well as national platforms for data sharing and exchange</li> </ul>
<b>Deepening International Cooperation</b>	<ul style="list-style-type: none"> <li>• Deepening cooperation on the development of the Digital Silk Road and Silk Road E-Commerce.</li> <li>• Promoting international dialogue and pragmatic cooperation on smart cities, e-commerce, and trans-border data flow</li> </ul>
<b>Launching Pilot and Demonstration Programs</b>	<ul style="list-style-type: none"> <li>• Developing national demonstration zones for the innovative development of the digital economy</li> <li>• Evaluating the performance of integrated national pilot zones for big data.</li> <li>• Ensuring the experience gained in these zones is replicated and applied on a broader scale</li> </ul>
<b>Developing New Types of Infrastructure</b>	<ul style="list-style-type: none"> <li>• Formulating guidelines on accelerating the development of new types of infrastructure</li> <li>• Building a national big data center</li> <li>• Planning to establish around 10 regional data center clusters and intelligent computing centers</li> <li>• Building application infrastructure for identity authentication, electronic licensing, electronic certification, and electronic invoicing.</li> </ul>

*5) We will ensure food security and market supply of agricultural and sideline products.*

We will deepen supply-side structural reform in the agricultural sector, and further implement the system whereby provincial governors are held responsible for food security and municipal mayors are held responsible for non-staple food supply.

We will draw up a new national medium- to long-term plan for ensuring food security and a plan for the distribution and structural adjustment of agricultural productivity in the new era. We will draft and carry out a response plan for ensuring China's food security in spite of the effects of the global pandemic, accelerate the drafting of a law to ensure food security, expand the quality grain project, and continue to implement the initiative to boost soybean production. We will increase the supply of high-quality green grain and edible oil, and make sure farmers' incomes are boosted, enterprises improve their performance, and consumers receive real benefits.

We will make solid progress in developing high-quality farmland, launch an initiative for conservation tillage on chernozem soils in northeast China, implement projects to upgrade the modern seed industry and protect animal and plant resources, and strengthen the monitoring, prevention, and control of crop diseases and pests. We will refine the policy regarding subsidies for the purchase of agricultural machinery.

We will advance rural scientific and technological innovation, step up the training of agricultural scientific and technological personnel, and promote cooperation and coordination between all types of agricultural research institutes and colleges in accelerating the training of

high-level agricultural talent, thereby providing stronger scientific and technological support for food security.

We will adopt innovative methods to improve the system for coordinating grain production, purchase, storage, processing, and sales, and tighten up the monitoring, early warning, and regulation of the grain market, while improving the management of grain reserve security, and taking active measures to expand the capacity of grain silos for summer harvests.

We will ensure the implementation of the subsidy policy for agricultural insurance premiums. We will carry out the policies for setting minimum purchase prices for wheat and rice, refine the mechanism for combining market-based purchases with government subsidies for corn and soybeans, and implement the policy for guaranteeing base prices for cotton.

We will continue to boost hog production, and monitor, prevent, and control African swine fever, highly pathogenic avian influenza, and other major animal epidemics and diseases, promote higher-quality development of livestock and aquaculture farming, and accelerate the revitalization of the dairy industry.

We will launch projects to build storage and cold-chain logistics facilities for agricultural products, and support the development of e-commerce in rural areas. We will diversify imports of major agricultural products, ensure the supply and distribution of daily necessities, and guarantee the quality, safety, and stable supply of grain, edible oil, meat, eggs, fruits, vegetables, and other major agricultural products.

*6) We will ensure energy security.*

We will make steady progress in developing the production, supply, storage, and sales systems of coal, petroleum, natural gas, electricity, and petroleum reserve bases, and better regulate the operations of energy companies. We will improve our contingency plans in response to major changes in supply and demand at home and abroad, ensuring an overall balance of supply and demand and the stable operation of our markets.

We will continue to support petroleum and natural gas exploration and exploitation, and press ahead with competitive trading of mining rights for oil- and gas-bearing zones. We will pick up the pace in developing oil and gas transmission pipelines and reserves projects, improve pipeline operation mechanisms, and encourage the opening up of pipeline facilities to all eligible users.

We will push forward with the upgrading of coal-fired power plants, actively yet prudently develop hydropower, safely develop advanced nuclear power facilities, and maintain optimal development of wind and photovoltaic power, thus making non-fossil fuels the major contributor to energy consumption growth. We will refine the long-term mechanism to absorb electricity generated from renewable energy sources into power grids, and actively promote a new model for the absorption of electricity into local power grids.

We will build trans-provincial and trans-regional power transmission routes in an orderly manner, and enhance energy transmission and adaptation capacities. We will continue the construction of the electricity emergency response system, and enhance our ability to respond in a timely fashion.

We will support the independent and procedure-based operations of electricity trading

agencies, build a national unified electricity market, lift restrictions on the generation and consumption of electricity by commercial consumers, and ensure effective implementation of trial reforms for raising the number of electricity distributors. We will deepen reform with regard to equipment manufacturing, designing, construction, and other competitive operations of power grid enterprises.

*5. Staying committed to the innovation-driven development strategy and allowing technology and innovation to play a larger role in underpinning economic development*

We will give full play to the role of innovation as the primary driver of development and the role of human resources as its primary resource, encourage the scientific spirit and the pursuit of fine workmanship, ensure that taking pride in one's work becomes a social norm and seeking excellence is valued as a good work ethic, and step up efforts to turn China into a country of innovators.

*1) We will work faster to achieve breakthroughs in core technologies in key fields.*

We will build a new type of system which, under the conditions of a socialist market economy, allows for the pooling of the nation's resources in order to achieve breakthroughs in core technologies in key fields. We will facilitate the replacement and transitioning of major science and technology programs and speed up the implementation of major projects of the Sci-Tech Innovation 2030 Agenda.

We will support the development of basic platforms for promoting wholly domestic manufacturing in a particular industry. We will refine systems and mechanisms for encouraging and supporting basic research and original innovation, develop new types of market-based R&D institutions, and encourage enterprises and other non-governmental sectors to increase R&D spending.

We will work faster to help enterprises enhance their capacity for technological innovation, and work on including technological innovation in the assessment mechanisms of SOEs. We will step up efforts to build platforms for newly-developed major technological equipment, for R&D on new materials in short supply in China, and for key generic technologies. We will refine the policy for supporting the application of innovative products through government procurement.

We will pool resources across multiple disciplines to crack tough research problems, and intensify study of the infection sources and transmission and pathogenic mechanisms of covid-19, while redoubling our efforts in drug and vaccine R&D and enhancing our emergency production capacity.

We will take solid steps to develop bio-security infrastructure, and coordinate efforts to achieve technological breakthroughs in bio-security. We will work quickly to refine the national technological security management list.

*2) We will enhance our innovation capacity.*

We will draw up plans for a new phase of national scientific and technological development over the medium and long term, as well as development plans for national major science and technology infrastructure.

We will strengthen basic research, original innovation, and innovation in disruptive

technologies, accelerate construction of national laboratories and also restructure key national laboratories, and speed up the establishment of a basic platform for collaborative innovation in order to promote greater, more intensive interdisciplinary cooperation.

We will move forward with the construction of science and technology innovation centers and comprehensive national science centers, and carry out well-conceived planning for projects concerning key science and technology infrastructure and science and education infrastructure, as well as for national industrial innovation centers, engineering research centers, technology innovation centers, manufacturing innovation centers, and supply chain technology and innovation centers. We will introduce an open competition mechanism to select the best candidates to lead key research projects.

We will reform the mechanism for applying scientific and technological advances, ensure the smooth operation of innovation chains, and create an enabling environment for scientific research that encourages innovation and tolerates failure. We will formulate policies to support the industrial application of the results of major science and technology projects, and refine mechanisms and policies to support the development of innovative talent, and improve the category-specific human resource evaluation system. We will promote the innovation-driven development of national innovation demonstration areas and new- and high-tech development zones.

*3) We will promote high-quality innovation, business startups, and manufacturing.*

We will carry out a new round of pilot reforms for comprehensive innovation, and establish a technological innovation system in which enterprises are the main players, that is guided by the market and integrates the efforts of enterprises, universities, and research institutes. We will support integrated innovation efforts by businesses of all sizes and entities of all types.

We will set up a group of innovation and business startups demonstration centers and build a series of platforms to support innovation and business startups. Dedicated campaigns will be carried out to develop innovation and business startups demonstration centers in enterprises and colleges, while systemic and institutional reforms regarding venture capital will be pushed forward. Furthermore, we will increase policy support for innovation and business startups service organizations such as incubators and maker spaces.

We will increase assistance and support for enterprises which have suffered from the epidemic, increase the number of business startups eligible for guaranteed loans, relax counter-guarantee requirements for high-quality projects, and increase support for key groups in finding their niche when starting their businesses.

*6. Advancing market-based reforms and further stimulating the vigor and dynamism of economic development*

We will lose no time in introducing measures to deepen reforms, remove institutional obstacles that hold back development, and uphold and improve the basic socialist economic system.

*1) We will deepen reforms to streamline administration and delegate power, improve regulation, and upgrade services.*

We will faithfully enforce the Regulations on Improving the Business Environment, and summarize and publicize the experiences and practices of local governments in providing efficient services for businesses during epidemic prevention and control. We will refine the standards and methods for assessing the business environment, and regularly conduct such assessments in some of the cities at or above the prefecture level as well as in state-level new areas.

We will encourage local governments to set up online platforms on which all the documents required for starting a business are processed, further simplifying business approval and registration procedures, and thereby moving all of these procedures online. We will relax restrictions on the registered place of operations for micro and small businesses and self-employed individuals, so as to make registration and operation more convenient for all types of people to start businesses and allow them to enjoy the benefits of supporting policies in a timely manner. We will make further progress with the reform to separate out the business license from the certificates required for starting a business.

We will further reduce the number of items subject to administrative approval, filing, registration, annual review or verification by central or local authorities. We will advance reform of the investment approval system, establish a sound list-based system for investment approval, and improve the unified code system for investment projects. We will extend combined review and approval, and work on a commitment-based approval model, thereby increasing the efficiency with which a project goes from paper to reality.

In accordance with the policy of rolling separate urban plans into one single plan, we will proceed with the reform to reduce the number of reviews and certifications required for land use planning, and integrate multiple surveys or inspections into a single one.

We will accelerate revision of the Government Procurement Law and the Public Bidding Law. In the relevant agencies of market regulation, the oversight model of random inspection by randomly selected personnel and prompt release of inspection results will cover all business activities. With regard to the trading of public resources, we will promote the healthy, orderly development of the market, and introduce online trading across the board.

In order to increase the efficiency of government services, we will push on with the Internet plus government services model. This includes establishing an integrated network of government services across the country, further reducing the procedural items and time required for filing and paying taxes, as well as integrating various registration systems for chattel and chattel mortgage.

Meanwhile, we will vigorously promote the credibility commitments system, advance the initiative for granting loans based on good credit, and ensure that our social credit system becomes more law- and procedure-based.

The reform to delink industry associations and chambers of commerce from the government will be essentially completed.

*2) We will build a high-standard market system.*

We will implement the guidelines on speeding up the improvement of the socialist market economy in the new era, and formulate an action plan for building a high-standard market

system. We will develop sound institutions and mechanisms for the market-based allocation of production factors, and pilot comprehensive reforms in this regard.

With regard to the issue of market access, we will implement the negative list system across the board, carry out trials to ease restrictions mainly in the service sector, and look into conducting online oversight and comprehensive assessment of business permits approval based on the negative list. We will urge local governments to keep track of hidden barriers to market access and give priority to dismantling these barriers for private enterprises, especially micro, small, and medium-sized ones.

We will formulate the guidelines on competition policies, and revise and refine the rules for implementing the review system for fair competition.

We will tighten the laws and regulations regarding equal protection of all types of property rights. We will cultivate a positive legal environment for the development of the private sector, and protect the legitimate property rights and management rights of private businesses and their owners.

We will strengthen and improve enforcement of anti-monopoly and anti-unfair-competition laws, and strengthen the protection of commercial secrets. We will also set up a strong punitive damages system for intellectual property rights (IPR) infringements, intensify the enforcement of IPR laws, and step up the commercialization and application of patents.

**Box 7: Measures to Support the Reform and Development of the Private Sector**

<b>Fair Market Competition</b>	<ul style="list-style-type: none"> <li>• Removing all kinds of obstacles and invisible barriers blocking private enterprises from participating in market competition</li> <li>• Putting an end to unequal treatment received by private enterprises concerning market access and licensing, business operations, and public biddings</li> </ul>
<b>Targeted and Effective Policies</b>	<ul style="list-style-type: none"> <li>• Focusing on the difficulties and bottlenecks hindering the development of private enterprises, improving policy systems, refining the way policies are implemented, and mitigating difficulties faced by private enterprises in accessing affordable financing</li> <li>• Drawing up the guidelines on improving the systems for supporting the development of SMEs</li> </ul>
<b>The Legal Environment</b>	<ul style="list-style-type: none"> <li>• Protecting, in accordance with law and on an equal footing, the property rights of private enterprises and the legitimate personal and property rights and interests of their owners and executives</li> <li>• Ensuring that this approach is applied in law enforcement and the administration of justice</li> </ul>
<b>Reform &amp; Innovation</b>	<ul style="list-style-type: none"> <li>• Supporting and guiding private enterprises in stepping up institution building, undertaking structural reforms, improving their management and core competitiveness, and unlocking drivers of reform and innovation</li> </ul>
<b>Well-Regulated and Healthy Development</b>	<ul style="list-style-type: none"> <li>• Guiding private enterprises in strictly abiding by the law in their operations, actively taking on social responsibilities, and promoting exemplary entrepreneurial spirit</li> </ul>
<b>A Cordial &amp; Clean Relationship between Government &amp; Business</b>	<ul style="list-style-type: none"> <li>• Transforming the functions of government, and increasing its awareness of the need and abilities to provide better services</li> <li>• Ensuring that channels are open for private enterprises to communicate with the government</li> <li>• Supporting private enterprises in pursuing high-quality development</li> </ul>
<b>Ensuring Policy Implementation</b>	<ul style="list-style-type: none"> <li>• Improving work systems and the mechanism for ensuring full implementation of policies</li> <li>• Strengthening demonstration and guidance</li> <li>• Creating a favorable social atmosphere to enable the private sector to fully unlock its creativity and vitality</li> </ul>

*3) We will speed up reforms of state assets, SOEs, and key industries.*

We will formulate and implement a three-year action plan for SOE reform, step up improved distribution and structural adjustment of the state-owned sector of the economy, improve the modern corporate structure, and strive to create a system for state-owned assets oversight with the focus on state capital.

In actively deepening mixed-ownership reform of SOEs, we will devote substantial efforts to the four groups of pilot reforms, and issue guidelines for this reform. We will work to increase both the scale and quality of market-based debt-to-equity swaps in more areas and guide financial asset investment companies in participating in the market-based reorganization of traditional industries. We will work quickly to put SOE retirees under community-based social insurance management, and essentially relieve SOEs of their obligations to run social programs and help them resolve other longstanding issues.

*4) We will deepen reform of the fiscal, tax, financial, and pricing systems.*

We will move forward with the reform to define the respective fiscal powers and expenditure responsibilities of central and local governments, improve local tax systems, take

gradual steps to collect excise tax during a further downstream stage of the production-to-consumption process, and steadily hand over collection of such taxes to local governments.

We will explore an approach of zero-based budgeting in order to make the structure of government spending flexible and adaptable. We will further raise the proportion of funds allocated to general public budgets from state capital operations budgets.

In the financial sector, we will advance supply-side structural reform, optimize the composition of financing, improve the systems of financial institutions, markets, and products, and alter the benchmark for pricing existing floating-rate loans in an orderly manner. We will formulate a general plan for reforming the ChiNext stock market and piloting a registration-based IPO system, and further increase the scale of direct financing, particularly equity financing.

In deepening pricing reform for public utilities, we will complete electricity transmission and distribution pricing reform during the second regulatory period, overhaul and regulate charges for water, electricity, gas, and heating in urban areas, reform the pricing mechanism for electricity from coal-fired power plants, encourage localities to introduce a policy of differentiated charges for urban household waste treatment where conditions allow, and push forward the reform of electricity and water prices. We will also improve the pricing mechanism of oil and gas pipeline transportation.

*7. Promoting coordinated development between urban and rural areas and between different regions, and cultivating and strengthening drivers of high-quality development*

We will leverage the comparative strengths of each region, and push forward implementation of the rural revitalization strategy and new urbanization initiative.

*1) We will ensure thorough and effective implementation of major strategies for regional development.*

We will put in place the new mechanism for coordinated regional development, push on with work to create a new pattern of large-scale development of the western region, support the full revitalization of all sectors of the economy in northeast China, improve policy support and working mechanisms for the rise of the central region, and continue to support the eastern region in spearheading development.

We will further promote integrated development of the Beijing-Tianjin-Hebei region, speed up key projects for the development of the Xiongan New Area, and improve the policy framework for relieving Beijing of functions nonessential to its role as the capital.

We will push forward with addressing prominent environmental problems in the Yangtze Economic Belt and systematically protecting and restoring its ecosystems, accelerate the building of an integrated transportation system, and support the renovation of river vessels.

We will promote infrastructure connectivity in the Guangdong-Hong Kong-Macao Greater Bay Area, develop the area into an international center for science and technology innovation in an orderly manner, and accelerate the development of Hengqin, Hetao, and other major platforms for greater cooperation in the Greater Bay Area.

We will adopt high standards in building demonstration zones for integrated, eco-friendly development of the Yangtze River Delta, and release a plan for integrated development of

transportation in the Delta region, as well as a master plan for developing Shanghai's Hongqiao District into an international hub for opening up.

We will act swiftly to formulate and implement a plan for the ecological conservation and high-quality development of the Yellow River basin.

We will provide substantial support for the development of the Chengdu-Chongqing economic zone, with the goal of turning this region into a major growth pole for China's high-quality development. We will also promote the development of new land-sea transit routes for the western region. One-to-one assistance programs will be expanded. We will support ethnic minorities and ethnic minority areas in accelerating development.

We will promote innovation, upgrading, and development of major functional platforms such as state-level new areas and development zones, and speed up the economic transformation of resource-dependent areas and the upgrading and transformation of old industrial cities. We will also conduct trials of comprehensive energy reform in Shanxi Province.

We will push forward with the construction of demonstration zones for industrial relocation, and build a number of high-end manufacturing centers in inland cities with favorable conditions. We will formulate the Guidelines on Developing the Marine Economy and Building China into a Strong Maritime Country. We will refine the functional zoning strategy and system, and draw up the National Territorial Space Plan (2021-2035).

**Box 8: Measures to Implement Major National Strategies for Regional Development**

<b>Developing the Western Region</b>	<ul style="list-style-type: none"> <li>• Implementing the Guidelines on Creating a New Pattern of Large-Scale Development of the Western Region in the New Era</li> <li>• Continuing with the policy of providing corporate income tax relief for enterprises engaged in the large-scale development of the region</li> <li>• Revising the catalog of state-encouraged industries in the region</li> <li>• Forming a policy system for promoting large-scale development of the region in the new era</li> </ul>
<b>Revitalizing Northeast China</b>	<ul style="list-style-type: none"> <li>• Drawing up a three-year rolling plan for implementing key projects for the revitalization of northeast China</li> <li>• Introducing a three-year action plan for promoting the reform of introducing mixed ownership to SOEs in northeast China</li> <li>• Ensuring tax and fee cuts policy is fully implemented</li> <li>• Further improving the business environment in the region</li> </ul>
<b>Energizing the Central Region</b>	<ul style="list-style-type: none"> <li>• Formulating the Guidelines on Promoting High-Quality Development of the Central Region in the New Era</li> <li>• Improving the policy system for promoting the rise of the region</li> <li>• Refining the mechanism for promoting the rise of the region</li> </ul>
<b>Eastern Region Spearheading Development</b>	<ul style="list-style-type: none"> <li>• Implementing policies to ensure stable foreign trade and stable foreign investment</li> <li>• Supporting the eastern region leading the way in promoting high-quality development</li> </ul>
<b>Beijing-Tianjin-Hebei Integration</b>	<ul style="list-style-type: none"> <li>• Focusing on relieving Beijing of functions nonessential to its role as the capital</li> <li>• Adopting high standards for the high-quality development of the Xiongan New Area</li> <li>• Further improving the functional layout of Beijing by building its administrative center in Tongzhou</li> </ul>

	<ul style="list-style-type: none"> <li>Supporting high-quality development of the Binhai New Area in Tianjin</li> </ul>
<b>The Yangtze Economic Belt</b>	<ul style="list-style-type: none"> <li>Addressing the problems exposed by the documentary on the eco-environment in the Yangtze Economic Belt</li> <li>Promoting steady progress in the “4+1” project for treating urban sewage and garbage and curbing pollution from the chemicals industry, ships, agricultural non-point sources, and tailing sites</li> <li>Accelerating development of a comprehensive transportation system</li> <li>Pursuing green development based on innovation and transformation and carrying out pilot and demonstration projects in this area</li> <li>Working on introducing a new legislation on Yangtze River conservation</li> </ul>
<b>The Guangdong-Hong Kong-Macao Greater Bay Area</b>	<ul style="list-style-type: none"> <li>Accelerating the development of an international scientific and technological innovation center and a national comprehensive science center</li> <li>Ensuring compatibility of the rules in Qianhai, Nansha, Hetao, and Hengqin</li> <li>Providing financial support for the development of the Greater Bay Area</li> <li>Increasing exchanges and contacts among residents in this area with priority given to improving living standards</li> </ul>
<b>Integrated Development of the Yangtze River Delta</b>	<ul style="list-style-type: none"> <li>Adopting high standards in building demonstration zones for integrated, eco-friendly development of the Yangtze River Delta</li> <li>Developing industrial relocation clusters in northern Anhui and demonstration zones for the treatment and utilization of organic waste in urban and rural areas around the Tai Lake</li> <li>Building world-class port clusters in the Delta area, together with an integrated governance system</li> </ul>
<b>Ecological Conservation &amp; High-Quality Development of the Yellow River Basin</b>	<ul style="list-style-type: none"> <li>Adopting high standards in drafting the plan for ecological conservation and high-quality development of the region</li> <li>Establishing a framework of related plans and policies</li> <li>Planning a group of major projects for protecting the environment of the Yellow River basin</li> </ul>
<b>Chengdu-Chongqing Economic Zone</b>	<ul style="list-style-type: none"> <li>Formulating the development plan for the Chengdu-Chongqing Economic Zone</li> <li>Carrying out major infrastructure projects regarding transportation, information, energy, and water conservancy</li> <li>Pursuing deeper reform and greater opening up through platforms such as the Liangjiang New Area, Tianfu New Area, and the demonstration zone for the coordinated opening up of pilot free trade zones in Sichuan and Chongqing</li> <li>Developing industrial clusters such as electronic information, automobile, and equipment manufacturing</li> </ul>

We will ensure the implementation of a package of policies supporting Hubei Province with regard to its economic and social development, and facilitate its efforts to ensure the job security, basic living needs, the normal functioning of local governments, and the stability of the industrial chains and supply chains, so as to fully restore Hubei’s economic and social order.

2) *We will promote people-centered new urbanization.*

We will work to help people from rural areas adjust better to urban life once they have been granted permanent urban residency, modify relevant policies, and move toward the goal of granting urban residency to 100 million people.

We will guide super-megacities in enhancing their high-end factors allocation capacity and international competitiveness, and step up the relocation of nonessential functions to other areas.

We will encourage large and medium-sized cities such as provincial capitals and prefecture-level cities to optimize their functions, to shore up weaknesses, and to improve public services, so as to make them comfortable places for people to live and work in.

We will encourage county seats to quicken the pace of new urbanization, while addressing any inadequacies with regard to environmental sanitation, municipal utilities, public services, and industrial support, thereby meeting the growing demand among rural residents for working and settling down in county seats.

We will boost the development in key sectors of city clusters in the middle reaches of the Yangtze River, the Central Plains, the Guanzhong Plains, and the Beibu Bay area, and on the Shandong Peninsular, launch a number of transportation connectivity projects in key metropolitan areas, and support city clusters and principal cities in enhancing overall carrying capacity and capacity with regard to the optimal allocation of resources.

We will enhance the modernization of urban governance, increase the resilience of cities, step up efforts to develop a new type of smart city, and create a “data brain” for cities.

We will ensure the implementation of the mechanisms and policies for integrated urban-rural development, and guide reform of national pilot zones for integrated urban-rural development.

*3) We will make solid progress with regard to the rural revitalization strategy and consolidate progress in poverty alleviation.*

We will push forward the integrated development of primary, secondary, and tertiary industries in rural areas. We will support the construction of industrial parks for processing agricultural products, and accelerate the construction of modern agricultural industrial parks, while at the same time developing a number of demonstration parks for the integrated development of rural industries, towns with advantages in terms of agribusiness, and areas for growing local specialty agricultural products. We will also develop a number of key villages for the promotion of rural tourism, take new approaches in developing rural leisure tourism and handicrafts industries with distinctive ethnic or local features, accelerate the growth of new types of services in rural areas, and support agricultural branding. We will improve the policy of ensuring land use for rural industrial development, and strengthen the collective economy.

We will step up the construction of modern agricultural facilities, and complete the projects to build auxiliary facilities and update water-saving systems in medium- and large-scale irrigation areas as scheduled. We will continue to upgrade the rural power grid, build rural roads, and accelerate the expansion of broadband internet networks and mobile communications networks in rural areas.

With a view to epidemic prevention and control, we will launch extensive village cleaning

initiatives. We will make progress in the Toilet Revolution while taking into account local circumstances, improve household waste and sewage treatment, and complete the three-year campaign to improve rural living environments. We will explore the development of a system for supporting green agricultural development, and further monitor and control agricultural pollution from non-point sources.

We will push counties to formulate sound plans for the spatial layout of their villages and to roll separate village development plans into a single practical plan. We will carry out trials for comprehensive improvement of rural river systems in selected counties, promote energy development in rural areas, and accelerate the recovery of energy and resources from agricultural waste. We will also continue with the piloting and demonstration of the rural governance model.

*8. Developing new institutions for a higher-level open economy and making new progress in opening up*

We will actively respond to the damaging effect of the global pandemic, promote high-quality cooperation under the Belt and Road Initiative, and maintain overall stability of foreign investment and foreign trade.

*1) We will maintain basic stability in imports and exports.*

We will vigorously diversify foreign markets, and support our enterprises in holding online negotiations and exhibitions to boost cooperation and expand markets. We will assist and encourage exporters in exploring the domestic market, in an active effort to mitigate the impact of dwindling foreign demand.

We will support new forms and models of foreign trade, such as cross-border e-commerce and the market procurement trade, in growing more quickly. We will elevate the opening up and development of integrated bonded areas to a higher level. We will launch another round of trials for encouraging innovation in developing the trade in services. At the same time, we will also strive for stability in the processing trade.

While controlling risks, we will support an increase in short-term export credit insurance business with lower premiums, and launch special policy schemes for medium- and long-term credit insurance on exports.

We will make active preparations for the third China International Import Expo. We will also actively participate in the development of international logistics and supply chains to ensure the smooth shipment of cargo worldwide.

*2) We will make greater use of foreign investment.*

We will enforce to the letter the Foreign Investment Law as well as the supporting rules and regulations. We will significantly shorten the negative list for foreign investment, and further open up the service, financial, manufacturing, and agricultural sectors.

We will continue to attract foreign investors while creating a comfortable and stable environment for them, expand the catalog of industries for foreign investment, and help more major foreign-funded projects come to fruition. We will publicize the experiences gained in further opening up the service sector. We will improve services for foreign-funded businesses, and ensure that both foreign and domestic enterprises are entitled to assistance from our epidemic relief policies. We will give more publicity to China's investment environment and

policies to attract international resources and factors of production to China in a well-ordered way.

We will further leverage the role of foreign loans, medium- and long-term foreign debt, and other low-cost capital, and guard against debt risks.

*3) We will strive for high-quality cooperation with regard to the Belt and Road Initiative.*

We must act on the outcomes of the second Belt and Road Forum for International Cooperation. We will push forward practical cooperation with key countries and international organizations and increase our ability to prevent, control, and address risks.

We will take solid steps to increase connectivity with neighboring countries, steadily advancing the development of the China-Mongolia-Russia, China-Pakistan, and China-Indochina Peninsula economic corridors. We will continue to promote the high-quality development of China-Europe freight train services, while pursuing closer cooperation in building the Digital Silk Road.

We will encourage more people-to-people exchanges in order to build stronger public support for the BRI. We will also ratchet up sub-regional cooperation.

*4) We will speed up the development of opening-up pacesetters.*

We will deepen reform and opening up in special economic zones. We will accelerate pilot reforms of pilot free trade zones, and give pilot free trade zones greater decision-making power over reform, so as to achieve more, high-quality results of institutional innovation that can then be replicated and applied in other areas.

We will issue a comprehensive plan for developing the Hainan Free Trade Port, ensure that preliminary policies and arrangements are put into action, and introduce a negative list for cross-border trade in services in this area.

We will set up more pilot free trade zones and integrated bonded areas in the central and western regions. We will promote the opening up and development of border areas and support the development of key pilot zones for development and opening up in these areas.

*5) We will promote the stable, healthy development of outbound investment.*

While ensuring that enterprises play the principal role in outbound investment, we will provide better category-specific guidance, and work to improve the composition of China's outbound investment.

We will steadfastly develop international cooperation on production capacity, diversify overseas markets, and boost the global reach of Chinese equipment, technologies, services, brands, and standards.

We will improve policies and services for outbound investment, and create a favorable environment for producer services such as design, consultation, accounting, certification, and legal services in order to go global quickly, while making it easier for enterprises to build overseas warehouses in light of local conditions.

We will actively broaden third-party market cooperation. We will also guide enterprises in improving their compliance management for overseas operations, ensure their business activities abroad are procedure-based, and strengthen overseas risk prevention.

*6) We will actively participate in global economic governance.*

We will, as ever, staunchly safeguard the multilateral trade system while actively participating in reform of the World Trade Organization and other multilateral organizations.

We will implement the strategy of developing higher-level free trade zones, work to realize the adoption of the RCEP Agreement as scheduled, and accelerate negotiations on establishing the China-Japan-RoK Free Trade Area.

*9. Ensuring people's wellbeing and satisfying their basic needs*

We will effectively solve those problems affecting people's wellbeing that were caused by the epidemic through increasing input and ensuring the implementation of relevant policies.

*1) We will use all possible means to keep employment stable.*

We will enhance assistance and support for small and medium-sized businesses affected by the epidemic, support enterprises in keeping employment stable, and regulate layoffs. We will increase the provision of public employment services so that they cover both urban and rural permanent residents, ensure that channels are open for people to register as unemployed, and support the development of service platforms for employee sharing and employment support in order to fully exert the role of for-profit human resource agencies and other market-based service providers.

We will accelerate the execution of various existing plans for enlarging college enrollment and military recruitment, while SOEs will keep expanding recruitment of college graduates both during this year and the next. We will encourage college graduates to find employment at the community level. We will provide more internship opportunities and encourage more college graduates to provide community-level services by serving as teachers, agro-technicians, medical staff, and poverty relief workers in townships.

We will leverage the role of business startups in boosting employment, launch the initiative to develop leaders for innovation and business startups in rural areas, support migrant workers, college graduates, and demobilized military personnel in returning home or moving to the countryside to start businesses, facilitate flexible employment through multiple channels, and appropriately set aside venues for street vendors. Public infrastructure projects will be encouraged to hire more local people so that rural workers can work closer to home.

We will support the joint development and sharing of basic platforms for public vocational skills training. We will give greater support to vocational skills training, and mobilize junior and senior high school graduates who are unable to continue their education as well as young people who are registered as unemployed to undertake pre-employment training. Over the course of this year and the next, vocational skills training programs will provide at least 35 million places, thereby completing the goal of providing 50 million training places in three years, while vocational colleges will expand their enrollments by 2 million.

*2) We will move quickly to address inadequacies in public health services.*

We will improve the public health services system and strengthen legal guarantees in this area, while appropriately increasing government subsidies for basic public health services. We will build up the ranks of public health workers, and enhance disease prevention and control capabilities at the community level.

We will reform the disease prevention and control mechanism. We will improve the

prevention and control system and mechanisms for major epidemics, and refine the national system for public health emergency responses. We will comprehensively build up centers for disease control and prevention, and ensure that bio-safety level-3 laboratories are available in all provinces.

We will put in place a mobilization mechanism whereby specialized infectious disease hospitals as well as the infectious and respiratory departments of comprehensive hospitals play the main role and other medical institutions act as the reserve, and make plans for national major epidemic treatment bases.

We will deepen the comprehensive reform of public hospitals, develop Internet Plus Healthcare models, and improve the capacity of medical services in urban and rural communities. We will press ahead with tiered medical diagnosis and treatment, and work to ensure that interactions between doctor and patient are amicable.

We will facilitate the revitalization of traditional Chinese medicine (TCM), and refine the TCM medical services system. We will continue to press ahead with preventive health care for the general public, and carry forward the Healthy China initiative.

*3) We will step up improvement of our social security system.*

We will steadily turn over the overall management of basic medical insurance accounts to higher-level authorities, ensure the effective management of basic medical insurance accounts at the prefecture-level, and encourage explorations of provincial-level unified management where conditions allow. We will put in place a dynamic mechanism for adjusting the catalog of medicines covered by medical insurance. We will make more efficient use of medical insurance funds, improve budgetary management in this regard, adopt diverse methods for making medical insurance payouts for different medical services, strengthen performance evaluations of designated medical institutions, and realize trans-provincial settlement of medical bills via basic medical insurance accounts. We will increase annual government subsidy with regard to basic medical insurance for rural and non-working urban residents by 30 yuan per person.

We will improve the mechanism for guaranteeing the supply of in-demand medicines, and further coordinate medical service, medical insurance, and pharmaceutical reforms. We will gradually bring more types of medicines under the scheme for centralized state medicine procurement and use, and conduct trials on state centralized procurement of high-value medical consumables.

We will encourage provincial-level unified management of unemployment insurance funds, and fully ensure provincial-level unified management of workers' compensation funds. We will move faster to bring old-age insurance funds under national unified management, while realizing the unified collection and spending of enterprise employees' basic old-age insurance funds at the provincial level. The basic old-age benefits for rural and non-working urban residents will be appropriately increased.

We will effectively implement the time-limited policies for reducing, exempting, and postponing payment of social insurance premiums, and ensure that relevant benefits are paid on time and in full. We will move quickly to appropriate a portion of state capital to replenish social security funds.

We will speed up the establishment of a multi-tiered social security system, devote substantial efforts to developing enterprise annuities, occupational annuities, and supplemental medical insurance programs, and promote the establishment and development of the “third pillar” of old-age insurance.

We will expand the coverage of unemployment insurance, making sure local insurance schemes cover all unemployed people such as rural migrant workers that have been insured for less than one year. We will expand the coverage of subsistence allowances to all urban and rural households in need, and provide, in a timely manner, subsistence allowances and other forms of assistance for eligible unemployed urban residents and returning rural migrant workers.

We will guarantee benefits for the families of those who have died in service of the public. We will safeguard the legitimate rights and interests of women, children, elderly people, and the disabled, and improve the system for supporting and caring for children, women, and elderly people left behind in rural areas. We will improve the housing support system, strive to foster and develop the housing rental market, and do more to help disadvantaged urban residents solve their housing problems.

*4) We will realize a stable increase in personal incomes and guarantee basic living standards for key groups.*

We will further stabilize people’s expectations about increases in property incomes, and appropriately increase the amount of bonds issued by both central and local governments to individuals. We will encourage areas to further raise the transfer incomes of their residents where conditions allow. We will coordinate reforms of the income distribution system in key sectors, and improve the systems of wage guidelines and salary surveys for enterprises. We will ensure that migrant workers enjoy the same policies for employment and business startups as the registered residents of the cities in which they work, and that they are paid for their work in accordance with law, and stop any new issues regarding wage arrears for rural migrant workers at the source, so that they are better able to integrate into the cities they have moved to.

We will tighten oversight over the price of major agricultural products at important junctures. We will continue the practice of increasing social security assistance and benefit payments in step with price rises, and ensure that the basic needs of people facing difficulties are met.

We will coordinate efforts to build a sound social assistance system covering both urban and rural populations, steadily increase urban and rural subsistence allowances, and continue to link policies regarding subsistence allowances and other forms of assistance with poverty alleviation policies.

*5) We will continue to improve public services.*

We will promote the formulation of national standards for basic public services, and push forward the standardization of community-level service providers. We will stabilize spending on education, optimize the mix of spending, and reduce the disparities between urban and rural areas, between regions, and between schools.

We will reinforce the funding mechanism for compulsory education in urban and rural areas, actively address the problem of oversized classes in urban compulsory education schools, step up the development of boarding schools located in towns and townships, small rural schools, and county schools, and refine the policy of ensuring access to compulsory education for children who live with their migrant worker parents. We will provide quality special needs education and continuing education.

We will increase the provision of public-interest preschool education through multiple channels, support efforts to make high-quality, public-interest preschool educational resources more broadly available in deeply impoverished areas, and help private kindergartens overcome difficulties. We will move quickly to universalize senior secondary education and continue to improve the conditions of schools in impoverished areas. We will steadily develop regular undergraduate and graduate education, support the development of colleges in the western region, and increase college enrollment of students from rural and poor areas.

Regular institutions of higher learning are projected to enroll 9.20 million undergraduate students and 1.114 million graduate students. We will push forward trials of greater integration between industry and vocational education, strengthen the workforce of teachers and promote IT application in education.

We will respond proactively to population aging, and support private entities in running more public-interest elderly care and childcare services.

We will ensure that philosophy and the social sciences flourish. We will ensure that China's cultural and historical artifacts are given effective protection and are used to greater benefit, and that our intangible cultural heritage is carried forward. We will continue with the implementation of projects for the promotion of culture and tourism, promote the protection and development of the Yellow River culture, accelerate the construction of major cultural facilities, and push forward the development of all-for-one tourism, rural tourism, and tourism related to the early history of the CPC. We will continue to develop Hainan into an international tourism and shopping destination, to develop Hengqin as an international leisure and tourism resort, and to develop Pingtan into an international tourism island. We will also boost the development of the Internet Plus Tourism model.

We will introduce a "pacesetter" initiative to improve the quality and expand the size of the domestic services sector across the board, and move forward with the construction of venues for the 2022 Winter Olympics.

We will strengthen the standardization of emergency management, and accelerate reform of the management systems and mechanisms for ensuring the security of reserves of strategic goods and emergency supplies.

We will improve monitoring and early warning of natural disasters, and step up implementation of major projects for natural disaster prevention and control, so as to ensure effective disaster prevention, mitigation, and relief.

We will improve and develop new approaches to social governance, improve the mechanism for community management and services, and enhance community-level emergency response capacity. We will also step up development of the public legal service

system.

We will tighten and improve oversight over food and drug safety. We will strictly enforce the accountability system for workplace safety, ensure workplace safety, search for potential dangers, and resolutely prevent the occurrence of major accidents of all types.

We will fully and faithfully implement the policy of One Country, Two Systems, under which the people of Hong Kong govern Hong Kong and the people of Macao govern Macao, with a high degree of autonomy for both regions. We will firmly support and encourage Hong Kong and Macao in integrating into the overall development of the country.

To fully leverage Hong Kong's standing as an international financial, shipping, and trade center, we will implement the agreements made under the Closer Economic Partnership Arrangement (CEPA) between the mainland and Hong Kong.

We will support Macao's endeavor to become a world tourism and leisure center and to serve as a platform for facilitating business and trade cooperation between China and Portuguese-speaking countries.

We will continue expanding cross-Straits economic and cultural exchanges and cooperation, create more development opportunities for our fellow countrymen and women from Taiwan and for their businesses, and treat them the same as local residents.

This year we have an additional important task to perform: In accordance with the decisions and plans of the CPC Central Committee and the State Council, and on the basis of conducting an overall evaluation of the implementation of the 13th Five-Year Plan, we will widely solicit opinions and draw on the wisdom of the people, and thereby formulate the 14th Five-Year Plan for Economic and Social Development (2021-2025). We will coordinate the drafting of national subject-specific plans, regional plans, spatial plans, and local plans during the 14th Five-Year Plan period, and prepare to submit the draft 14th Five-Year Plan to the fourth session of the 13th NPC for its deliberation.

Esteemed Deputies,

Coordinating epidemic containment and economic and social development in 2020 is both a demanding and an important task. We will rally ever closer around the CPC Central Committee with Comrade Xi Jinping at its core, hold high the great banner of socialism with Chinese characteristics, and follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We must keep firmly in mind the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment; strengthen our confidence in the path, theory, system, and culture of socialism with Chinese characteristics; and 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.

We will act on the decisions and plans of the CPC Central Committee and the State Council, readily accept the oversight of the NPC, and welcome comments and suggestions from the CPPCC National Committee.

Let us rise to each challenge, take pragmatic measures, shoulder our responsibilities, and

tackle major difficulties in driving the economy forward, boosting production, and expanding demand, while at the same time continuing with our regular epidemic prevention and control efforts. Let us strive to realize our economic and social development goals for the year, complete the building of a moderately prosperous society in all respects, and provide a solid foundation as we embark on a new journey to comprehensively build a modern socialist China.

## Performance for the Main Targets in the 2019 Plan for National Economic and Social Development

Targets	Type	Unit	Projected Figure	Actual Figure	Performance
<b>I. Economic Development</b>					
<b>GDP</b>	Anticipatory	%	Up 6.0-6.5	Up 6.1	As projected
Primary Industry	Anticipatory	%	Up 3.5 approx.	Up 3.1	<b>Lower than projected</b>
Includes: grain output	Anticipatory	Million metric tons	Over 600.00	663.84	Higher than projected
Secondary Industry	Anticipatory	%	Up 5.4 approx.	Up 5.7	As projected
Industrial sector	Anticipatory	%	Up 5.5-6.0	Up 5.7	As projected
Includes: electricity generated	Anticipatory	Trillion kWh	7.4700	7.5034	As projected
Tertiary Industry	Anticipatory	%	Up 7.2 approx.	Up 6.9	As projected
Per capita labor productivity	Anticipatory	%	Up 6.3	Up 6.2	As projected
<b>Market Consumption and Price Levels</b>					
Total retail sales of consumer goods	Anticipatory	%	Up 9.0 approx.	Up 8.0	<b>Lower than projected</b>
CPI (2018=100)	Anticipatory		103.0 approx.	102.9	As projected
<b>External Economy</b>					
Total import and export volume of goods	Anticipatory	% (Billion Yuan)	Stable, higher quality growth	Up 3.5	As projected
Total import and export volume of services	Anticipatory	% (Billion Yuan)	Sustained steady growth	Up 2.8	As projected
Foreign direct investment	Anticipatory	Billion US\$	135.0	138.1	As projected
Long- and medium-term foreign debt	Anticipatory	Billion US\$	230.0	223.4	As projected

Outbound direct investment	Anticipatory	Billion US\$	120.5	110.6	As projected
<b>Urbanization Levels</b>					
Percentage of permanent urban residents	Anticipatory	%	60.60	60.6	As projected
Percentage of registered urban residents	Anticipatory	%	44.4	44.38	As projected
<b>Fiscal &amp; Financial Targets</b>					
General government revenue	Anticipatory	%	Up 5.0	Up 3.8	<b>Lower than projected</b>
General government expenditures	Anticipatory	%	Up 6.5	Up 8.1	Higher than projected
Fiscal deficit	Anticipatory	Trillion yuan	-2.76	-2.76	As projected
M <sub>2</sub> money supply growth rate	Anticipatory	%	Basically the same as 2018 real growth rate	8.7	As projected
Aggregate financing growth rate	Anticipatory	%	Basically the same as 2018 real growth rate	10.7	As projected
<b>II. Innovation as Growth Driver</b>					
<b>Science &amp; Technology</b>					
Spending on R&D as a percentage of GDP	Anticipatory	%	2.20	2.19	As projected
Number of patents per 10,000 people	Anticipatory		13.6	13.3	As projected
Contribution of scientific and technological advances to economic growth	Anticipatory	%	59.2	59.5#	As projected
Percentage of mobile broadband users	Anticipatory	%	Over 99	96	As projected
Percentage of households with fixed broadband internet access	Anticipatory	%	92	91	As projected
<b>Education</b>					
Retention rate of nine-year compulsory education	Anticipatory	%	94.6	94.8	As projected

Gross enrollment ratio for senior secondary education	Anticipatory	%	89.4	89.5	As projected
Regular undergraduate enrollment	Anticipatory	Million students	8.70	9.149	As projected
Graduate enrollment	Anticipatory	Million students	0.933	0.917	As projected
<b>III. Resource Conservation and Environmental Protection</b>					
<b>Resource Conservation</b>					
Total energy consumption	Anticipatory	Billion tons of standard coal	4.82 approx.	4.86	As projected
☆Reduction in energy consumption per unit of GDP	Obligatory	%	3 approx.	2.6	<b>Not accomplished, but in line with scheduled reduction</b>
☆Reduction in carbon dioxide emissions per unit of GDP	Obligatory	%	3.6 approx.	4.1	Accomplished
☆Share of non-fossil fuels in primary energy consumption	Obligatory	%	14.6	15.3	Accomplished
☆Reduction in water consumption per 10,000 yuan of GDP	Obligatory	%	5.1	6.1	Accomplished
☆Land newly designated for construction	Obligatory	1,000 hectares	333.33	333.33#	Accomplished
Includes: agricultural land	Obligatory	1,000 hectares	283.33	283.33#	Accomplished
Includes: cultivated land	Obligatory	1,000 hectares	170.00	170.00#	Accomplished
Increase in total cultivated land	Obligatory	1,000 hectares	170.00	170.00#	Accomplished
<b>Environmental Protection</b>					
Afforestation of land	Anticipatory	1,000 hectares	14,733.33	14,801.33	As projected
☆Reduction in PM <sub>2.5</sub> concentrations in cities at and above prefecture level that fell short of the national standards for PM <sub>2.5</sub> concentrations	Obligatory	%	2.0	2.4	Accomplished
☆Proportion of surface water with a Grade III or higher rating	Obligatory	%	71.3	74.9	Accomplished
☆Proportion of surface water with a rating lower than Grade V	Obligatory	%	6.0	3.4	Accomplished

☆Reduction in chemical oxygen demand	Obligatory	%	2.0	3.2	Accomplished
☆Reduction in ammonia nitrogen	Obligatory	%	2.0	3.3	Accomplished
☆Reduction in sulfur dioxide emissions	Obligatory	%	3.0	4.4	Accomplished
☆Reduction in nitrogen oxide emissions	Obligatory	%	3.0	3.5	Accomplished
Percentage of urban sewage treated	Anticipatory	%	95.0	95.7#	As projected
Percentage of urban household refuse safely treated	Anticipatory	%	98.0	99.2#	As projected
<b>IV. People's Wellbeing</b>					
<b>Employment and Income</b>					
Urban jobs added	Anticipatory	Million	Over 11.00	13.52	Higher than projected
Surveyed urban unemployment rate	Anticipatory	%	5.5 approx.	5.2	As projected
Registered urban unemployment rate	Anticipatory	%	Within 4.5	3.62	As projected
Personal per capita disposable income	Anticipatory	%	In step with economic growth	Up 5.8	As projected
Rural per capita disposable income	Anticipatory	%	In step with economic growth	Up 6.2	As projected
Urban per capita disposable income	Anticipatory	%	In step with economic growth	Up 5.0	<b>Lower than projected</b>
<b>Poverty Reduction</b>					
☆Reduction in rural poor population	Obligatory	Million	Over 10.00	11.09	Accomplished
<b>Population and Public Health</b>					
Year-end national population	Anticipatory	Billion	1.40097	1.40005	As projected
Number of hospital and health clinic beds per 1,000 people	Anticipatory		6.40	6.30	As projected

Number of occupational physicians and physician assistants per 1,000 people	Anticipatory		2.69	2.77	As projected
Number of disability service facilities	Anticipatory		4,272	4,234	As projected
<b>Social Security</b>					
Number of urban workers covered by basic old-age insurance	Anticipatory	Million	427.00	434.88	As projected
Number of participants in basic old-age insurance schemes for rural and non-working urban residents	Anticipatory	Million	525.00	532.66	As projected
☆Number of housing units renovated in run-down urban areas	Obligatory	Million units	2.89	3.16	Accomplished

Notes:

1. The 2019 Plan for National Economic and Social Development deliberated and passed at the Second Session of the 13th National People's Congress lists a total of 65 targets, 47 of which are anticipatory and 18 obligatory. The 15 targets marked with ☆ are obligatory targets set forth in the 13th Five-year Plan for National Economic and Social Development of the People's Republic of China.

2. Anticipatory targets are development objectives that the government hopes to achieve and figures it expects to reach; however they are not compulsory targets, nor are they predicted figures. The actual figures may be higher or lower than projected. Obligatory targets are mandatory and binding; they represent the government's macro regulatory intentions, and must be achieved.

3. The performance for obligatory targets is assessed on the basis of whether or not targets have been accomplished. The performance for anticipatory targets is assessed on the basis of a deviation of 10% from the projected figure: if the actual figure exceeds the anticipatory figure by 10% or more, it is rated "higher than projected"; if it falls short by 10% or more, it is rated "lower than projected"; if the actual figure is higher or lower than the anticipatory figure by less than 10%, it is deemed to be "as projected". These assessment standards are not applicable to targets that have a minimum or maximum limit. For example, the actual registered urban unemployment rate in 2019 falls short of the anticipatory target by more than 10%, but the assessment is still deemed to be "as projected".

4. The figures marked with # are estimated figures for 2019; the actual figures will be confirmed following final review and adjustment by relevant departments. Owing to the adjustment of the base figures for 2018, the actual performance for some targets in 2019 may change somewhat.

5. The percentage of days with good or excellent air quality in cities at and above prefecture level in 2019 was projected to be 79.4%, while the actual figure was 82.0%. Since January 1, 2019, the actual temperature and pressure instead of the standard temperature and pressure has been used when releasing recorded data and measuring air quality. The actual figure for 2019 is based on data recorded using actual temperature and pressure.