CHINA’S NPC APPROVES
13TH FIVE-YEAR PLAN
A deputy to the 12th National People’s Congress (NPC) receives an interview outside the Great Hall of the People on March 13. Peng Zhaozhi

NPC deputy Gong Ke (C) speaks about his proposal concerning higher education reform on March 6. Rao Aimin

Shen Jilan (C), a veteran NPC deputy from Shanxi Province, appears at a press conference on the sideline of the 4th session of the 12th NPC on March 6 in Beijing. Shen has served as an NPC deputy since its initial meeting in 1954 and is currently serving her 12th term at China’s top legislative body. Jin Shuo
The third plenary meeting of the fourth session of the 12th NPC is held at the Great Hall of the People on March 13.

NPC deputies Lei Dongzhu, Hu Jianwen and Yang Li (from left to right) from Hunan delegation read a newspaper on March 12 when attending the 4th session of the 12th NPC in Beijing. Chen Jianli

NPC deputies leave the Great Hall of the People after the second plenary meeting of the fourth session of the 12th NPC at the Great Hall of the People in Beijing on March 9. CFP

A panel meeting of deputies from Ningxia Hui Autonomous Region to the fourth session of the 12th NPC is held in Beijing on March 6. Peng Zhaozhi

The third plenary meeting of the fourth session of the 12th NPC is held at the Great Hall of the People on March 13. Wang Jianhua

NPC deputies Lei Dongzhu, Hu Jianwen and Yang Li (from left to right) from Hunan delegation read a newspaper on March 12 when attending the 4th session of the 12th NPC in Beijing. Chen Jianli
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COVER: The fourth session of the 12th National People’s Congress (NPC) convenes from March 5 to 16, 2016 at the Great Hall of the People in Beijing. Ding Haitao
The National People's Congress (NPC) concluded its annual session on March 16.

Zhang Dejiang, chairman of the NPC Standing Committee who presided over the closing meeting, said the session reviewed and approved the outline of the 13th Five-Year Plan (2016-2020) on economic and social development, which requires the implementation of the concept of innovative, coordinated, green, open and shared development.

Among 2,859 NPC deputies who attended the closing meeting, 2,778 legislators voted for the 13th Five-Year Plan outline, 2,814 for the government work report, 2,600 for the work report of the Supreme People’s Court, 2,560 for the work report of the Supreme People’s Procuratorate, and 2,636 for the Charity Law.

Others that the lawmakers approved included the yearly economic and social development plan, the yearly government budget and the work report of the NPC Standing Committee.

In his closing remarks, Zhang said, people’s congresses should play an active role in completing the building of a moderately prosperous society in all respects by 2020, while exercising their duty.

Zhang called on NPC deputies to enhance their sense of responsibility, develop close contacts with the people, promptly respond to the people’s needs and accept the people’s supervision.

The lawmakers also approved the resignation of NPC Standing Committee member Huang Runqiu. (Xinhua)
Top Communist Party of China (CPC) and State leaders Xi Jinping (3rd L, front), Li Keqiang (3rd R, front), Yu Zhengsheng (2nd L, front), Liu Yunshan (2nd R, front), Wang Qishan (1st L, front) and Zhang Gaoli (1st R, front) attend the closing meeting of the fourth session of the 12th NPC at the Great Hall of the People in Beijing on March 16. Li Xueren

Li Xueren

Zhang Dejiang, chairman of the NPC Standing Committee, chairs over the closing meeting of the fourth session of the 12th NPC at the Great Hall of the People in Beijing on March 16. Li Xueren

The closing meeting of the fourth session of the 12th NPC is held at the Great Hall of the People in Beijing on March 16. Yao Dawei
President Xi Jinping speaks with deputies during NPC annual session

Shanghai can ‘pioneer’ reform, innovation

President Xi Jinping said Shanghai should continue to serve as a vanguard and pioneer in reform and innovation when talking to lawmakers from the coastal city on March 5.

Xi made the remarks when he joined a meeting of Shanghai deputies, who were deliberating the government’s work report, at the annual session of the National People’s Congress.

Shanghai should use its courageous, pioneering spirit and youthful vigor to be innovative in the way it advances reform, Xi said.

Xi asked the region to accelerate measures that will help it establish itself as a globally influential center for technology and innovation.

As the country’s finance and trade center, Shanghai was chosen as the location for China’s first-ever free trade zone (FTZ) and has been used by policymakers as a testing ground for new policies, such as the negative list for foreign capital management.

Speaking highly of Shanghai’s efforts in reform and innovation, Xi said he hopes Shanghai could deepen reforms by focusing on the China (Shanghai) Pilot FTZ.

The FTZ should be used to test mechanism innovation, Xi said. He urged Shanghai to take the lead in creating a convenient, international business environment based on the rule of law, as this would influence a fair, unified and efficient market.

A conducive relationship between the government and the market is influenced by economic system reform, Xi said, noting that the market plays the decisive role in resource allocation and government should assist this process.

The government should step up function restructuring, allowing the market to fully play its role and fulfill its responsibility, Xi said.

When talking about innovation development, Xi urged Shanghai to focus on science and explore core technologies.

Shanghai should make greater efforts to attract more leading scientific and technological talents with global vision and experience, Xi said.

Xi also asked Shanghai to speed up industrial restructuring, and identify and support new growth points to improve the real economy.

In addition, he spoke about China’s development phi-
losophy of innovative, coordinated, green, open and shared development during the deliberation.

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<th>Reform needed to revitalize northeast</th>
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<td>President Xi Jinping called for deeper reform to revitalize China’s northeastern industrial base on March 7.</td>
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<td>Xi urged lawmakers from Heilongjiang Province to pursue innovative, coordinated, green, open and shared development when participating in deliberations on the government work report.</td>
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<td>He said that local government and Party officials must abide by the law as they implement reform policies and that they should encourage the public to do likewise.</td>
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<td>Capable, honest officials should be rewarded with promotions, the president said.</td>
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<td>The meeting also discussed the shift of economic engines, food prices, poverty relief and structural reform in industrial bases.</td>
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<th>Calling for structural reform, agricultural modernization</th>
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<td>President Xi Jinping called for supply-side structural reform, agricultural modernization and grain security on March 8.</td>
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<td>Xi joined a group of deputies to the National People’s Congress from Hunan Province, listening to their opinions on innovation-driven development, international productivity cooperation, poverty alleviation, supply-side structural reform and environmental protection.</td>
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<td>The president also extended his greetings to Chinese women on the occasion of the International Working Women’s Day.</td>
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<td>He called for innovative ways of working, pushing forward supply-side structural reform, improving the livelihood of the people, and advancing agricultural modernization, in a bid to give the people more sense of benefits.</td>
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<td>“Advancing the supply-side structural reform is a tough battle,” the president said, calling for practical efforts to win the battle, including improving basic public services, and fixing shortcomings in the people’s livelihood.</td>
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<td>Xi asked to strengthen agricultural benefits and competitiveness, improve agricultural production structure on the basis of market demand, and develop modern agriculture with the support of science and technology.</td>
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<td>Ensuring grain security is a priority for the State, said the president, adding that grain security policies should be examined and improved, and production capacity should be viewed as the fundamental issue.</td>
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<th>Stressing environmental protection, poverty relief in ethnic regions</th>
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<td>President Xi Jinping called for greater environmental protection, poverty relief and development in the country’s ethnic regions on March 10.</td>
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<td>He made the remarks when joining national lawmakers from the northwestern province of Qinghai during the annual parliamentary session.</td>
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| Xi listened to opinions from eight lawmakers on green...
development, medical reforms, equal access to education, ethnic unity and targeted poverty relief.

He called on authorities to adopt an overall and long-term view on environmental protection and promote green lifestyles.

“We should protect the environment like protecting our eyes and treat the environment the way we treat our lives,” the president said.

He urged concerted efforts to tackle poverty and ensure the needy people in the rural and pasture regions are lifted out of poverty by 2020, the year when China’s 13th Five-Year Plan draws to a close.

Poverty relief should be targeted and have an emphasis on education, to ensure the people will not return to poverty, he said.

More efforts shall be made to improve the infrastructure in the ethnic regions and develop industries with local characteristics and competitive edges, to enhance the regions’ ability of self-development, he said.

Xi also emphasized respecting ethnic differences and cultural diversity.

Innovation must strengthen combat capacity

President Xi Jinping urged the military to turn cutting-edge military technology into real combat capacity on March 13.

A preemptive attitude toward military affairs is needed, Xi told national lawmakers from the military at the annual parliamentary session.

The armed forces must understand the role of leading technology and push research in this regard, Xi said.

Xi, also chairman of the Central Military Commission, said strategies must be designed in line with advanced military technology.

The military should establish “unique advantages in some key fields,” he said. (Xinhua)
Legislature to provide institutional guarantee for China’s 2020 goals

The National People’s Congress (NPC) has announced its major tasks for 2016, a crucial year in the journey toward a moderately prosperous society by 2020.

Zhang Dejiang, chairman of the NPC Standing Committee, made the announcement at the NPC session on March 9, attended by President Xi Jinping and other Chinese leaders.

Addressing nearly 3,000 NPC deputies, Zhang said the committee will make secure a good beginning to the 13th Five-Year Plan (2016-2020) and the decisive push to a moderately prosperous society.

Zhang said leadership by the Communist Party of China (CPC) is the essential feature of socialism with Chinese characteristics, and its greatest strength.

The year 2016 marks the beginning of the 13th Five-Year Plan, the decisive stage in doubling 2010 GDP and per capita income by 2020.

Reviewing the work of the past year, Zhang said, “We have maintained the correct political direction and ensured that the Party line, principles, policies, decisions, and plans have been fully and effectively implemented in the work of the State. We have ensured that the Party can exercise leadership over the State and society through the organs of political power.”

In 2015, the NPC Standing Committee oversaw enforcement of the Constitution, made new strides in key areas of legislation, supported and promoted reform and made progress toward more effective supervision, said Zhang.

“Our legislative initiatives led to important achievements that have supported and promoted reform and development and ensured stability,” said Zhang.

According to the work report, major tasks for the NPC Standing Committee in 2016 will include strengthening and improving legislative work in new circumstances; accelerating the formation of a complete framework of laws and regulations; and exercising legitimate and effective oversight.

The committee’s legislative agenda for 2016 includes formulation of the general provisions of the civil law, along with new laws on environmental protection tax, promoting the film industry and international criminal judicial assistance.

The NPC Standing Committee will ask the State Council, the Supreme People’s Court and the Supreme People’s Procuratorate to strengthen their ties with NPC deputies and open up more channels for deputies to learn about state affairs and government work.

Under the leadership of the Party, the people’s congress will support innovation and reform through its legislative work, and exercise direct and specific oversight over the government, both of which are instrumental to maintaining medium-high economic growth, said Zhang Zhao’an, an NPC deputy and economist with the Shanghai Academy of Social Sciences.

Liang Ying, with the Legislative Affairs Commission of the NPC Standing Committee, said the work report embodied democracy with Chinese characteristics, of which the Party’s leadership over the people’s congress is a part.

Liang said the revision of the Legislation Law last year, which expands legislative power from 49 cities to 288 and empowers their legislatures to make by-laws, testifies to the people being their own masters.

The draft of the Charity Law, the first to regulate such organizations, was submitted to the legislature on March 9. The law would recruit help from the public to realize the 2020 poverty alleviation target, another pro-growth measure.

Liang said the system of people’s congress ensures that reform and development advances under a legal framework. Meanwhile, the development and optimization of the system itself is an integral part of modernization.

Chairman Zhang Dejiang concluded his report by calling on fellow lawmakers to rally even closer around the CPC Central Committee headed by General Secretary Xi Jinping. (Xinhua)
Report on the work of the Standing Committee of the National People’s Congress (excerpts)

Delivered at the Fourth Session of the 12th National People’s Congress on March 9, 2016

Zhang Dejiang, chairman of the NPC Standing Committee

Major Tasks for 2016

The year 2016 represents the first year of our decisive push to finish building a moderately prosperous society in all respects. The overall requirements for the work of the NPC Standing Committee this year are as follows: hold high the great banner of socialism with Chinese characteristics; comprehensively implement the guiding principles of the 18th National Party Congress and the third, fourth, and fifth plenary sessions of the 18th CPC Central Committee; follow the guidance of Deng Xiaoping Theory, the Theory of Three Represents, and the Scientific Outlook on Development; fully
put into practice the guiding principles from General Secretary Xi Jinping’s major policy addresses; work in accordance with the overall plan for promoting all-round economic, political, cultural, social, and ecological progress and the Four-Pronged Comprehensive Strategy; firmly establish and put into effect the new vision of innovative, coordinated, green, open, and shared development; remain committed to integrating leadership by the Party, the position of the people as masters of the country, and the law-based governance of the country; perform our functions and powers in accordance with the law; carry out our work actively and diligently, with a focus on legislation and oversight; and make new contributions to helping China secure a good beginning of economic and social development in the 13th Five-Year Plan period and clinch a momentous victory in its decisive push to finish building a moderately prosperous society in all respects.

**Strengthening and improving legislative work under the new circumstances and accelerating the formation of a complete framework of laws and regulations**

The rule of law constitutes a robust guarantee for development. The Fifth Plenary Session of the 18th CPC Central Committee called for accelerated efforts to bring economic and social development in line with the rule of law. The Standing Committee must fully enforce the revised Legislation Law and the adjusted legislative plan; focus and work effectively on legislation in key areas; make, revise, repeal, or interpret laws when necessary; and work to promote implementation of the new vision of development through legislation. We will make in-depth efforts to legislate effectively and democratically, become cognizant of and abide by the natural laws that surround legislative work, and pay extra attention to raising the quality of legislation, so as to ensure that every piece of legislation accords with the guiding principles of the Constitution, reflects the will of the people, and wins their support, and that we have good laws to promote development and ensure good governance.

We will improve the legal system underpinning the socialist market economy.

Focusing on the goal of ensuring the market plays the decisive role and the government better plays its role in resource allocation, we will strengthen the rule of law in economic and social development and in the operation of the market economy. We will formulate general provisions of civil law in order to improve the basic system of civil law. We will work on a law on environmental protection tax, a tonnage tax law, a tobacco leaf tax law, a grain law, and an asset valuation law. We will revise the Securities Law and the Law on Promoting Small and Medium-sized Enterprises. With a continued commitment to green development and ecological progress, we will revise the Law on the Prevention and Control of Water Pollution, the Law on the Protection of the Marine Environment, and the Wildlife Protection Law, in a bid to put in place the most rigorous possible system for ecological conservation and environmental protection.

**We will coordinate legislative work in social and cultural fields.**

In an effort to strengthen and make innovations in social governance, we will work on a law on traditional Chinese medicine and a community correction law and revise the Law on the Promotion of Privately-Run Schools and the Law on the Red Cross Society. To deepen the reform of the cultural sector, we will formulate a law for guaranteeing public cultural services and a law on promoting the film industry. To promote integrated military-civilian development and deepen the reform of national defense and the armed forces, we will work on a law on transportation for national defense purposes and revise the Law on Officers on Active Service. To push forward anti-corruption legislation, we will formulate a law on international criminal judicial assistance and explore possible revisions to the Law on Administrative Supervision. We will also work on a law on the management of international NGOs in China and a cyber-security law.

**The rule of law constitutes a robust guarantee for development.**

We will take necessary steps to authorize trial reforms.

Acting in line with the decisions and plans of the CPC Central Committee, we will make law-based, timely decisions to authorize pilot reform projects so as to ensure that reform moves forward in line with the rule of law. We will carefully deliberate the mid-term and end-of-term reports of authorized pilot projects, conduct in-depth reviews and appraisals of practices developed in the projects and their effects, promote the spread of applicable practices to other areas in accordance with the law, and revise and improve the relevant laws at appropriate junctures.

**We will ensure that the NPC plays the dominant role in legislative work.**

In upholding the Party’s leadership over legislative work, the Leading Party Members’ Group of the Standing Com-
The oversight by the NPC and its Standing Committee over the work of the State Council, the Supreme People’s Court, and the Supreme People’s Procuratorate, and over compliance with laws, is an inherent requirement and institutional design of the system of people’s congresses and a practice that embodies the constitutional principle that all State powers belong to the people. The Standing Committee must effectively exercise the power of oversight granted to it by the Constitution and other laws, bearing close reference to the new vision of development, reform measures, and requirements for rule of law introduced by the CPC Central Committee. Taking a problem-oriented approach, the Standing Committee will integrate oversight with support; ensure the effective enforcement of the Constitution and other laws; and facilitate the efforts of the State Council to carry out administration in accordance with the law and the efforts of the Supreme People’s Court and the Supreme People’s Procuratorate to administer justice in an impartial way, so as to advance structural reform and ensure comprehensive implementation of the 13th Five-Year Plan.

We will strengthen oversight over the enforcement of the Constitution.

We will intensify publicity and education on the Constitution, promote the spirit of the Constitution, hold activities on the national Constitution Day, and organize government officials elected or appointed by the NPC or its Standing Committee to pledge allegiance to the Constitution. We will step up the recording and review of normative documents;
take the initiative to review newly-formulated administrative regulations and judicial interpretations on an item-by-item basis; explore the Standing Committee-initiated review of local statutes in key areas; and carefully study, handle, and respond to suggestions from various sectors during reviews, so as to uphold the unity of our legal system and the authority of the Constitution and other laws.

We will strengthen oversight over compliance with laws.

We will inspect compliance with six laws, specifically the Food Safety Law, the Water Law, the Law on Promoting the Application of Scientific and Technological Advances, the Environmental Protection Law, the Road Traffic Safety Law, and the Law on Workplace Safety. We will carry out dedicated inquiries based on our deliberations of the compliance inspection reports produced for the Food Safety Law, the Environmental Protection Law, and the Law on Workplace Safety, so that our inquiries will be more targeted and more effective. Intensifying follow-up oversight, we will hear and deliberate the State Council’s reports on how it has responded to our compliance inspection reports for the Law on Guaranteeing the Rights and Interests of Senior Citizens and the Food Safety Law as well as our comments. We will hear and deliberate a report from the State Council regarding the enforcement of the Law on Entry and Exit Administration, and conduct an investigation into the state of enforcement of the Law on the Prevention and Control of Water Pollution.

We will work to ensure that the rule of law permeates the whole of society and takes root among the people. We will hear and deliberate the State Council’s report on the implementation of the resolution on launching the sixth five-year initiative to popularize knowledge of the law, and act in line with legally prescribed procedures to adopt a resolution on raising public awareness of the socialist rule of law.

We will strengthen oversight over government budgets and final accounts.

We will hear and deliberate reports from the State Council on the central government’s final accounts for 2015, on the auditing of the performance of the central government budgets and other items of revenue and expenditure in 2015, and on the implementation of 2015 government budgets. In line with the mechanism under which the State Council reports to the NPC Standing Committee on the rectification of pronounced problems discovered in auditing, we will hear and deliberate the State Council’s report on its correction of such problems, and link efforts to oversee the correction of problems with efforts to inspect and oversee the budgets and final accounts of the State Council and its departments. We will conduct surveys on the implementation of the Standing Committee’s decisions on strengthening oversight over economic work and intensifying inspection of and oversight over the central government budgets, and put into effect all reform measures aimed at strengthening the NPC’s inspection of and oversight over government budgets.

We will strengthen oversight aimed at promoting economic and social development.

To speed up the formation of systems and mechanisms for guiding the new normal in economic development, provide impetus to supply-side structural reform, and ensure adherence to and refinement of the basic economic system, we will hear and deliberate reports from the State Council on the implementation of the 2015 plan for national economic and social development, on the progress achieved in deepening reform of the system of transfer payments, on the management of State-owned assets and the reform of their management system, and on scientific and technological innovation in agriculture and forestry. We will carry out research on establishing a comprehensive government financial reporting system. We will hear and deliberate the State Council’s reports on the environmental conditions and the fulfillment of environmental protection targets in 2015, on the reform and development of higher education, and on the development and management of nature reserves. We will carry out research on the formulation of supporting rules and regulations for the enforcement of the Law on Regional Ethnic Autonomy and on issues concerning the development of community-level self-governance organizations in cities.

In an effort to ensure impartial administration of justice and enhance judicial credibility, we will exercise oversight under the topics of promoting judicial impartiality through greater judicial openness and safeguarding judicial impartiality through enhanced oversight over investigation, and hear and deliberate the relevant work reports of the Supreme People’s Court and the Supreme People’s Procuratorate.

Giving full play to the principal role of NPC deputies and doing more to help them better maintain contact with the people

We will thoroughly implement the system whereby we maintain direct contact with NPC deputies, and solicit and give expression to, by multiple means, their comments and suggestions on the Standing Committee’s legislative and oversight work. We will improve our efforts to brief deputies on the Standing Committee’s important initiatives and solicit their opinions. We will promote the establishment of permanent mechanisms allowing deputies to observe Standing Committee meetings, participate in inspections of compliance with laws, and join the activities of special committees and working committees, making sure that all local-level deputies to the NPC have at least one opportunity to sit in on a Standing Committee meeting. In addition, we will establish a mechanism under which we solicit the opinions of deputies and people from all sectors of society before deliberating the national economic and social development plan and government budgets. We will organize specific-topic study sessions for deputies. We will urge the State Council, the Supreme People’s Court, and the Supreme People’s Procuratorate to strengthen their ties with deputies and open up more channels for deputies to learn about State affairs and the government’s work.

We will formulate guidelines on improving the system by which NPC deputies maintain contact with the people, enhance working and online platforms to facilitate contact be-
We will ensure that a good job is done in the elections of new people’s congresses at county and township levels across the country.

between deputies and the public, establish a sound mechanism for relevant government departments to handle and give feedback on the comments and requests from the public that have been referred by deputies, and establish broader channels for the expression of social conditions and public sentiment, so as to give full play to the role that deputies play as a bridge between the government and the people.

We will improve mechanisms and approaches for examining deputies’ proposals and handling their suggestions, so as to ensure that the process of examining and handling proposals and suggestions becomes a process whereby State bodies maintain close contact with deputies and improve their work. We will ensure NPC deputies play a bigger role in the drafting and revising of laws, and earnestly study and draw upon their comments and suggestions. We will urge and coordinate the efforts of relevant departments to handle deputies’ suggestions, helping these departments improve their work through the handling of key suggestions.

In line with the CPC Central Committee’s guidance on strengthening and improving the deputy-related work of the NPC, we will work to enhance the political integrity and conduct of deputies and support electoral bodies in strengthening their law-based supervision over deputies’ fulfillment of their duties, so as to ensure that deputies cherish the power granted to them by the people, carry out their duties in strict accordance with the law, observe the Constitution and other laws in an exemplary manner, and take the initiative in upholding common moral values.

Making further progress in our work on foreign relations, information and publicity, and theoretical research while strengthening self-improvement

In accordance with the overall principles and plans of the CPC Central Committee for the country’s diplomatic work, we will strengthen the planning and management of the NPC’s foreign relations work, giving priorities to developing contact with the parliaments of major countries, China’s neighbors, and other developing countries. We will expand the scope of mechanism-based regular exchanges with foreign parliaments and explore more diverse ways of conducting exchanges. In addition to top-level exchanges, we will also make full use of exchanges at various other levels, such as those conducted by NPC special committees, friendship groups, and local people’s congresses. We will also promote multilateral contacts with foreign parliaments. We will make sure that these initiatives not only enhance China’s international influence and its weight in international discourse, but comply with and serve the Belt and Road Initiative and China’s overall development.

We will improve the NPC’s information and publicity work. We will channel great energy into publicizing the system of people’s congresses; strengthen publicity and explanation of the NPC’s work regarding legislation, oversight, decision making, and election; and intensify activities to illustrate how exemplary NPC deputies perform their duties and how the work of local people’s congresses is carried out. We will explore new ways of carrying out the NPC’s publicity work, giving full expression to the functions of both traditional and emerging media, so as to improve the effectiveness of our publicity initiatives.

We will advance the NPC’s theoretical research work, increasing our efforts to study and explain the new theories and practices with regard to upholding and improving the system of people’s congresses and fully advancing the law-based governance of China developed by the CPC Central Committee headed by General Secretary Xi Jinping since the 18th National Party Congress. We will enhance the development of think tanks for the NPC’s theoretical research, and actively study the features and underlying laws of the NPC’s work. These efforts will help to provide theoretical and intellectual support for the sound performance of the NPC under new circumstances.

We will maintain close ties with and provide guidance for local people’s congresses. We will urge local people’s congresses to fully implement the NPC Central Committee’s guidelines on strengthening the work and development of people’s congresses at the county and township levels. We will maintain close contact and improve coordination with local people’s congresses, and strengthen guidance over their work, so as to maximize the overall efficiency of people’s congresses. We will hold a national forum on local legislation, continue to provide training on the revised Legislation Law, and better guide local people’s congresses in their legislative work.

We will ensure that a good job is done in the elections of new people’s congresses at county and township levels across the country. Adhering to the Party’s leadership, we will fully promote democracy, follow procedures in strict accordance with the law, and strengthen guidance and monitoring of the election work, in order to ensure that elections are held honestly and election results meet public expectations.

We will further strengthen the self-improvement of the Standing Committee, conscientiously uphold the Party’s leadership, and ensure that political discipline and rules are strictly observed. We will work to raise our awareness of the need to uphold political integrity, keep in mind the bigger picture, follow the CPC as the core of the Chinese leadership, and act consistently with the CPC Central Committee policy as we perform our duties and functions in accordance with the CPC Central Committee’s decisions and plans. In addition, we will work toward the establishment of a permanent effective mechanism for practicing the Three Stricts and Three Honests; launch a drive to help our Party members better meet the Party standards by studying the Party Constitution, the Party regulations, and General Secretary Xi Jinping’s major speeches; and make unremitting efforts to improve our work style, foster integrity, and create a healthy political environment. (Xinhua)
As NPC annual session draws to an end, the “four consciousnesses” has emerged as a popular catchphrase frequently underpinned not only by top leaders, lawmakers, but commentators and news anchors.

Observers say the essence of the concept boils down to the unwavering conformity with the ruling Communist Party of China (CPC)’s leadership, which is vital in China’s final countdown in building a moderately prosperous society by 2020 as well as for the country’s future destiny.

The ‘four consciousnesses’ emerges as a popular catchphrase

Prior to the parliamentary session, Qiushi Journal, the flagship magazine of the CPC Central Committee, published a commentary on March 1, underscoring the need to promote the “consciousnesses of the ideology, the whole, the core and the line.”

Faithfulness to the Party’s core leadership is characterized by staunch loyalty to “the CPC Central Committee, [its...
Growing the Chinese economy to the world’s second largest and making it an important growth engine for the world economy.

The consciousnesses of “the core” and “the line,” however, were raised during a recent CPC campaign to improve conducts of officials, focusing on the “three stricts and three honests.” The slogan refers to “being strict in morals, power and self-discipline,” along with “being honest in decisions, business and behavior.”

Experts say “the core” stresses the adherence to the Party’s core leadership, requiring the CPC’s 87 million members to follow the leadership of the CPC Central Committee, especially its Political Bureau and Political Bureau Standing Committee, and to closely unite around the General Secretary, who is the core of the core.

The consciousness of “the line” demands officials to conform with the CPC Central Committee, its General Secretary as well as to Party theories, guidelines, principles and policies. The centralized and unified leadership should be followed and its authority be upheld.

The “four consciousnesses” has been perceived by many as the latest move in the CPC top leadership’s series of new governance concepts and strategies since the 18th CPC National Congress in 2012.

No deviation in direction

The “four consciousnesses” has been brought up as China aims to attain its goal of building a moderately prosperous society in all aspects in the next five years, said Shi Zhihong, a national political advisor.

“The CPC has to fulfill the pledge it made to all the Chinese citizens on time and ensure not a single person, region or ethnic group has been left out,” said Shi, also former deputy director of the Policy Research Office of the CPC Central Committee.

“This task leaves unprecedented pressure and challenges to the CPC,” he added.

China’s population is expected to reach 1.42 billion by 2020. It would mean much to the world if such a big country could avoid the middle-income trap.

“It entails a high degree of unity in both volition and action within the Party to lead the entire nation to achieve this goal. The ‘four consciousnesses’ has been brought up to achieve such unity, with conforming with ‘the line’ as the highlight,” Shi said.

Facing downward economic pressure amid fragile global recovery, China’s economy has entered what policymakers refer to as the “new normal,” a phase of moderating growth driven more by consumption instead of exports and investment.

To ensure the huge Chinese vessel sails to the expected destination, every Chinese should paddle forward under the instruction of the helmsman — the CPC Central Committee, with Xi as general secretary, Shi noted.

Vital for China’s fate

Experts say conforming with the CPC central leadership, safeguarding its authority and ensuring its orders well implemented are a matter of principle which is vital to the Party and the nation’s destiny.

The CPC’s innovative theories and thoughts have helped to navigate China to success both during the war against Japanese aggression and the era of reform and opening up, according to Shi.

“It’s unimaginable to govern the world’s biggest political party and a country with a 1.33-billion-strong population without a centralized and unified leadership,” Shi said.

Shi noted, however, the call for conformity does not mean a suppression of public opinions. “The line is the collective wisdom of the entire Party and Chinese people.”

Grassroots wisdom in the new plan for the country’s economic and social development in the next five years, which was approved by the national legislature on March 16, has been pooled from various sectors through legislators and political advisors at all levels.

With China’s diverse level of development and conditions in different regions and industries, the consciousnesses of “the core” and “the line” have been championed to pool strength from various sectors for a single end, said Zhang Zhao’an, economist with the Shanghai Academy of Social Sciences.

“A firm core leadership is crucial for laying down a top-level design under the current complex economic situation both at home and abroad,” Zhang said. (Xinhua)
China has set itself an official economic growth target of 6.5 to 7 percent this year, reassuring the world that market-oriented reforms can provide a stabilizing effect.

The annual session of the National People’s Congress closed on March 16, with approvals of the government work report and the 13th Five-Year Plan outline among other bills.

Among 2,859 legislators who attended the closing meeting, 2,778 voted for the 13th Five-Year Plan outline, and 2,814 for the government work report.

The plan outlines the policy framework, priorities and economic and social goals for 2016-2020, including an average annual growth rate of above 6.5 percent. Meeting the targets will be crucial to realizing the goal of building a “moderately prosperous society in all aspects” by 2020.

“As long as we stay on the course of reform and opening up, China’s economy will not suffer a hard landing,” Premier Li Keqiang told a press conference after the close of the session.

“There are both difficulties and hopes for China’s economy. But given the underlying trends and fundamentals, there are more hopes than difficulties,” said Li.

There is enormous potential in the massive Chinese market and immense creativity among the people, said the premier.

The supply-side structural reforms China has been pursuing, including streamlining administration, delegating government powers and cutting corporate taxes are designed to unleash more market vitality, he said.

“There is much room for us to boost industrialization, and urbanization represents the largest source of China’s domestic demand,” said Li. “In China’s central and western regions, there is enormous room for more effective investment.”

“Propelled by new growth drivers and upgraded traditional ones, China’s economy will be able to get through difficulties and rise to a more promising level,” he said.

Last year, global economic growth slid to a six-year low. But still China managed to meet its economic development target of around 7 percent.

Instead of resorting to massive stimulus measures, the country has chosen a much harder but sustainable path of development – pursuing structural reforms, said the premier.

The premier said there may be small ups and downs in the future, but the government is prepared to exercise new macroeconomic regulation to ensure steady economic performance if necessary.

Gu Qingyang, an economist with the National University of Singapore, said growth of 6.5 to 7 percent is achievable.

“China’s economy is capable of achieving moderate and sound growth given its uniquely big market and huge demand from areas like pollution treatment and urbanization,” said Gu.

According to Li, the country is determined to press ahead with its reform agenda, and reform and development are not in conflict, as pursuing structural reforms can drive economic growth.
More red tape cut

Premier Li Keqiang said on March 16 that since 2013 the central government had reduced the number of items subject to administrative reviews and approvals by a third, and promised more cuts to come.

“Three years ago, on the same occasion, I promised that this term of government would cut the number of items that require State Council reviews or approvals by one third. We have already fulfilled that target,” Li told a press conference after the conclusion of the fourth session of the 12th NPC.

The streamlining of administrative procedures and the delegating of power have been identified as integral to the process of transforming government functions, he said, adding that third-party evaluations showed most businesses and people were satisfied with the progress.

“Yet, some problems remain. Our people expect more from the government,” the premier said, noting there is still much to be done.

“This year we are determined to further cut the number of government approval items and leave more items to the market,” Li told reporters.

He said there are still too many requirements for certificates and permits. The number of certificate requirements will be cut by a half this year.

“Redundant procedures have held back productivity and also restrained consumption,” Li said, adding that the government must forge ahead with the reform.

The premier said existing standards must be unified. Government documents without solid legal ground that have held back the people or even hurt their interests will all be cleaned up or abrogated.

“The reform will cut government powers, but we are determined to keep doing it until our job is done, as that will deliver quick benefits to our people even if the government has to make painful adjustments,” said the premier.

Li hopes that through this process the government will provide better services to the people. (Xinhua)
Central authority to follow Constitution, Basic Law of HK, Macao

Chairman of the NPC Standing Committee Zhang Dejiang said the central authority will act strictly in compliance with the Constitution and the respective Basic Law of Hong Kong and Macao on March 6.

Zhang made the remarks when joining group deliberations with national lawmakers from Hong Kong and Macao, two special administrative regions.

Hong Kong and Macao will experience an important period in the next five years with significant opportunities for development, Zhang said, adding that the central authority will continue to adhere to the principles of “one country, two systems,” the people of Hong Kong governing Hong Kong, the people of Macao governing Macao, and both regions enjoying a high degree of autonomy.

Hong Kong and Macao should continue in the right development direction, consolidate consensus for development, display their unique advantages and functions, and promote the “one country, two systems” practice along the correct path, Zhang said.

“Hong Kong’s biggest advantage is its reliance on the inland areas of the motherland,” Zhang told the national lawmakers from Hong Kong, urging the region to “seek development, maintain stability and promote harmony”, and seize opportunities in the country’s implementation of the 13th Five-Year Plan and the Belt and Road Initiative.

When meeting with lawmakers from Macao, Zhang urged the region to take advantage of the country’s 13th Five-Year Plan and the central authority’s supportive policies to Macao, and bolster a moderately diversified economy. (Xinhua)
New 5-year plan promises gains for ordinary people

Having delivered stellar growth for China for more than three decades, ordinary Chinese are set to get their reward in the next five years as the government prioritizes improving their lives.

The draft 13th Five-Year Plan (2016-2020) being reviewed at the NPC annual session places more emphasis on the prosperity of China’s nearly 1.4 billion people. It is high time that growth is translated into benefits for the masses.

Improving livelihoods is high on authorities’ reform agenda. Measures listed in the latest five-year plan range from eradicating poverty to making people healthier to improving education and adding more jobs.

Ahead of the national parliamentary sessions, President Xi Jinping said that the success of future reforms should be assessed on the gain they bring to ordinary people.

“From now on, it will be mostly about the quality, efficiency and benefits of growth, rather than its speed,” said Pan Jianhua, an NPC deputy.

Both central and local governments will evaluate reforms based on how much of a difference they make to people’s lives, Pan added.

The top leadership sees the next five year as a crucial period for the target of establishing a “moderately prosperous society,” a situation that would greatly swell the consuming class.

Their aspiration for a middle-class lifestyle will lead the world’s second-largest economy to a more consumer-driven growth model.

China is aiming to double both the size of its economy and more importantly, per capita income by 2020 from 2010 levels. Another ambitious goal is to lift all of its people above the poverty line, set at an annual income of 2,300 yuan ($354) for rural residents.

Under that overarching goal, per capita disposable income should increase no less than 6.5 percent.

Another way to boost income among the broad population is to improve the fairness of income distribution and tax reforms.

Underpinning all this is stable employment. The government has set a target of adding 50 million new jobs in the coming five years to make that happen.
Authorities are willing to live with a slower rate of economic growth as long as employment climbs steadily. Despite continued downward pressure on the economy, whose growth hit a 25-year low of 6.9 percent last year, new job creation continues to overshoot the government target.

The importance of jobs is on the rise, not only in terms of their number but their quality, as authorities want to derive growth chiefly from improved labor productivity, rather than more credit.

Labor productivity currently stands at 87,000 yuan per person. The target is 120,000 by 2020.

Under the plan, the next five years will also see a sprouting of small cities, especially in the northwest. This urbanization drive will allow 100 million rural Chinese to settle in cities, rather than cramming into the massive urban sprawl on the affluent east coast, where migrants generally work menial jobs and are denied urban welfare such as medical services and education for their children.

That will increase the share of Chinese with urban residents’ permits, or “hukou,” to 45 percent. Authorities will also press ahead with shanty-town renovation to improve living conditions and also as part of a more aggressive government spending program to counter the economic slowdown.

(Xinhua)

Why China’s 13th Five-Year Plan deserves attention

By Li Laifang and Wang Jian

China’s 13th Five-Year Plan is set to embody the ruling Communist Party of China’s (CPC) new concepts, with innovation foremost in strategies for a balanced, coordinated and sustainable growth pattern.

This is the first Five-Year Plan drafted under the current Chinese leadership, and also the first since China’s economy entered what policymakers refer to as the “new normal,” a phase of moderating growth based more on consumption than the previous mainstay of exports.

The plan’s significance also lies in the fact that the Chinese economy, the world’s second largest, is still facing downward pressure and undergoing structural reforms amid fragile global recovery, after its 2015 expansion of 6.9 percent, the slowest in a quarter of a century.

And the strategic guideline marks the final countdown to the goal of building a moderately prosperous society by the centennial anniversary of the founding of the CPC in 2021. The ambitious target means doubling GDP and per capita income in 2020 from the levels of 2010. Seventy million people need to be lifted out of poverty.

Based on extensive research, seminars, public opinions and expertise, the program will unveil growth expectations in the vital 2016-2020 period for China’s $10-trillion economy, and ways to meet them.

Five-year plans play a navigating role in ensuring the huge Chinese vessel sails to the expected destination.

“In the past, the plans focused on microeconomic intervention. But now, they focus on formulating macroeconomic indices and also planning concerning people’s livelihoods and public affairs,” said Yan Yilong, assistant professor in public policy research at Tsinghua University.

Under the market economy, five-year plans play a supplementary role to the market and guide industrial restructuring in which enterprises are major participants, Yan said, adding such forecasting can help manage public expectations.

China’s first Five-Year Plan was implemented in 1953. With the plans, China’s economy maintained miraculous growth in the three decades after the reform and opening-up policy in the late 1970s.

As China is pushing forward the building of the socialist market economy, some doubt whether the 13th Five-Year Plan is necessary, regarding it as a legacy of the planned economy.

“Long-range plans are ways to communicate to every citizen what the nation’s goals are and what each person needs to do in order to achieve them,” said Shlomo Maital, a senior researcher with Technion-Israel Institute of Technology.

Leading global businesses have long-range strategic plans — why should countries not have them? After all, a country is a business, he said. “I think other countries have much to learn from China’s planning process.”

As Western economists mock China’s five-year plans as examples of Soviet-era planning, they may want to reflect on lessons drawn from the 2008 global financial crisis, largely blamed on laissez-faire capitalism, said the researcher.

According to Yan, the socialist system’s combination of market forces and government supervision through the Five-Year Plan makes it superior to the capitalist alternative.

“Many Western countries do not have such a plan and even if they have, it is more of a desire, given partisan bargaining. But China has a set of mechanisms to push implementation,” he said.

As the 12th Five-Year Plan concluded with all major targets met, the 13th Five-Year Plan is set to make comprehensive reform arrangements in fields including finance, justice and opening up, and to establish binding targets for improving public services and protecting the environment.

“Having binding targets will drive the Chinese government to meet its promises and better perform its duty to realize social fairness,” said Ding Yuanzhu, a policy consultant at the Chinese Academy of Governance.

The next five years will be characterized by innovation, coordination, care for the environment, opening to the world, and the sharing economy, with medium-high growth and industrial upgrading the two major goals.

Cutting red tape and instigating bold, market-oriented reforms in sectors dominated by State-owned enterprises are likely to create a more favorable business environment for both domestic and foreign firms.

Over the next five years, pursuing common, international development, China will become more economically integrated with the outside world through the Belt and Road Initiative, free trade zones, and the internationalization of its currency, the yuan.

(Xinhua)
China’s 13th Five-Year Plan concerns more than just its own domestic affairs. The world should sit up and pay attention: It will have a global impact, analysts said.

“China has been the powerhouse of the world for decades. In the next five years, ballooning domestic demand, investment and buying power will further vitalize the global economy,” said Chen Fengying, world economy researcher with the China Institute of Contemporary International Relations.

As China steers itself toward quality development in the next five years, a critical period of transition, the world should cast their eyes east, said Chen.

The 13th Five-Year Plan (2016-2020), outlines policies, priorities, as well as clear economic and social targets. “Such clear goals will serve as assurance to foreign entities as it will paint a clear picture of what measures will be taken,” she said.

Workers are occupied on a production line at a workshop under the BAIC Motor in Huanghua city, north China’s Hebei Province, January 6. Mu Yu

The global impact of China’s 13th Five-Year Plan

Innovation, growth

Cui Jicheng, 53, is an oceanologist. By 2019, he plans to take a manned deep-sea submersible 10,000 meters down to the Mariana Trench. Deep-sea exploration is one of the principle projects under the Scientific Innovation 2030 initiative, outlined in the plan.

According to the draft, by 2020, China’s R&D investment will account for 2.5 percent of GDP. The contribution of scientific and technological advances to economic growth will rise to 60 percent. Investment into semiconductors, chip materials, robotics, aviation equipment and satellites, also aim to facilitate scientific advances.

“China already leads in the fields of Internet, new energy and AI. It will be an important player in the new round of

NATIONAL PEOPLE’S CONGRESS OF CHINA
The Five-Year Plan also presents China’s approach to global governance.

**Further opening-up**

“China has almost fully integrated into the world chain of industry, value and logistics, and further opening-up will produce more fruits for both China and the world,” said Zhou Hanmin, a national political advisor and law expert based in Shanghai.

The plan states that China will continue opening-up, in part driven by the Belt and Road initiative. Strategic mutual-trust, economic cooperation and people-to-people exchanges with other countries will also be pursued.

Analysts say local government officials and companies are already engaged in cross-border economic corridors with Mongolia, Russia, Pakistan, Myanmar and other Southeast Asian countries.

Zhang Yupu, Communist Party of China secretary of Mudanjiang City, Heilongjiang Province, said cooperative projects are being developed along its border with Russia.

**Wisdom, responsibility**

The Five-Year Plan also presents China’s approach to global governance. According to the plan, China will actively participate in global economic governance, support major global and regional governance and cooperation platforms, and contribute to a fair and reasonable global governance mechanism.

Analysts say China will prioritize mutual development and building global partnership.

China will host the G20 summit in September, which will offer Chinese leaders the opportunity to explain the diplomatic policy in this regard.

Jia Qingguo, an international relations expert in Peking University, said that China will contribute more to world economic growth, and cement its place in global economic governance and the international economic order.

“China will bear its share of responsibilities, spread messages of common understanding, while sharing opportunities, said Zheng Changzhong, associate professor in international diplomacy at Fudan University. (Xinhua)
China outlines supply-side structural reform plan

China’s government work report, presented on March 5, 2016, emphasized strengthening supply-side structural reform through cutting low-end supply while increasing high-end supply and public products and services. “Appearing in the government work report shows the government’s determination,” said Liu Zhibiao, an economics professor at Nanjing University, who is in Beijing to attend the annual session of the National Committee of the Chinese People’s Political Consultative Conference (CPPCC).

China’s three decades of rapid growth were fueled by capital investment, exports and consumption – usually thought of as being on the demand side. However, supply-side reform aims to increase the supply of goods and services by stimulating business through tax cuts, entrepreneurship and innovation.

While stimulating the demand side tends to be short-lived, supply-side reform is expected to generate sustainable, quality growth.

Wang Yiming, deputy director of the development research center of the State Council, believes China’s supply-side reform is an innovation of socialism with Chinese characteristics and is different from Western supply-side economic theories, which were generated when Western economies were bogged down by high inflation and low growth.

He said China’s supply-side reform aims to increase innovative abilities and the supply of public products while strengthening policy coordination.

From the supply side, China’s relaxed family planning policy, which allows each family to have two children, is expected...
to add high-quality labor to the market in the future.

Meanwhile, provinces are busy searching for new growth engines.

Northeast China’s Jilin Province held a work meeting on the service sector last month, aimed at cultivating the sector as a future growth point.

Sun Zhiming, director of the institute of economics of Jilin Academy of Social Sciences, believes the service sector in the northeastern region has development advantages, such as the region’s winter tourism industry. Although the short-term investment is big, profits can be generated for the long run. “Besides tourism, the aviation industry, high-end equipment manufacturing and biochemical engineering could all be new growth engines for the northeast,” Sun said.

East China’s Jiangsu Province is also focusing on intelligent manufacturing with the aim of becoming an advanced manufacturing base with global competitiveness.

Deputies to the annual session of the NPC suggested that, in addition to adding new engines, supply-side reform needs to do some subtraction. Cutting overcapacity, de-stocking, de-leveraging and reducing costs were all listed as major tasks of reform.

According to a five-year supply-side reform plan for Guangdong released on March 1, all “zombie” companies in the province will be cleared out in three years. Shanxi Province plans to cut its coal production by 258 million tonnes by 2020, while Hebei Province aims to contain its steel and cement capacities to 200 million tonnes each.

The burden on companies will also be alleviated. NPC deputy Zong Qinghou, chairman of the beverage company Hangzhou Wahaha Group, suggested that more taxes and costs of enterprises should be cut to help the real economy.

According to the government work report, the government will pursue a more proactive fiscal policy, with an increased deficit to cut taxes and promote effective investments.

Analysts believe there will be further measures carried out nationwide following the annual sessions of the NPC and the CPPCC National Committee. With different focuses, together they will help combat an ongoing economic slow-down in the country. (Xinhua)
Reforms take shape
–Changes continue in the financial sector despite a shaky global economy

By Lan Xinzhen

In his government work report, Premier Li Keqiang vowed to deepen the reform of the financial sector in 2016. It includes efforts to improve the financial regulatory system, further liberalize interest rates and improve the market-based mechanism for setting the yuan exchange rate. It would also affect financial institutions, promote the sound development of the multi-level capital market, as well as harden the crackdown on illegal fund-raising. In addition, it would help develop Internet-based, inclusive and green finance. These measures clearly outline China’s ambition regarding its financial reform policies.

The world is still shaking from the aftershocks of the 2008 global economic crisis that broke out in the United States. The eurozone’s growth is still anemic, and has been worsened by the refugee crisis. Japan implemented negative interest rates, and the currencies of various emerging economies are weakening due to expectations of a strong dollar. All of these factors intensify uncertainties regarding global and local economic growth prospects.

That is why the international community is closely watching China’s financial reform policies, and looking to see whether they will affect the country’s economic growth in a positive manner. Should the reform provide favorable results, surely it will be a good indicator for the world economy.

Stable exchange rates

Of all the changes that China could put forward, the market is particularly sensitive to reforms in the exchange rate mechanism.

On August 11, 2015, the People’s Bank of China (PBOC), the country’s central bank, announced plans to improve the yuan’s central parity system. In the announcement, the PBOC said that effective from that day, the daily central parity quotes that market makers report to the China Foreign Exchange Trade System before the market opens should be based on a number of factors. The parity quotes should be based on the closing rate of the inter-bank foreign exchange rate market on the previous day, the supply and demand in the market, and exchange rate movement of major currencies.

This measure was designed to satisfy the requirement for the yuan to be included to the currency basket of the International Monetary Fund’s special drawing rights. This market-based exchange rate formation mechanism has brought China’s financial reform to a new stage of development.

The move, however, also caused the yuan to tumble. On August 11, 2015, the yuan’s central parity rate slid 2 percent against the U.S. dollar, the biggest single-day drop in two decades. After that, the yuan continued depreciating for almost three months.

How will the yuan fare in 2016? Will China let its currency fall further to keep its exports competitive? Zhou Xiaochuan, governor of the PBOC, said at a news conference on March 12 that stabilizing the yuan’s exchange rate is a key focus within the current reforms. In 2015, China’s trade surplus hit a record high of nearly $600 billion, and China’s exports accounted for a larger percentage of the world’s total than in previous years. China doesn’t need to devalue the yuan to keep its exports competitive against that backdrop.

Zhou claimed that there are multiple reasons for the significant fluctuations in the yuan in previous months. Prominent among those is the downward pressure that the Chinese economy is facing, which has intensified concerns amongst market players. Also, volatility in the country’s stock market made investors nervous, and quantitative easing policies in the European Union and Japan, as well as the interest rate hike by the U.S. Federal Reserve, have further stimulated the devaluation of the yuan.
Nevertheless, the yuan has started to return to a normal and reasonable level, a trend that will continue, according to the governor.

An international yuan

“As the exchange rate market gradually returns to a relatively normal state, the yuan’s internationalization will keep going forward,” Zhou said.

The panda bonds market has been booming since last year, even while dim sum bonds issued in Hong Kong have declined since the second half of last year due to the yuan’s volatility. This has given the public more cause for concern about the yuan’s increasing internationalization.

Zhou said that both panda bonds and dim sum bonds are results of the yuan’s globalization efforts. Both are bonds denominated in the yuan, though dim sum bonds—named after the popular Hong Kong cuisine—are issued outside of China’s mainland, and panda bonds are issued onshore by non-Chinese organizations, attracting non-Chinese borrowers. Fluctuations are normal in the financial market, but as panda and dim sum bonds are both price sensitive, once exchange rates change, the onshore and offshore prices of these products will also be affected.

“In the midterm, I personally think panda bonds and dim sum bonds both have a nice future, whether they are in the onshore or offshore bond markets,” said Zhou.

Yi Gang, vice governor of the PBOC, said that the yuan’s internationalization is a market-driven process, during which corporations and financial institutions are able to develop some financial products in an easier way. Exchange rate fluctuations in previous periods widened the gap between onshore and offshore yuan. As a result, the panda bonds market has been booming while the dim sum bonds market keeps dropping.

“I believe this is temporary. Our policies on the yuan’s internationalization and supporting the offshore yuan market have not changed,” said Yi. “As the expectations on the exchange rate market turn stable, the yuan’s internationalization will certainly go further.”

Safer and easier payment

Payment accounts are a new issue that the financial reform must address.

Fan Yifei, vice governor of the PBOC, said that China has two types of payment accounts: bank accounts for deposits and payment, and third-party payment accounts to satisfy the demand for electronic payments.

Fan continued that since last year, the central bank has strengthened its classified management of bank accounts and third-party payment accounts, so that the payment system is safer and more convenient. The PBOC requires a strict implementation of a real-name system for accounts to better protect consumers’ rights and interests.

The central bank will implement a new bank account system starting from April 1 and a new third-party payment account system from July 1. “Our goal is to satisfy the increasingly diversified payment demand of consumers and strike a balance between safety and convenience,” said Fan. “As the supervising authority, we will pay close attention to the responses of the industry and formulate new measures in a timely way, in order to support the sound development of the payment industry and market.”

Stricter financial supervision

Strengthened financial supervision is one of the key aspects of the financial work that will take place in 2016, and was also included in the government work report. This indicates that the Chinese Government attaches great importance to ensuring financial stability and preventing financial risks.

In recent years China has carried out experiments to establish a multi-level financial market, developing Internet-based finance and allowing the establishment of private banks. But in the financial sector, and especially regarding Internet-based finance, problems such as financial fraud and illegal fundraising are frequent occurrences.

To address these problems, the government work report stated that the government will work to ensure that Internet finance develops in line with regulations. It will also tighten institutional constraints, safeguard order in the financial sector, and crack down on financial fraud, illegal fundraising and unlawful and criminal activities in the securities and futures markets.

The report also said that the government will move forward with the reform of the stock and bond markets and increase the rule of law in their development and establish a catastrophe insurance system. The government will also strengthen the unified, macro-prudential management of foreign debt. All these measures aim to carry out financial regulation and control financial risks.

“We also encourage research for the improvement of macro control, macro-prudential policies, financial supervision, protection of financial consumers and financial stability,” Governor Zhou said. (Beijing Review)
Lawmakers passed China’s “greenest” Five-Year Plan on March 16, underscoring the nation’s commitment to green development and ushering in a new age for its growth model.

The blueprint, which charts the course for China’s development up to 2020, places heavy weight on green development, with 10 out of 25 priority targets related to the environment. All the 10 targets are binding and among a total of 13 that must be achieved by 2020.

The emphasis on the environment is in line with the vision of Chinese President Xi Jinping, who has placed green development high on the agenda and called for “protecting the environment like we are protecting our own eyes, and treating the environment the way we treat our lives.”

The determination of the world’s largest developing country and the most populous nation to “green” its economy should come as a welcome message to the world, which is in the midst of a stubborn fight against climate change.

The environment features prominently in the economic and social development blueprint, with seven of its 80 chapters dedicated to the environment, and 19 out of 165 major planned projects designated to saving energy, environmental protection and ecological restoration.

Under the plan, China will also have its national park system and a nationwide environment monitoring system by 2020, leading cadres will be subject to “environmental protection liability auditing” before leaving their posts and a “negative list” mechanism will be in place to make “key eco-function areas” off limits to certain industries.

The facts and figures speak for themselves and should reassure those who may doubt China’s seriousness about green development. When China says it “puts ecological protection first,” it is not just lip service.

The gloves are already off in China’s fight for green development. A large-scale campaign has been launched to protect the Yangtze River, the world’s third longest river and the nation’s “River of Life,” with polluting factories shut down, wetland restored and fishing curbed.

The central government is also drafting a landmark program, scheduled to be released this year, to restore the river’s impaired eco-system.

China is also considering establishing a national park in the Sanjiangyuan (Sources of Three Rivers) Area to protect the headwaters of the Yangtze, Yellow and Lancang (Mekong) rivers, one of the most delicate eco-systems in the country.

The newfound zeal for green development comes against a backdrop of China’s economic shift from the old “growth at all cost” model, which has left air, water and soil tainted, to a sustainable one.

After over three decades of double-digit economic growth,
China has arrived at a tipping point where it has to bid farewell to the old growth path and usher in a new chapter for its development strategies.

The ruling Communist Party of China (CPC) has made it one of its policy priorities to provide people with fresh air and clean water.

Skeptics predicting China will backtrack on its green pledge will be disappointed. It has become common sense among the leadership and people that a poor environment is too high a price to pay and “lucid waters and lush mountains are invaluable assets themselves.”

As a matter of fact, the country’s yearning for green growth, instead of dragging down the economy, will be a boon to the economy and unleash a new wave of opportunities for investors at home and abroad.

A whopping market for environment-related products and services, estimated by experts at up to 10 trillion yuan (about $1.5 trillion), is in the making for businesses in sectors like renewable energy, pollution control, and sewage treatment.

Yes, there is no silver bullet to success and obstacles abound in making such an arduous shift. However, China has shown a solid track record of getting jobs done, no matter how painstaking they are.

A prescription that often goes unnoticed is China’s unique governance system which can “concentrate resources to accomplish major undertakings.”

Among the essence of traditional Chinese thinking is the concept that “Man is an integral part of nature,” and it is in the gene of Chinese people to live in harmony with the environment.

After all, it’s an inevitable though hard choice for China to embark on this bumpy but promising road, and there will be no turning back. (Xinhua)

Private sector on equal footing

China does not intend to push a privatization as what Margaret Thatcher did in the 1980s, but its pledge to shore up the non-public sector seems clear.

It is highlighted as President Xi Jinping recently vowed to unswervingly encourage, support and guide the country’s private sector and create a favorable environment for it.

“It’s inspiring and exalting,” Chen Zhilie, president of EVOC Intelligent Technology and a political advisor, said at the ongoing annual session of the Chinese People’s Political Consultative Conference (CPPCC) National Committee.

Political advisor Nan Cunhui, chairman of Chint Group, a power equipment company, mentioned the anxious sentiment among some private companies having meager profits.

“Now, our previous anxiety has been cleared,” Nan said.

Zhao Haiying, chief risk officer of China Investment Corporation, said an ever-expanding private sector will be one of the country’s recipes to avoid the middle-income trap, as the sector contributes 60 percent of economy growth and creates more than four-fifths of jobs.

China’s supply-side structural reform is changing the way of doing business in China, which is a boon for private investors, Zhao said.

“China’s private companies can prosper into globally competitive giants provided you give them enough space and fitting soil,” Zhao said.

Sun Yinhuan, chairman of Yida group, also a political advisor, said, “Our private entrepreneurs are able to make profits through product innovation, and making new business models.”

However, China is not pursuing a laissez-faire policy. President Xi has vowed the government will help cope with challenges the non-public sector faces resulting from a distorted market system.

China will strive to provide reliable, efficient and convenient funding services to small and medium-sized enterprises, and grant more market access to private capital, Xi said.

The authorities will make continued efforts to cut red-tape and fees in private investment management to reduce corporate burdens, the president said.

Sun Yinhuan said the country’s private companies have survived many difficulties since China launched the market-oriented reform about three decades ago, thus are good at finding opportunities.

Many of them see China’s Belt and Road Initiative a bonanza for business expansion.

Wang Wenbiao, another political advisor, makes money by afforesting the desert. He sees the vast and desolate wilderness in central Asia a treasure trove, believing the eco-friendly industry is welcomed by all countries.

“I’m sure that China’s restructuring will offer a trillion-dollar chance for the non-public sector,” Wang said. (Xinhua)
A total of 65 reform policies implemented in China’s courts last year made the judicial system fairer for the people, said Chief Justice Zhou Qiang on March 13.

Zhou made his comments when delivering a work report of the Supreme People’s Court (SPC) to the National People’s Congress (NPC).

Restrictions on case filing were lifted in May last year, meaning plaintiffs no longer need to wait for a pretrial court to examine case applications. As a result, 95 percent of court cases were accepted on the spot last year.

Two SPC circuit courts, which opened last year, concluded the trial of 1,653 cases in 2015. They have been dubbed “the SPC on the frontline.”

In addition, three new courts dedicated to intellectual property rights (IPR) opened in Beijing, Shanghai and Guangzhou. Collectively, they closed 9,872 cases, with a considerable improvement of the quality and accuracy of rulings.

The SPC also strengthened enforcement. From January 2015 to February this year, 4.67 million people who failed to follow court orders were punished and 3.38 million discredited people were included on a publicly available blacklist.

Courts nationwide heard 4.67 million cases concerning the enforcement of court orders, up 37 percent from the previous year. Of these cases, 3.81 million were closed, an increase of 31.3 percent over the same period.

Another key section in judicial reform, the Supreme People’s Procuratorate (SPP) issued 23 reform documents, co-issued eight with central government departments, and initiated 12 pilot reforms, according to the SPP work report delivered by Procurator-General Cao Jianming to the NPC.

One highlight of the pilot programs was about public interest litigation. Since last July, prosecutors in 13 provincial divisions have been allowed to initiate public interest litigation cases concerning environmental protection, preservation of State assets as well as food and drug safety. So far, 12 cases have been filed directly by prosecutors on behalf of public interest.

Efforts were also made to improve transparency. Through a website supervised by the SPP, prosecuting offices nationwide regularly updated the development of cases and legal documents so that the involved parties can follow the process and the public can search for relevant information.

“Judicial reform is a profound self-revolution. The reform has entered uncharted waters and touched deep-rooted problems,” Zhou said.

The SPC will establish more circuit courts and improve fast-track procedures on minor cases this year.

Cao said the SPP will continue to push the public interest litigation pilot project. (Xinhua)
China’s judicial authorities said that the country will continue to maintain “high pressure” on corruption as authorities press on with a sweeping anti-graft drive on March 13.

A total of 22 Chinese ex-officials at ministerial level or above, including former leader Zhou Yongkang, were prosecuted last year while 41 were subject to formal investigations, up from 28 in 2014, Procurator-General Cao Jianming told lawmakers when presenting the Supreme People’s Procuratorate’s (SPP) work report for 2015.

Chief Justice Zhou Qiang also said Chinese courts have concluded trials for Zhou Yongkang and 15 other senior officials, showcasing “the Party and the country’s resolute determination in cracking down on corruption.”

More than three years into a high-profile anti-corruption drive targeting both “tigers” and “flies” – the terms assigned to different officials depending on their ranks and levels of corruption — the popular campaign has so far shown little sign of losing momentum.

Just in earlier March, the Communist Party of China (CPC) Central Commission for Discipline Inspection announced an investigation into Wang Min, vice chairman of the Education, Science, Culture and Public Health Committee of the NPC, for suspected violation of Party codes of conduct.

According to the SPP work report, almost 80 former Chinese officials at ministerial level or above had been investigated in the three years between 2013 and 2015.

“We will continue to maintain high pressure on corruption,” Chief Justice Zhou said.

All in all, 54,249 officials were investigated for their involvement in 40,834 graft cases in 2015, according to Procurator-General Cao. The figures represent a slight drop from the year before, when 55,101 officials were probed in 41,487 cases.

They include 4,568 officials at division level and above and 769 officials at prefecture level and above.

On the “tigers” end, prosecutors looked into 4,490 graft, bribery and embezzlement cases that involved more than 1 million yuan ($154,083) each, Cao said.

More than 13,000 officials were investigated and punished for accepting bribes, in addition to over 8,200 for offering bribes.
On the “flies” end, more than 20,500 grassroots officials from the agricultural sector as well as land acquisition, social insurance, education and medicare services were investigated and punished, Cao said.

Both Cao and Zhou went on to pledge that more will be done to weed out graft in the judiciary. A total of 2,424 judicial staff were investigated and punished over graft in 2015, according to Cao Jianming, and Zhou Qiang vowed “zero tolerance” for judicial corruption.

“We will forge an effective anti-graft mechanism in which officials dare not, can not and will not be corrupted,” Cao said. “Power shall be locked in the cage of regulations.”

His words echoed a communique published in January after the conclusion of the sixth plenary session of the 18th CPC Central Commission for Discipline Inspection, which called for a heavy-handed approach against corruption “with unabated forces and unchanging rhythm.”

Anti-graft officials will work to reduce corruption and prevent corruption cases from growing, according to the communique. Work also needs to be done to make sure officials “do not dare to be corrupt” and to strengthen the system so that officials “are unable and unwilling to be corrupt,” it reads.

Meanwhile, with the space for graft and power abuse considerably narrowed at home, China is also looking to further expand international cooperation in apprehending suspects who had fled overseas.

According to Procurator-General Cao, Chinese authorities brought back 124 corruption suspects from 34 countries and regions, who had previously on the run in a 17-month international manhunt.

Seventeen out of 100 wanted fugitives listed in an Interpol “red notice” were also netted, he said, adding that China will step up efforts with relevant countries and regions to bring those still at large to justice and explore ways to confiscate their illegal gains.

Chief Justice Zhou also pledged greater efforts from Chinese courts to improve court proceedings for fugitive graft suspects and to take a more proactive stance in the cross-border hunt-down.

Lawmakers, present on March 13 for this year’s annual session of the NPC, China’s top legislature, hailed the achievements made in the past year in countering corruption but demanded more efforts to root out the pandemic.

Legislator and lawyer Liu Ling from east China’s Jiangsu Province urged authorities to speed up the making of an anti-corruption law.

“We are in pressing need for a special legislation that could regulate anti-graft operations, protect whistleblowers, promote officials’ assets declaration and coordinate work of disciplinary departments of the Party and the country’s judicial organs,” Liu said.

Hong Kong legislator Peter Wong Man Kong, meanwhile, called for “precision attacks” in the anti-corruption drive to help with deepening reforms across the board.

“The current anti-graft campaign came as the country sets out to deepen reforms and wage its final battle on poverty, thus, the counter-corruption drive should focus on these fields,” he said, highlighting local government elections and grassroots agricultural services as top priorities. (Xinhua)
"We tried our best to make sure every case processed through the judicial system was fair and justice was served," Chief Justice Zhou Qiang said when delivering the SPC work report to the National People's Congress (NPC).

The safety and wellbeing of women and children saw vast improvements. Chinese courts concluded the trial of about 5,400 cases involving the trafficking and sexual assault of women and children last year, with more severe sentences extended to the guilty parties, according to the SPC report.

Meanwhile, about 24,000 suspects were charged with violating the personal rights of women, the SPP report said.

The year 2015 also saw a surge of cases in which citizens sued the government. Courts heard about 241,000 cases of this kind, a year-on-year increase of 59.2 percent.

Constructive interaction with lawyers

Prosecutors have strived for "constructive interaction with lawyers," said Procurator-General Cao Jianming when delivering the SPP work report at the NPC session.

An online system to support defense lawyers was established, which helped them schedule appointments with their clients and file lawsuits, while a database of digital legal documents is available to 29 provincial divisions, helping lawyers access and survey documents easily.

In about 1,000 cases, prosecutors stopped authorities from hindering the work of lawyers.

This year, Zhou promised improvements to the legal aid system, to help those who want to appeal or review their death sentence.

Chen Shu, an NPC deputy and Guangzhou-based lawyer, said that she was impressed by the efforts from courts and prosecuting bodies.

"Lawyers still face difficulties when making appointments with clients and accessing court documents, but the situation has improved," Chen said.

It has been more and more accepted that the judicial system is to protect the rights of both victims and suspects, she said.

Procedural justice

Courts have upheld the principle of innocence till proven guilty and worked to protect the legal rights of defendants, Zhou said, adding that a total of 1,039 suspects were found not guilty in 2015.

A number of high-profile wrongful convictions were corrected last year while the courts reviewed about 1,300 cases. One such case involved Chen Man, 53, who had spent 23 years in prison for murder and arson. A court overturned his conviction after a 16-year appeal process in February 2016.

"We have carefully reviewed the wrongful prosecutions in the past years and in the process have uncovered discrepancies in the arrest of suspects and lodging indictments," Cao said.

Moreover, the SPP is fine-tuning a mechanism to prevent and correct wrong cases, he said.

Prosecutors nationwide made significant efforts to ensure procedural justice. They lodged protests against about 6,600 criminal court rulings and about 3,500 civil rulings. They also pushed the police to drop about 10,000 cases and stop them from abusing their power and illegally collecting evidence in about 31,000 cases.

About 25,000 suspects were not prosecuted due to lack of evidence or facts to constitute a crime, according to the SPP report.

Prosecutors also tightened supervision on the police concerning compulsory measures on suspects. They called on the police to release or ease the custody of nearly 30,000 suspects.

The number of suspects, placed in custody for more than three years without being charged, reduced from 4,459 in 2013 to six by 2015.

First amnesty in 40 years

Last year 31,527 prisoners were released early according to an amnesty decree, which was adopted by the top legislature and signed by President Xi Jinping on August 29, 2015, before a national commemoration of the 70th anniversary of the end of World War II.

China's public interest litigation saw a major development last year when prosecutors were allowed to initiate public interest litigation cases.

They included nearly 2,000 war veterans as well as some very old, young or infirm prisoners.

"We released all those that are qualified for early release, no one was slipped through," Zhou said.

The amnesty was the eighth since the founding of the People's Republic of China in 1949, and the first in 40 years after the previous one in 1975.

Public interest litigation

China's public interest litigation saw a major development last year when prosecutors were allowed to initiate public interest litigation cases.

Wu Qing, an NPC deputy from south China's Guangdong Province, said that public interest litigation will greatly contribute to the solution of environmental problems.

"The judiciary will ensure everyone's right to enjoy clean air, water and soil," she said.

Since last July, prosecutors in 13 provincial divisions have been allowed to initiate public interest litigation cases concerning environmental protection, preservation of State assets as well as food and drug safety.

So far, 12 cases have been filed directly by prosecutors on behalf of public interest.

There was also the first victory after the revised environmental protection law took effect in January 2015.

A court from east China's Fujian Province ruled in favor of two environmental groups against four individuals for severely damaging a forest. They were ordered by the court to restore the forest, or they be fined 2.37 million yuan ($364,600). (Xinhua)
China’s recent flurry of diplomatic activity has surprised some international observers and been widely welcomed around the world, serving domestic interests while expanding global participation.

As the country enters a decisive five-year developmental phase, diplomacy has become more meaningful in achieving the strategic blueprint.

On the sidelines of the annual legislative session, Foreign Minister Wang Yi met the press on March 8 and talked about matters ranging from the South China Sea to the Korean Peninsula.

Horizons new

China has been actively breaking new diplomatic ground under the leadership of President Xi Jinping with new thoughts, policies and measures, Wang said.

“We are on the path to major-country diplomacy with Chinese characteristics, helping realize the Chinese Dream of national rejuvenation and build a community of common destiny for all mankind,” Wang said.

President Xi delivered a New Year message asserting China’s new role on the global stage.

“The world is so big and faces so many problems,” Wang said on the press conference, quoting Xi. “The international community wishes to hear China’s voice and China’s solutions; China cannot be absent.”

The Chinese currency, renminbi, has been included into the International Monetary Fund basket of reserve currencies and China became in January a member of the European Bank for Reconstruction and Development, both of which indicate China’s rising presence in global financial activities.

“We are not trying to build a rival system,” Wang said, “on the contrary, we are trying to play a bigger role in the existing international order.”

Regional issues on such as the South China Sea and the Korean Peninsula require careful handling.

Chinese Foreign Minister Wang Yi answers questions at a press conference on the sidelines of the fourth session of the 12th National People’s Congress in Beijing on March 8. Wang talked about China’s foreign policy on international and regional issues. Li Xin

Multi-polar world

China and the United States are building a new model of major-country relationship without confrontation or conflict, based on mutual respect and win-win cooperation, Wang said.

and most open seaways,” he said.

China is acting in line with international law by refusing to accept an arbitration claim filed over the South China Sea by the Philippines, whose “obstinacy” is clearly the result of behind-the-scenes political manipulation.

On the Belt and Road, Wang declared that the initiative should not be seen as Chinese expansionism, but rather as an exercise in opening up. The initiative has already brought forth the Asian Infrastructure Investment Bank and improved industrial cooperation between China and nearly 20 countries.
China has no intention of supplanting the United States, but given the friction over maritime issues, both sides could clearly do more in terms of cooperation.

The economic slowdown will not affect investment and aid promises made at December’s Johannesburg meeting of the forum on China-Africa cooperation, Wang said.

On China-Europe relations, Wang said recent progress was not an expediency but a necessity.

China regards Europe as an important pole in a multipolar world, he said, and Europe has come to view China’s rise in an objective and sensible way.

There has been simultaneous and mutually complementary development of relations between China and various European countries, exemplified by Xi’s State visit to the United Kingdom.

Relations between China and Russia are mature and stable and the two sides have a strong desire to strengthen win-win cooperation, Wang said.

Wang pulled no punches when he accused Tokyo of “double dealing,” saying that there is little ground for optimism in bilateral relations, despite signs of improvement.

On one hand, Japan’s leaders regularly produce easy platitudes about their desire for better relations, while on the other they make trouble for China at every turn.

China’s policy on the Middle East has nothing to do with expanding its sphere of influence or establishing proxies, but is about facilitating peace talks from an objective and impartial stance. The Belt and Road will deepen mutual pragmatic cooperation in this region.

Wang expressed his confidence in China-Myanmar relations, saying that the friendship is “strong and dynamic.” China wants even closer relations with all ASEAN members, building a community of common destiny for the benefit of all. (Xinhua) ■

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**China’s military spending growth rational, no room for ‘China threat’ cliche**

By Tian Dongdong

China’s plan to raise its defense budget this year by a six-year low rate of 7.6 percent is yet another rational move in favor of economic development in the country, which leaves no room for the “China threat” cliche hyped up by certain Western powers.

It is remarkable that China, the third largest country by land size, is defending the world’s largest population with only 6 percent of what the United States spends on defense per capita. Nevertheless, Western media are criticizing the increase in China’s defense budget with groundless charges.

The fact is, even with the lowest increase since 2010, China’s military budget is still less than one third of that of the United States, which dwarfs the combination of all eight other countries ranking after it in terms of defense spending.

The criticism is simply a calculated ballyhoo directed by the West to defame China and to portray China as a simmering threat which it needs as an excuse to contain with a larger military budget.

Should the West take off its tinted spectacles, it could easily find that the uptick is just a normal and rational budget adjustment for a country that pursues a defensive national defense policy, and that has a land larger than the United States and territorial waters much larger than Mexico in size to defend.

The justification of the rise hinges on three points.

First, defending one’s own territory with a proper budget is a sacred right endowed by the international law to all countries, not excluding China. Therefore raising budget according to defense needs is purely part of China’s internal affairs. By throwing bricks from the outside, the West is actually meddling in China’s internal affairs.

Second, thanks to the Western arms embargo against China, Beijing has no choice but relying mostly on itself to carry out its defense modernization from scratch, which surely requires relatively high military spending. However, even after the increase, the budget is still only about 1.5 percent of China’s GDP, which is lower than the average level of 2.6 percent worldwide. The rate in the United States is 4 percent.

Third, with increasing intrusion of warships and planes into China’s territorial waters and space, the United States and some of its allies are continuously challenging China’s bottom line in the name of “freedom of navigation”. China cannot fend off these challenges merely with sampans and telescopes. Its armed forces, which have never incited war with anyone, need to be modernized with a reasonable military budget growth.

For all that, the rise of China’s defense budget is moderate in nature, and anyone badmouthing it is actually selling something, either the “China threat” cliche or the illusory Chinese hegemony.

The defaming campaign targeting China clearly shows that Washington and some of its allies are taking a dangerous isolationist approach on the issue of China’s development. By depicting China as a hegemony seeker, the incumbent juggernaut is playing a game of thief crying “Stop thief”.

It is highly advised that Western powers, particularly the United States, expand their strategic horizon and contemplate the promising future with Sino-West cooperation instead of confrontation. That is a mission neither sides can afford to lose. (Xinhua) ■
China sets to win uphill battle against poverty

Few of the over 55 million people living in China’s underdeveloped rural areas have any idea of how the NPC annual session will soon change their lives for the better.

According to the government work report delivered by Premier Li Keqiang on March 5, the central government will increase its poverty alleviation budget by 43.4 percent this year, lifting at least 10 million people out of poverty by the year end.

Last year, 14.4 million rural residents left poverty behind. Li Jinggao, 63, from eastern Jiangsu Province was one of them.

His wife has suffered from ill-health for years, his son has learning difficulties, and he, himself, was too old to work in a factory. The whole family depended on government aid.

Three years ago, the local government loaned him three ewes. Under his care, they bore seven to eight lambs every year.

The family returned the original ewes in 2015, and they have survived on the offspring ever since.

The story was shared with legislators from across China, sitting together at the Great Hall of the People in Beijing, as an example of a successful poverty alleviation initiative.

The central government aims to lift 55 million rural people out of poverty in the coming five years, in order to complete the building of a moderately prosperous society by 2020.
The leadership have promised “not to leave a single family” behind.

In November, 22 heads of provinces, autonomous regions and cities from central and western China signed a “responsibility agreement” with the central government, agreeing to be evaluated.

Legislators attending the NPC annual session have also voiced their commitment to the campaign.

“The remaining 55 million are the poorest and most difficult group,” said Fan Xiaojian, member of the 12th National Committee of the Chinese People’s Political Consultative Conference.

Fan is leading a State Council panel on poverty alleviation.

China has lifted 700 million people out of poverty over the past four decades. A total of 95.5 million rural people overcame poverty from 2011 to 2014, according to official data.

However, a slower economy, decreasing natural resources, environmental degradation and “repoverty” (the return to poverty) have put pressure on achieving the target, Fan said.

Economist Li Yining shared a different story during the parliamentary session. He said some black goats were donated to poor farmers but they were slaughtered for food.

“Instead of ‘just giving’ we should make training a priority,” Li said.

The 13th Five-Year Plan, which marks priorities for national development from 2016 to 2020, proposes support for poor villages to develop their own featured products and services.

“In the plan, e-commerce was highlighted as a key tool to enable villagers to sell their wares; photovoltaic technology to boost infrastructure construction; and rural tourism to attract more visitors.

“Multiple measures concerning migration, training, education, environmental protection and subsistence security have been implemented,” Fan said. “I believe the scheduled poverty reduction goals will be achieved by 2020.” (Xinhua)
Charity Law to smooth China’s last-mile drive to 2020 targets

China’s national lawmakers passed the Charity Law with 2,636 votes in favor, 92.49 percent of the total on March 16.

The new law, which was adopted at the NPC annual session and will take effect in September, eases restrictions on the fundraising and operational activities of charity groups, promises tax benefits for the sector, and will tighten supervision on their internal management.

Charity groups and law experts praised the law for responding to public concerns.

Annual donations to registered charities in China soared from 10 billion yuan ($1.5 billion) to 100 billion yuan over the past decade.

The charity sector will support the ongoing poverty alleviation campaign, which has the pressing goal of lifting all rural residents above the poverty line by 2020.

As of the end of 2015, 55.75 million rural Chinese had been classed as impoverished, meaning they had a per capita net income of less than 2,800 yuan a year.

Both the public and authorities are wary of corruption and mismanagement in the charity sector, the reputation of which took a hit after several scandals in the past few years.

As one way of redistributing wealth, charities can support areas overlooked by market and government investment, said Cao Yisun, with the China University of Political Science and Law and a national political advisor.

Take for instance, the Charity Law outlines rules clarifying the responsibilities and liabilities of different parties involved in charitable activities, a good boost for the cause, he said.

‘Reservoir of charity fund’

The law defines how charities should be registered, giving approved charities more freedom in their operations than the current time.

Only a handful of charities are currently allowed to raise money from anyone, while others are restricted to specific groups of donors.

Moreover, the new law stipulates that registered charities that have been operating for at least two years can apply to the civil affairs department for permission to raise funds from the general public.
The charity sector will support the ongoing poverty alleviation campaign, which has the pressing goal of lifting all rural residents above the poverty line by 2020.

It also responded to the common complaint that businesses making large donations do not get enough tax concessions. The government waived corporate income tax on donations made by companies from their profits, but this only applies to companies that donate 12 percent of their profits or less.

The new law stipulates that if a company’s donation exceeds the 12 percent in one year, the balance can be deducted from the taxable income over the following two years.

This provision is a major step and will encourage more enterprises and wealthy people to donate to charity projects, said Xu Yongguang, chair of the Narada Foundation, a private foundation that helps the children of migrant workers access education, and disaster relief.

“The new law is like building a large reservoir of charity money,” Xu said.

Tighter scrutiny

The new law adopts strict regulations to prevent fraud and imposes tighter supervision on the management of charity groups.

Recognizing that Internet fundraising is popular but also an easy platform for fraud, the law requires that charities post clear information either on their own websites or on gateways designated by the Ministry of Civil Affairs.

Groups or individuals raising funds from the public without a license will have to return the donations and may face a fine of up to 200,000 yuan.

Charities may have their registrations revoked if they engage in or sponsor activity deemed to undermine State security or public interests. They may face punishment from other law enforcement agencies.

The law asks charities to publish their articles of association and information on their executives and supervisory bodies. They should also give annual reports complete with financial statements, details of projects launched as well as staff pay and benefits.

A charity with permission to gather donations from the public should have its financial report audited. It should also minimize operational costs, keeping them below 10 percent of the amount it raises.

The bill was submitted for its third reading at the annual session of the NPC that just concluded on March 16, after two readings at the bi-monthly sessions of the NPC Standing Committee.

NPC deputies pushed about 90 amendments to the bill during the deliberation, including doubling the maximum fine imposed on charity groups that embezzle or misuse donations. (Xinhua)
Working together to promote cooperation, democracy and development

Zhang Dejiang
Chairman of the NPC Standing Committee of the People’s Republic of China
At the 134th Assembly of the Inter-Parliamentary Union
Lusaka, March 20, 2016

Mr. President,
Dear Colleagues,
Revisiting Africa after three years, I feel closer to this land of warmth. Let me first extend warm congratulations on the successful convocation of the 134th IPU Assembly and sincere appreciation to our host, Zambia, for its thoughtful arrangements.
The theme of this Assembly “rejuvenating democracy, giving voice to youth” is highly relevant. I look forward to in-depth exchanges and discussions with colleagues and friends in a joint effort to promote cooperation, democracy and development and make ours a more fair, equitable, democratic and harmonious world.
First, peace and development is the foundation of democracy. Peace is the eternal aspiration of mankind, and development holds the key to all problems. We should abandon zero-sum game and cold war mentality, and advocate a new approach to common, comprehensive, cooperative and sustainable security. We will uphold world peace and stability, promote common development and prosperity and cement the foundation for democracy and progress.
Second, friendly consultation is a way of democracy. Consultation is an important form of democracy. We need a stronger sense of a community of shared future. We should reject conflict and confrontation, work out differences through consultation and enhance cooperation through dialogue. We need to build a new type of international relations featuring win-win cooperation and make the global governance system more just and equitable.
Third, inclusiveness is the essence of democracy. There is more than one way of achieving democracy. Each country has the right to choose a path to democracy in light of its own national conditions. We need to seek common ground while putting aside differences, be open and inclusive, facilitate exchange and mutual learning between different forms of democracy and improve democratic institutions.
Fourth, joint effort by the youth is the hope of democracy. When the youth thrive, the world thrives. We need to heed the need of the young and respect their uniqueness. We need to step up education and training for the young people and build platforms for their innovation and entrepreneurship. We should expand channels for them to take part in and air their views on State affairs, and support and encourage their own development as well so that they can realize their dreams and also contribute to society.
Mr. President,
Dear Colleagues,
Africa is the cradle of human civilization, a promising continent, and an important force for peace and stability in the world and greater democracy in international relations. African countries, in the process of their development and rejuvenation, enjoy great potential and broad prospect. However, they also face many difficulties and challenges in development. The international community should give strong support to African countries as they pursue self-development and seek strength through unity, and help the African people make their dreams come true.
China and Africa have all along been a community of shared future. At the Johannesburg Summit of the Forum on China-Africa Cooperation (FOCAC) in 2015, President Xi Jinping and African leaders agreed to upgrade China-Africa relationship to a comprehensive strategic cooperative partnership and to strengthen the five major pillars of China-Africa relationship, namely, commitment to political equality and mutual trust, to promoting win-win economic cooperation, to mutually enriching cultural exchange, to mutual assistance in security and to solidarity and coordination in international affairs. In light of Africa’s actual needs, China would implement ten cooperation plans with Africa in the next three years and provide a total of $60 billion of funding support. China’s National People’s Congress (NPC) will work actively to implement the outcomes of the summit to promote China-Africa business cooperation and people-to-people exchanges for more benefits to the Chinese and African peoples.
Mr. President,
Dear Colleagues,
The IPU is the oldest, largest and most influential international parliamentary organization in the world. In the world of today, it can play a bigger role in advancing inter-parliamentary cooperation, building consensus and implementing the 2030 Agenda for Sustainable Development. China’s NPC values the status and role of the IPU and stands ready to contribute to its development. The NPC has signed an agreement to donate $1.5 million of spot exchange to the IPU and
the first group of projects will soon be launched. The NPC is ready to further its friendship and cooperation with the IPU and the parliaments of other countries.

Mr. President,
Dear Colleagues,

China is firmly committed to socialist democracy. Over the years, we have always taken into consideration China’s national conditions and put people first in our decision-making. Committed to reform and opening up, we have drawn upon the useful experience of other countries’ political culture, embarked on a path of political development suitable to China’s realities and developed a political system with distinctive features. This political system ensures people’s participation in national and social governance, a dynamic and orderly political life, and the steady progress of various undertakings in the modernization drive. The development of socialist democracy with Chinese characteristics is a vivid and successful testament to the diversity of democracy in practice.

The Chinese economy has entered a new normal state with greater emphasis on the quality and efficiency of development. In 2015, despite the slowdown of world economy, China registered a growth rate of 6.9 percent and successfully completed the 12th Five-Year Plan. Just days ago, the NPC adopted the guidelines for the 13th Five-Year Plan, which set out the goals and tasks for China’s development in the next five years and stress the importance of innovative, coordinated, green, open and shared development, to ensure that the building of a society of initial prosperity will be completed as scheduled. China is opening wider to the outside world on a higher level. The implementation of the Belt and Road Initiative put forward by President Xi Jinping will bring more markets and opportunities for cooperation to other countries, especially developing countries in the world.

Mr. President,
Dear Colleagues,

Our work and cooperation, ultimately, is to meet our people’s desire for better lives. China’s NPC stands ready to strengthen cooperation with its counterparts in other countries and international parliamentary organizations and contribute more to world peace, common development and people’s well-being.

Thank you.
Deepen bonds of friendship, strengthen mutual trust and support

By Chen Guomin

March 18 to 27, 2016, Zhang Dejiang, Chairman of the Standing Committee of the National People’s Congress (NPC) attended the 134th Assembly of the Inter-Parliamentary Union (IPU) and visited Zambia, Rwanda and Kenya. Chinese senior leaders’ frequent interactions with Africa have sent a strong message that the world’s largest developing country and the continent with the largest number of developing countries together make up a community of common destiny.

It is the first IPU assembly NPC chairman has attended since it joined the IPU in 1984. It is the first visit by NPC chairman to Rwanda since the two countries established diplomatic relations. It is a visit to Zambia and Kenya by NPC chairman in 12 years. The attendance to the IPU assembly is expected to enhance roles that China’s National People’s Congress plays in the Inter-Parliamentary Union. The visit to Zambia, Rwanda and Kenya is aimed at pushing forward the implementation of the outcomes of the Forum on China-Africa Cooperation (FOCAC) summit held in Johannesburg, South Africa in December 2015.

Sino-African diplomatic ties date back 60 years, and the deep bonds of friendship, mutual trust and support between the two sides remain unchanged. Since 2012, China has provided African countries with loans worth over $20 billion to support infrastructure, investment, small- and medium-sized enterprises, agriculture and manufacturing. It has also rolled out about 900 assistance programs in Africa for agriculture, health, education and other fields and has offered training to more than 30,000 local people. Since the Ebola outbreak last year, China has delivered more than $117 million’s worth of humanitarian aid and sent hundreds of medical workers to the front lines in Ebola-stricken West Africa.

At the second FOCAC summit, China and African countries agreed to lift their relations to a comprehensive strategic cooperative partnership. China announced the establishment of 10 major plans for China-Africa cooperation, covering industrialization, agricultural modernization, infrastructure, financial services, green development, trade and investment facilitation, poverty reduction and public welfare, people-to-people exchanges, peace and security. The programs focus on breaking the three development bottlenecks of underdeveloped infrastructure, talent shortage and inadequate funds, while accelerating industrialization and agricultural modernization to realize independent and sustainable development.

To ensure the smooth implementation of the initiatives, China pledged a funding support of $60 billion, including a China-Africa production capacity cooperation fund with an initial capital of $10 billion.

Just three months after the summit, China has been in contact with more than 20 African countries to follow up on the outcomes of the summit, with a number of items soon to materialize and the China-Africa fund for production capacity cooperation now up and running, as Foreign Minister Wang Yi said at the press conference held on March 8 during the NPC annual session in Beijing.

During his trip to Zambia, Rwanda and Kenya, Chairman
Zhang Dejiang met with state and parliamentary leaders respectively and engaged in deep conversations with parliamentarians. Zhang said that China and Africa share a common future, calling on the two sides to translate the strengths of their traditional friendship into driving forces to boost solidarity, cooperation and development, to put in place program to implement the outcomes of Johannesburg FOCAC summit. Parliaments and parliamentarians should work together providing sound legal and policy guarantee for the political trust, economic and trade cooperation and people-to-people exchanges between China and Africa.

**NPC-IPU cooperation strengthened**

China’s National People’s Congress will launch a program in cooperation with the Inter-Parliamentary Union in the second half of this year. The workshop on the capacity building of parliaments of developing countries will focus on the first batch of parliamentarians from Zambia, Rwanda, Kenya, Pakistan, Bangladesh and Cambodia. Chairman Zhang Dejiang said on March 21.

Zhang announced the program at a breakfast meeting with IPU President Saber Chowdhury and parliamentary leaders of Zambia, Rwanda, Kenya, Pakistan, Bangladesh and Cambodia on the sidelines of IPU 134th Assembly held in Lusaka, the capital of Zambia. Zhang’s initiative was hailed by his counterparts present as a good opportunity to learn from China’s experiences and practices.

Zhang said that China, a member of the developing country world, will firmly safeguard the common interests of developing countries and continuously expand south-south cooperation.

Zhang also had separate meetings with speakers of Egyptian, South African and Mozambique parliaments, and achieved important consensus on building on strong bilateral relations.

More than 670 parliamentarians from over 130 countries, including 87 speakers and deputy speakers of parliament, attended assembly.

**All-weather friends**

Zambia is a house-name in China because of Tanzania-Zambia Railway (TAZARA). Kenneth Kaunda is a house-name in China because of his deep bonds and friendship with Chairman Mao and Premier Zhou. Zambia and China are all-weather friends, as he puts it.

During his trip to Zambia, Chairman Zhang Dejiang met with President Lungu, Speaker of National Assembly Patrick Matibini and Vice-President Inonge Wina. China and Zambia are good friends, good bothers, and important partners. Both sides are ready to put in place concrete measures to carry out the blueprint mapped out by President Xi Jinping and President Edgar Lungu. Political trust and heart-felt friendship are the driving force of China-Zambia ties, as they believed.

President Lungu appreciated the assistance by the Chinese government, pledging to deepen exchanges and bring closer ties with China so as to turn the agreements and plans of previous visits into tangible results for the Zambian and Chinese peoples.

China will pay more attention to improving quality of bilateral pragmatic cooperation, Zhang said, proposing that the two sides should give priority to cooperation in areas such as industrial capacity, agriculture, infrastructure construction, finance and human resources development.

Lungu expressed willingness to expand pragmatic cooperation with China on industrial capacity, mining and agriculture among others, adding that Zambia welcomes more Chinese investment in the country.

Currently, there are more than 570 Chinese enterprises and business undertakings in Zambia with investment totaling $3.3 billion. More than 50,000 local people are employed. Both sides agreed to strengthen the business ties.

Chairman Zhang called on his counterpart Speaker Matinini that two legislatures should upgrade cooperation and fully play their roles in promoting China-Zambia relations, particularly, work together to provide sound legal and policy environment for economic and trade projects.
The Chinese people cherish profound sentiments towards the Zambian people. They help and support each other both in good times and hard times. It is the African brothers who carried China into the United Nations. The Chinese people will never forget that. Same is true. It is the Chinese people who helped the Zambian people and Tanzanian people to build TAZARA when they themselves lived in hardship. The Zambian and Tanzanian people will never forget that either.

At the meeting with Chairman Zhang Dejiang, The former President Kenneth Kaunda, an old friend of Chinese people, applauded the Chinese people’s generosity to help Zambian people to build railways, roads, schools, clinics, etc.. Kaunda said to Zhang, he is 91 years old this year and going on 92. He keeps fit and wishes to visit China again. Chairman Zhang extends him an open invitation and welcomes him to visit China whenever he likes.

Accompanied by Zambian Vice President Igonge Wina, Chairman Zhang also visited a China-Zambia economic cooperation zone in Lusaka and a Confucius Institute in the University of Zambia.

**A visit ever by NPC chairman in 45 years**

The official goodwill visit to the central African country made by NPC chairman Zhang Dejiang is the first one by a Chairman of the Standing Committee of China’s National People’s Congress (NPC) since the two countries established diplomatic ties in 1971.

China and Rwanda have forged a brotherly friendship during the past 45 years since the two countries have always treated each other as equals, Zhang said at a meeting with Rwandan President Paul Kagame on March 23.

Zhang conveyed President Xi Jinping’s to President Kagame, stressing that China is willing to deepen pragmatic cooperation with Rwanda in a comprehensive manner. China appreciates Rwanda’s political stability, economic growth and social harmony in recent years, Zhang said, stressing China will continue to firmly back the country to follow a development path in line with its national conditions. He called on the two sides to actively implement the major China-Africa cooperation plans announced by President Xi Jinping at FOCAC summit in Johannesburg, South Africa last December.

The two countries can prioritize cooperation on infrastructure construction, human resources development, the manufacturing industry, agriculture and other fields, Zhang said.

For his part, Kagame said Rwanda appreciates China’s long-term support and aid to the country, especially for its transformation. Rwanda will always be a committed supporter and participant in China-Africa friendly cooperation, he said, expressing willingness to enhance pragmatic cooperation with China under the FOCAC framework.

Kagame refuted some western countries’ claim that China’s engagement in Africa as “neo-colonialism”, saying China never attaches conditions to its assistance, never interfere in African countries’ internal affairs, “China is a true friend and partner,” said he.

During his stay in Kigali, Chairman Zhang also held separate talks with Speaker of Chamber of Deputies Donatille Mukabahisa and Senate President Bernard Makuza, promoting exchanges between the NPC and Rwanda’s Parliament in a bid to strengthen China-Rwanda ties.

In addition, Zhang and Rwandan Prime Minister Anastase Murekezi attended the groundbreaking ceremony of a China-aided government complex.

The Chinese delegation visited the Kigali Genocide Memorial Center, which commemorates the Rwandan genocide in 1994. Chairman Zhang laid a wreath of flowers to pay a respect to the genocide victims.

**A role model of China-Africa cooperation**

China and Kenya agreed to push forward bilateral pragmatic cooperation, as Chairman Zhang Dejiang visited the East African country from March 23-26.

Zhang Dejiang held talks respectively with Kenyan President Uhuru Kenyatta, Speaker of National Assembly Justin Muturi and Speaker of Senate Ekwee Ethuro in Nairobi, and inspected China-Kenya cooperation projects in the coastal city of Mombasa.

China and Kenya should seize the opportunities arising from implementation of the outcomes of the landmark China-Africa Johannesburg summit last December, and push forward cooperation in construction of projects of rail and port infrastructure as well as in industrial development and special economic zone building, Zhang told President Kenyatta on March 23.

Kenya is a role model of China-Africa cooperation, Zhang said, noting bilateral cooperation has witnessed fruitful results since both sides have always respected and trusted each other.

The major plans announced by President Xi Jinping in Johannesburg highly accords with Kenya’s development strategy, Kenyatta said, expressing willingness to enhance pragmatic cooperation with China and learn from China’s experiences and practices in development and governance.

When holding separate talks with Kenya’s Senate Speaker Ekwee Ethuro and National Assembly Speaker Justin Muturi, Zhang called on the legislative bodies of both countries to expand exchanges and create more favorable conditions for China-Kenya cooperation in production capacity. Zhang and Muturi signed a Memorandum of Understanding on establishing a parliamentary exchange mechanism between the two countries to enhance legislative exchanges.

During his stay in Nairobi, Chairman Zhang visited the China Central Television’s Africa bureau in Nairobi and met with the heads of major Chinese news media in Africa. While visiting China-Kenya vocational education cooperation center in the Technical University of Kenya, he stressed the importance of vocational education in training the skilled labor force and providing jobs.

On the afternoon of March 25, Chairman Zhang visited the site of construction of Mombasa West Station of the Mombasa-Nairobi Standard Gauge Railway, which is being built by a Chinese company. He also inspected the project of China-Kenya cooperation in building the Mombasa Port and Dongo Kundu Special Economic Zone.

Speaking at a conference with Chinese investors in Kenya earlier in the day, Zhang called on them to stick to a balanced approach to friendship and interest, promote common development and bring greater benefit to the Chinese and African peoples.

(The author is a deputy secretary-general of the NPC Standing Committee)
Zhang Dejiang (R), chairman of the Standing Committee of China’s National People’s Congress, talks with Rwandan Speaker of Chamber of Deputies Donatille Mukabalisa in Kigali, Rwanda, March 22. Ding Lin

Zhang Dejiang (2nd L), chairman of the Standing Committee of China’s National People’s Congress (NPC), holds talks with Rwandan Senate President Bernard Makuza in Kigali, Rwanda, March 23. Ma Zhancheng

Zhang Dejiang (3rd L), chairman of the Standing Committee of China’s National People’s Congress (NPC), holds talks with Speaker of Zambian National Assembly Patrick Matibini in Lusaka, Zambia, March 19. Ding Lin

Zhang Dejiang (R, front), chairman of the Standing Committee of China’s National People’s Congress (NPC), holds talks with Kenyan Senate Speaker Ekwee Ethuro in Nairobi, Kenya, March 24. Ma Zhancheng

Zhang Dejiang (L), chairman of the Standing Committee of China’s National People’s Congress (NPC), holds talks with Kenya’s National Assembly Speaker Justin Muturi in Nairobi, Kenya, March 24. Ding Lin

Zhang Dejiang (R), chairman of the Standing Committee of China’s National People’s Congress (NPC), holds talks with Rwandan Speaker of Chamber of Deputies Donatille Mukabalisa in Kigali, Rwanda, March 22. Ding Lin