

# **REPORT ON THE WORK OF THE GOVERNMENT**

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The official Chinese version of this report will be released by Xinhua News Agency.

## **Fellow Deputies,**

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

The covid-19 epidemic is the fastest spreading, most extensive, and most challenging public health emergency China has encountered since the founding of the People's Republic. Under the strong leadership of the Central Committee of the Communist Party of China with Comrade Xi Jinping at its core, and through the hard work and sacrifice of our entire nation, we have made major strategic achievements in our response to covid-19. At present, the epidemic has not yet come to an end, while the tasks we face in promoting development are immense. We must redouble our efforts to minimize the losses resulting from the virus and fulfill the targets and tasks for economic and social development this year.

### **I. A review of our work in 2019 and the first few months of 2020**

In pursuing development last year, China faced many difficulties and challenges. World economic growth was weak, international economic and trade frictions intensified, and downward pressure on the domestic economy grew. The Party Central Committee with Comrade Xi Jinping at its core rallied the Chinese people and led them in surmounting difficulties and accomplishing the year's main targets and tasks, thus laying the crucial foundation needed to reach the goal of building a moderately prosperous society in all respects.

**The economy remained stable overall.** Gross domestic product (GDP) reached 99.1 trillion yuan, representing a 6.1 percent increase over the previous year. Around 13.52 million new urban jobs were added, and the surveyed unemployment rate was below 5.3 percent. Consumer prices rose by 2.9 percent. A basic equilibrium was maintained in the balance of payments.

**The economic structure continued to improve, and the development priorities of regions are better aligned.** Total retail sales of consumer goods exceeded 40 trillion yuan, and consumption continued to serve as the main engine driving growth. Advanced manufacturing and modern services registered rapid growth. Grain output was kept above 650 million metric tons. For the first time, permanent urban residents exceeded 60 percent of the population; progress was made in implementing major development strategies for regions.

**New growth drivers became stronger.** A number of major innovative achievements were made in science and technology. Emerging industries continued to grow; upgrading in traditional industries accelerated. Business startups and innovation continued to surge nationwide, with an average net increase of over 10,000 businesses per day.

**Major headway was made in reform and opening up.** Supply-side structural reform was further advanced, and breakthroughs in reform were made in key areas. We cut taxes and fees by 2.36 trillion yuan, going well beyond our target of 2 trillion yuan, with manufacturing and micro and small businesses benefiting most.

The reform of government bodies was completed. Reforms to streamline administration and delegate power, improve regulation, and upgrade services were steadily advanced. The Science and Technology Innovation Board, or STAR Market, was established. The joint efforts to pursue the Belt and Road Initiative (BRI) yielded fresh results. Regulations for the implementation of the Foreign Investment Law were adopted, and the China (Shanghai) Pilot Free Trade Zone Lin'gang New Area was established. Foreign trade and investment remained stable.

**Pivotal progress was achieved in the three critical battles.<sup>1</sup>** Decisive achievements were made in poverty alleviation—the rural poor population was reduced by 11.09 million, and the poverty headcount ratio fell to 0.6 percent. Pollution prevention and control efforts continued, with further reductions in the discharge of major pollutants and overall improvements in the environment. The financial sector remained stable.

**Living standards continued to improve.** Per capita disposable personal income topped 30,000 yuan. Basic old-age insurance, health insurance, and subsistence allowance standards were raised. Further progress was made in the construction of urban government-subsidized housing and the rebuilding of dilapidated houses in rural areas. The number of students in compulsory education receiving living allowances increased by almost 40 percent, and enrollments at vocational colleges grew by one million.

We celebrated the 70th anniversary of the founding of the People's Republic of China. This occasion has inspired a strong sense of patriotism among all Chinese people, creating a powerful force that will bring great victories for socialism with Chinese characteristics in the new era.

We worked to improve Party conduct and build a clean government, started an initiative to raise awareness of the need to stay true to the Party's

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<sup>1</sup> This refers to the battles against poverty, pollution, and potential risk.

founding mission, and strictly observed the central Party leadership's eight-point decision on improving work conduct. We continued to address the practice of formalities for formalities' sake, bureaucratism, hedonism, and extravagance, and took steps to ensure that people working at the primary level are free from unnecessary restrictions and excessive burdens.

We achieved fruitful outcomes in pursuing China's major country diplomacy. We successfully hosted the second Belt and Road Forum for International Cooperation and other major diplomatic events.

President Xi Jinping and other Party and state leaders visited many countries and attended major international events, including the G20 Leaders Summit, the BRICS Leaders Meeting, the Summit of the Conference on Interaction and Confidence Building Measures in Asia, the Shanghai Cooperation Organization Summit, the East Asian leaders' meetings on cooperation, the China-EU Leaders' Meeting, and the China-Japan-ROK Leaders' Meeting.

We played an active role in the development and reform of the global governance system, and promoted the building of a human community with a shared future. We successfully pursued economic diplomacy and cultural and people-to-people exchanges. China made important contributions to the advancement of world peace and development.

#### **Fellow Deputies,**

Since the coronavirus first emerged, the Party Central Committee has made its containment the top priority. General Secretary Xi Jinping, putting the health and safety of our people before everything else, has personally taken charge and planned our response.

Under the leadership of the Party Central Committee, the central leading group for covid-19 response has made timely decisions and plans; the central guidance group has provided effective guidance and supervision; the State Council inter-departmental task force has coordinated the response efforts; all local authorities and all government departments have fulfilled their respective duties, and people from every walk of life have given their full support. Together, we have waged an all-out people's war against the virus.

Our medical workers have fought with courage. Our servicemen and women have shouldered heavy responsibilities. Our scientists and researchers have joined forces in order to find a cure. Our community workers, policemen and women, officials working at the primary level, media personnel, and volunteers have stood fast at their posts.

Our deliverymen and women, our sanitation workers, and all who make

and transport emergency supplies have continued their work with dedication. Hundreds of millions of other workers outside of the spotlight have also made their own contributions.

In Wuhan City and Hubei Province the people have carried on with fortitude and resilience, while people from all sectors of society and our fellow compatriots in Hong Kong, Macao, and Taiwan and overseas have made generous donations, both monetary and in-kind.

Through all these efforts, we, all the sons and daughters of the Chinese nation, have stood together in the most trying of times and built a Great Wall of solidarity against the epidemic.

Responding to the central Party leadership's call to stay confident, come together in solidarity, adopt a science-based approach, and take targeted measures, we have carried out all our work in a solid and meticulous manner. We promptly adopted containment measures, treating covid-19 as a Class A infectious disease and activating a Level One public health emergency response in all localities.

We have achieved a decisive victory in the battle to defend Hubei Province and its capital city Wuhan by firmly implementing strict control measures, rallying the support of the entire country, dispatching over 40,000 doctors and nurses, rapidly increasing the number of hospital beds, and ensuring the availability of medical supplies. We continuously refined diagnostic and treatment plans, incorporated traditional Chinese medicine into treatment, and spared no effort in the treatment of patients, thus maximizing the cure rate and minimizing the mortality rate.

We extended the Spring Festival holiday nationwide, postponed the spring semester, facilitated flexible resumption of work, and staggered commute times. We have carried out a society-wide prevention and control effort, ensured early detection, reporting, quarantine, and treatment of cases, firmly controlled sources of infection, and effectively curbed the spread of the virus.

Intensive efforts have been made to develop drugs, vaccines, and testing reagents. We expanded production of medical supplies by a large margin within a short time, ensured supply and price stability of daily necessities, and maintained smooth transportation on trunk lines, as well as stable supplies of coal, electricity, oil, and gas. In response to changing covid-19 dynamics, we have adopted regular prevention and control measures in a timely manner.

In the face of the global spread of covid-19, we promptly set up a shield

against possible imported cases, and we have provided increased care and support for Chinese citizens overseas. With an open, transparent, and responsible attitude, China has actively engaged in international cooperation, providing timely information, actively sharing prevention technologies and practices, and helping other countries with their response efforts.

As a developing country with 1.4 billion people, it is only by overcoming enormous difficulties that China has been able to contain covid-19 in such a short time while also ensuring our people's basic needs. Our success has come at a great price. The economy posted negative growth in the first quarter of this year, and daily life and work have been greatly affected. However, life is invaluable. This is a price we must pay, and a price worth paying.

While continuing to advance epidemic control, we have also promoted economic and social development and lost no time in resuming work and production when appropriate. With 90 policy measures in 8 categories, we have provided assistance to enterprises to stabilize employment, cut and exempted taxes and fees, exempted all tolls on highways, reduced the costs of energy use, and granted subsidized loans. We have approved the early issuance of special bonds by local governments according to due procedures. We kept up with the spring farming schedule, and continued the critical battle against poverty. We have provided assistance to people working on the front lines of covid-19 control and to people in difficulty, and doubled temporary price subsidies.

These policies have benefited hundreds of millions of people, and ensured stable supplies and prices and the resumption of work and production in a timely and effective way. Indeed, the Chinese economy has shown great resilience and enormous potential.

### **Fellow Deputies,**

We owe what we have achieved in economic and social development since last year and in covid-19 control this year to the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, the sound guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and the concerted efforts of the Party, the armed forces, and the people of all ethnic groups in China.

On behalf of the State Council, I express sincere gratitude to the Chinese people of all ethnic groups, and to all other political parties, people's organizations, and public figures from all sectors of society. I express heartfelt appreciation to our fellow countrymen and women in the Hong Kong and Macao special administrative regions, in Taiwan, and overseas. I also express sincere thanks to the governments of other countries, international

organizations, and friends from all over the world, who have shown understanding and support for China in its endeavor to achieve modernization and in its fight against covid-19.

While recognizing our achievements, we are also keenly aware of the difficulties and problems we face. The shock of the covid-19 pandemic has sent the world economy into severe recession, disrupted industrial and supply chains, and caused a contraction in international trade and investment and volatility in commodity markets.

Domestically, consumption, investment, and exports have declined. Pressure on employment has risen significantly. Enterprises, especially micro, small, and medium businesses, face growing difficulties. There are increasing risks in the financial sector and other areas. The budgetary imbalances of primary-level governments have intensified.

There is still room for improvement in the work of government. Pointless formalities and bureaucratism remain an acute issue. A small number of officials shirk their duties or are incapable of fulfilling them. Corruption is still a common problem in some fields. During the covid-19 response, many weak links have been exposed in public health emergency management, and the people have expressed their views and suggestions, which deserve our attention. We must strive to improve our work and fulfill our responsibilities and make every effort to live up to the people's expectations.

## **II. Main targets for development and the overall plan for the next stage of work**

For the government to deliver this year, we must, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, do the following:

- follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; implement the guiding principles of the Party's 19th National Congress and the second, third, and fourth plenary sessions of its 19th Central Committee in full; firmly act on the Party's basic theory, line, and policy;
- strengthen our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership; stay confident in the path, theory, system, and culture of socialism with Chinese characteristics; and uphold General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and uphold the Party Central Committee's authority and its centralized, unified leadership;

- carry out covid-19 control and promote economic and social development to fulfill the targets and tasks for completing the building of a moderately prosperous society in all respects;

- while carrying out regular covid-19 control, continue to follow the general principle of pursuing progress while ensuring stability, apply the new development philosophy, pursue supply-side structural reform as our main task, and draw momentum from reform and opening up to promote high-quality development;

- make progress in the three critical battles; step up efforts to ensure stability on six fronts and maintain security in six areas;<sup>1</sup> steadfastly pursue the strategy of expanding domestic demand, ensure economic development and social stability, accomplish the targets and tasks for winning the battle against poverty, and bring to completion the building of a moderately prosperous society in all respects.

At present and for some time to come, China will face challenges like never before. However, we have unique political and institutional strengths, a strong economic foundation, enormous market potential, and hundreds of millions of intelligent and hardworking people. If we face challenges head-on, boost confidence in development, create strong impetus for growth, and preserve and make the most of this important period of strategic opportunity for our development, we will, without doubt, be able to make it through this challenging time. The horizons for China's development are full of promise.

On the basis of a comprehensive assessment of the current situation, we have made proper adjustments to the targets that we were considering before covid-19 struck. This year, we must give priority to stabilizing employment and ensuring living standards, win the battle against poverty, and achieve the goal of building a moderately prosperous society in all aspects. Specifically, we have set the following targets:

- Over 9 million new urban jobs, a surveyed urban unemployment rate of around 6 percent, and a registered urban unemployment rate of around 5.5 percent
- CPI increase of around 3.5 percent
- More stable and higher-quality imports and exports, and a basic equilibrium in the balance of payments

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<sup>1</sup> The six fronts refer to employment, the financial sector, foreign trade, foreign investment, domestic investment, and expectations. The six areas refer to job security, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments.



- Growth in personal income that is basically in step with economic growth
- Elimination of poverty among all rural residents living below the current poverty line and in all poor counties
- Effective prevention and control of major financial risks
- A further drop in energy consumption per unit of GDP and the discharge of major pollutants
- Accomplishment of the 13th Five-Year Plan

I would like to point out that we have not set a specific target for economic growth this year. This is because our country will face some factors that are difficult to predict in its development due to the great uncertainty regarding the covid-19 pandemic and the world economic and trade environment. Not setting a specific target for economic growth will enable all of us to concentrate on ensuring stability on the six fronts and security in the six areas. We must focus on maintaining security in the six areas in order to ensure stability on the six fronts. By doing so, we will be able to keep the fundamentals of the economy stable. Maintaining security will deliver the stability needed to pursue progress, thus laying a solid foundation for accomplishing our goal of building a moderately prosperous society in all respects.

We must be clear that efforts to stabilize employment, ensure living standards, eliminate poverty, and prevent and defuse risks must be underpinned by economic growth; so ensuring stable economic performance is of crucial significance. We need to pursue reform and opening up as a means to stabilize employment, ensure people's wellbeing, stimulate consumption, energize the market, and achieve stable growth. We need to blaze a new path that enables us to respond effectively to shocks and sustain a positive growth cycle.

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

The deficit-to-GDP ratio this year is projected at more than 3.6 percent, with a deficit increase of one trillion yuan over last year. On top of this, one trillion yuan of government bonds for covid-19 control will also be issued. These are extraordinary measures for an unusual time.

The aforementioned two trillion yuan will be transferred in full to local governments; a special transfer payment mechanism will be set up to ensure that funds go straight to prefecture and county governments and directly benefit businesses and people. These funds should be primarily used to ensure employment, meet basic living needs, and protect market entities. This

includes giving support to cut taxes and fees, reduce rents and interest on loans, and increase consumption and investment. It is important to stress that government funds are public in nature and that no such funds are allowed to be withheld or diverted for non-designated uses.

We will work harder to improve the composition of fiscal spending. We will see that spending on people's basic wellbeing is only increased and not cut, ensure spending in key areas, and resolutely cut general expenditures. Construction of new government buildings and wasteful and excessive spending will be strictly prohibited.

Governments at all levels must truly tighten their belt. The central government will take the lead by committing to negative growth in its budgetary spending, with a more than 50 percent cut to outlays on non-essential and non-obligatory items. All types of surplus, idle and carryover funds that should be taken back will be withdrawn and reallocated. We will see that funds are put to better and more effective use; we will scrutinize all expenditure items and see that every cent is used where it is needed most and where market entities and the people will feel the greatest benefit from it.

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

We will use a variety of tools such as required reserve ratio reductions, interest rate cuts, and re-lending to enable M<sub>2</sub> money supply and aggregate financing to grow at notably higher rates than last year. We will keep the RMB exchange rate generally stable at an adaptive, balanced level. As we work to develop new monetary policy instruments that can directly stimulate the real economy, it is crucial that we take steps to ensure enterprises can secure loans more easily, and promote steady reduction of interest rates.

*We will strengthen the employment-first policy with comprehensive measures.*

We will create synergy to stabilize employment through the coordinated use of fiscal, monetary, and investment policies. We will strive to keep existing jobs secure, work actively to create new ones, and help unemployed people find work. All local governments need to overhaul or rescind excessive restrictions on employment, and adopt all possible measures to bolster employment.

Eliminating poverty is an obligatory task we must complete in order to build a moderately prosperous society in all respects. We will continue to apply the current poverty alleviation standards, take stronger steps to implement poverty reduction measures, and ensure that all remaining poor people are lifted out of poverty. We will improve and effectively utilize

mechanisms for monitoring and assisting people who fall back into poverty and consolidate our gains in poverty alleviation. We will endeavor to protect our blue skies, clear waters, and clean lands, and meet the goals for the critical battle of pollution prevention and control. Strong prevention and control measures will be taken to forestall systemic risks.

Almost five months of this year have passed. In the next stage, we will not let up on any front of our long-term fight against covid-19, nor will we lose any time in advancing China's economic and social development agenda. The policies we adopt should be both forceful and sustainable, and they may be adjusted as called for. We have both the resolve and ability to accomplish the targets and tasks set for this year.

### **III. Forcefully implementing macro policies to keep businesses and employment stable**

To ensure employment and people's wellbeing, we must instill confidence in over one hundred million market entities; and we must do our utmost to help enterprises, particularly micro, small, and medium businesses, and self-employed individuals get through this challenging time.

*We will further cut taxes and fees.*

We will aggressively implement current policies in conjunction with institutional arrangements to create a more enabling environment and help market entities overcome difficulties and achieve development. We will continue implementing reductions of VAT rates and the share of employees' basic old-age insurance paid by enterprises, and we will make further tax and fee cuts of about 500 billion yuan. The policies introduced early this year that are due to expire by June will all be extended till the end of the year. They include the following: exempting micro, small, and medium businesses from contributions to basic old-age insurance, unemployment insurance, and work injury compensation insurance schemes; reducing or cancelling VAT for small-scale taxpayers; exempting VAT on services such as public transportation, restaurants and hotels, tourism and entertainment, and culture and sports; and reducing or cancelling civil aviation development fund contributions and port development fees. The payment of corporate income taxes by micro and small businesses and self-employed individuals will be postponed to next year. We expect that these measures will see additional savings of more than 2.5 trillion yuan for enterprises throughout the year. All tax and fee reduction policies must be fully implemented for our businesses, so that they can sustain themselves and assure success for the future.

*We will reduce enterprises' production and operating costs.*

The policy of reducing electricity prices for general industrial and commercial businesses by 5 percent will be extended to the end of the year. The rates for broadband and dedicated internet access services will be cut by 15 percent on average. Rents for state-owned premises will be lowered or exempted, and all other types of property owners are encouraged to also reduce, waive, or defer rent payments, and they will receive policy support from the government in doing so. We will take firm steps to stop the unauthorized levy of fees on enterprises.

*We will increase financial support to keep business operations stable.*

The policy allowing micro, small, and medium businesses to postpone principal and interest repayments on loans will be further extended till the end of March next year—payments on all inclusive loans of micro and small businesses eligible for this policy should also be deferred, and other businesses facing financial difficulties can discuss similar terms with their creditors. We will encourage banks to substantially increase credit loans, first-time loans, and loan renewals without repayment of principal for micro and small businesses. The scope of the government financing guaranty will be expanded and guaranty fees will be reduced significantly. Large commercial banks should increase inclusive finance lending to micro and small businesses by more than 40 percent. We will support enterprises in increasing bond financing.

We should tighten regulation and prevent funds from simply circulating in the financial sector for the sake of arbitrage. As financial institutions and the businesses that borrow from them share a common stake, we encourage banks to make appropriate interest concessions. To support market entities, we must ensure that micro, small, and medium businesses have significantly better access to loans and that overall financing costs drop markedly.

*We will make every effort to stabilize and expand employment.*

We will increase employment support for key sectors and key groups. With 8.74 million college students graduating this year, we need to encourage market-based employment and ensure that colleges and the governments of localities where they are located provide employment services to these students on an ongoing basis.

We will ensure employment for demobilized military personnel. We will adopt a policy to see rural migrant workers have equal access to employment services in the cities where they work. We will help people with disabilities, zero-employment families, and other groups facing difficulty find jobs.

There are several hundred million workers, including casual laborers, in flexible employment in China. This year, low-income earners will be allowed to postpone the payment of their social insurance premiums, and all employment-related government charges will be cancelled.

We will finance skills training to stabilize employment. This year and next, more than 35 million vocational skills training opportunities will be provided, and enrollment in vocational colleges will grow by 2 million. This will help more people improve their skills and secure jobs.

#### **IV. Energizing market entities through reform and strengthening new drivers of growth**

The greater the difficulties and challenges we face, the more important it is for us to go further in reform, get rid of institutional barriers, and boost internal forces driving development.

*We will press ahead with reforms to streamline administration and delegate power, improve regulation, and upgrade services.*

While continuing to implement regular covid-19 control measures, we will adjust relevant measures and simplify procedures to boost the resumption of work, production, and business activities. We will work to see our people are able to access more government services via a single website and complete all procedures for starting a business online. Location restrictions on business registration applying to micro and small enterprises and self-employed people will be relaxed, and entrepreneurs of all types will find it easier to register and start a business and access timely policy support. We will support enterprises of all sizes in pursuing development through collaboration with each other. We will conduct impartial regulation to ensure fair competition, and make sustained efforts to create a market-oriented, law-based, and internationalized business environment.

*We will advance reforms to promote market-based allocation of production factors.*

We will encourage small and mid-sized banks to replenish capital and improve governance, so that they can better serve micro, small, and medium businesses. We will reform the ChiNext stock market and pilot a registration-based IPO system. The role of insurance in protecting against risks will be strengthened. Provincial-level government will be given more power to approve land use for construction projects. We will boost the flow of human resources, foster technology and data markets, and thus unleash the potential of all types of production factors.

*We will improve the performance of state capital and SOE reforms.*

We will launch a three-year action plan for SOE reform. We will improve the system of state capital regulation and intensify mixed ownership reform of SOEs. We will basically complete the task of relieving SOEs of the obligations to operate social programs, and resolve their other longstanding problems. SOEs should focus on their main responsibilities and businesses, establish sound market-oriented operating mechanisms, and increase their core competitiveness.

*We will foster an enabling environment for the development of the private sector.*

We will see that private businesses have equal access to production factors and policy support. We will review relevant regulations to abolish those that unfairly differentiate enterprises according to form of ownership. Deadlines will be set for government bodies to make overdue payments owed to private and small and medium businesses. We will foster a cordial and clean relationship between government and business and promote the healthy development of the non-public sector.

*We will encourage the upgrading of manufacturing and the growth of emerging industries.*

We will markedly increase medium- and long-term loans to manufacturers. We will promote the industrial internet and boost smart manufacturing. New forms of business such as e-commerce, online shopping, and online services have played an important role during the covid-19 response and more policies will be introduced in support of such businesses. We will advance Internet Plus initiatives across the board and create new competitive strengths in the digital economy.

*We will boost our capacity to support technological innovation.*

We will provide stable support for basic research and application-oriented basic research, and encourage enterprises to increase investment in R&D. We will accelerate the development of national laboratories, restructure the system of key national laboratories, and develop private R&D institutions. We will intensify international cooperation on science and technology. Intellectual property protection will be strengthened. We will introduce an open competition mechanism to select the best candidates to lead key research projects.

*We will continue to encourage business startups and innovation nationwide.*

We will support the growth of venture capital investment and increase guaranteed loans for startups. To further unleash the creativity of various sectors, we will launch a new round of pilot reforms for making innovations

across the board, build more innovation and entrepreneurship demo centers, continue accommodative and prudential regulation, and develop the platform economy and the sharing economy.

## **V. Implementing the strategy of expanding domestic demand and promoting accelerated transformation of the economic growth model**

The potential of China's domestic demand is enormous. We will deepen supply-side structural reform, focus our efforts on improving the people's wellbeing, and boost consumption and expand investment in a mutually reinforcing way.

*We will promote the recovery of consumption.*

We will stabilize employment, promote income growth and ensure people's basic needs are met to encourage and enable consumer spending. We will support the recovery and development of food and beverage, brick and mortar shopping, culture, tourism, domestic services, and other consumer services, and promote the integration of online and offline consumption. Elderly and child care services will be developed. Pedestrian streets will be upgraded. We will support the rollout of e-commerce and express delivery services in rural areas to expand rural consumption. We will apply a combination of measures to boost consumption and meet diverse demand among consumers.

*We will expand effective investment.*

This year, 3.75 trillion yuan of special local government bonds will be issued, a 1.6 trillion yuan increase over last year. The proportion of special bonds that can be used as project capital will be raised, and 600 billion yuan will be earmarked for investment in the central government budget.

Priority will be given to new infrastructure and new urbanization initiatives and major projects, which not only boost consumption and benefit the people, but also facilitate structural adjustments and enhance the sustainability of growth. Specifically, efforts will be made mainly in the following three areas:

First, we will step up the construction of new types of infrastructure. We will develop next-generation information networks and expand 5G applications. We will build more charging facilities and promote wider use of new-energy automobiles. We will stimulate new consumer demand and promote industrial upgrading.

Second, we will strengthen the development of a new type of urbanization. We will do more to improve public facilities and services in

county seats, so as to meet the growing demand to work and settle in them among rural residents. We will begin the renovation of 39,000 old urban residential communities and support the installation of elevators in residential buildings and the development of meal, cleaning, and other community services.

Third, we will redouble efforts to develop major transportation and water conservancy projects, and increase national railway development capital by 100 billion yuan.

We will improve market-based investment and financing mechanisms to support private enterprises in participating in projects on an equal footing. We will ensure that projects are up to standard, so they do not create any undesired consequences and the investments made deliver long-term returns.

*We will steadily advance new urbanization.*

We will leverage the role of leading cities and city clusters in driving the overall development of their surrounding areas, in an effort to foster new industries and increase employment. Acting on the principle that houses are for living in, not for speculation, we will implement city-specific policies to promote steady and healthy development of the real estate market. We will improve urban amenities, and make our cities places that people enjoy living and working in.

*We will step up implementation of China's regional development strategies.*

We will continue to promote large-scale development in the western region, the full revitalization of the northeast, the rise of the central region, and the trailblazing development of the eastern region.

We will move forward with the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and the integrated development of the Yangtze River Delta.

We will advance well-coordinated environmental conservation in the Yangtze Economic Belt. An overall plan will be formulated for ecological protection and high-quality development in the Yellow River basin. Development of the Chengdu-Chongqing economic circle will be promoted.

We will encourage accelerated development in old revolutionary base areas, ethnic minority areas, border areas, and poor areas. We will develop the maritime economy.

We will implement a package of policies to support Hubei's development, helping it ensure employment, public wellbeing, and normal operations, and spurring the full recovery of economic and social activity there.



*We will ensure more effective protection of ecosystems and the environment.*

Priority will be placed on curbing pollution in a law-based, scientific, and targeted way. We will intensify efforts to control air pollution in key areas. We will step up the construction of sewage and garbage treatment facilities. The relocation and transformation of producers of hazardous chemical products will be accelerated. We will boost the development of energy-saving and environmental protection industries. Illegal hunting and trading of wild animals will be severely punished. We will carry out major projects for protecting and restoring key ecosystems to promote ecological conservation.

*We will safeguard energy security.*

We will promote cleaner and more efficient use of coal, develop renewable energy, improve systems for the production, supply, and sale of oil, natural gas, and electricity, and bolster our energy reserve capacity.

## **VI. Achieving poverty reduction goals and working for good harvests and growth in rural income**

We will implement poverty reduction and rural revitalization measures, ensure the supply of important agricultural products, and raise rural living standards.

*We will win the fight against poverty.*

We will channel greater energy into eliminating poverty in all remaining poor counties and villages, and ensure rural migrant workers from these areas have stable jobs in places where they work. We will launch programs to boost the consumption of products from poor areas, and support businesses involved in poverty alleviation in resuming operations. Follow-up support will be provided to people relocated from inhospitable areas.

We will deepen collaboration on poverty alleviation between the eastern and western regions, and intensify assistance to targeted poor areas from central Party and government departments, offices of other political parties, as well as state-owned enterprises, public institutions, and universities under the central government.

We will work harder to ensure that the basic needs of the poor population are met. A poverty reduction survey will be conducted nationwide. We will continue to promote both poverty alleviation and rural revitalization in an all-out effort to help people who have risen out of poverty move toward prosperity.

*We will work to bolster agricultural production.*

We will keep total crop acreage and grain output stable, raise the multiple

cropping index, increase the minimum purchase price of rice, give more rewards to major grain-producing counties, and take effective measures to prevent and control major diseases and pests.

The acquisition of farmland for other purposes in violation of laws and regulations will be penalized. The area of high-standard cropland will be increased by 5.33 million hectares. We will further rural reform. We will promote a recovery in the production of hogs. We will fully implement the system of provincial governors assuming responsibility for the “rice bag” and city mayors for the “vegetable basket.” It is imperative, and it is well within our ability, to ensure the food supply for 1.4 billion Chinese people through our own efforts.

*We will create more channels for rural residents to find employment and increase their incomes.*

We will help rural residents seek employment or start businesses in places close to their homes, and expand work-relief programs to ensure that those who return to their homes have a job and income. We will support the development of appropriately scaled agricultural operations, and improve commercial services for farmers.

We will invest more funds raised through special bonds to support modern agricultural facilities, safe drinking water projects, and the improvement of living environments. This will promote steady improvements in rural living and working conditions.

## **VII. Promoting higher-standard opening up and stabilizing the overall performance of foreign trade and foreign investment**

Faced with changes in the external environment, we must stay committed to opening our door wider to the world, keep our industrial and supply chains stable, and make opening up a catalyst for reform and development.

*We will stabilize the overall performance of foreign trade.*

To help businesses get more orders and keep their employees on, we will increase credit supply, extend the coverage of export credit insurance, lower compliance costs for imports and exports, and support the domestic sale of export products.

We will accelerate the growth of cross-border e-commerce and other new forms of business, and enhance our international shipping capacity. We will advance a new round of trials for innovative development of trade in services. We will make good preparations for the third China International Import Expo, work actively to expand imports, and foster a large globally-oriented market of higher standards.

*We will step up utilization of foreign capital.*

The negative list for foreign investment will be significantly shortened, while a negative list will also be drawn up for cross-border trade in services. We will grant greater autonomy in reform and opening up to pilot free trade zones, speed up the establishment of a free trade port in Hainan, open new pilot free trade zones and integrated bonded areas in the central and western regions, and launch further comprehensive trials on opening up the service sector. We will foster an enabling market environment in which all companies, Chinese and foreign, are treated as equals and engaged in fair competition.

*We will focus on quality in the joint pursuit of the Belt and Road Initiative.*

Staying committed to achieving shared growth through consultation and collaboration, we will uphold market principles and international rules, give full scope to enterprises as the main actors, and work with our BRI partners for mutually beneficial outcomes. We will guide the healthy development of outbound investment.

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

We will firmly safeguard the multilateral trading regime, and actively participate in reform of the WTO. We will work for the signing of the Regional Comprehensive Economic Partnership, and advance free trade negotiations with Japan and the Republic of Korea as well as other countries. We will work with the United States to implement the phase one China-US economic and trade agreement. China will continue to boost economic and trade cooperation with other countries to deliver mutual benefits.

### **VIII. Advancing the reform and development of social programs to safeguard and improve living standards**

Despite the difficulties we face, we must unfailingly meet the basic living needs of our people and address issues of public concern.

*We will enhance the public health system.*

We will always put life above everything else. We will reform the system for disease prevention and control, improve mechanisms for direct reporting and early warning of infectious diseases, and ensure prompt, open, and transparent release of epidemic information. We will make good use of covid-19 bonds, increase inputs into the R&D of vaccines, medicines, and rapid testing technologies, build more medical facilities for epidemic control and treatment, set up more mobile laboratories, ensure emergency supplies, and strengthen public health and epidemic prevention at the primary level. We will launch extensive initiatives to improve public sanitation. We need to greatly enhance our prevention and control capability, resolutely prevent a

resurgence of covid-19, and protect the health of our people.

*We will improve basic medical services.*

We will raise government subsidies for basic medical insurance for rural and non-working urban residents by an average of 30 yuan per person, and pilot inter-provincial on-the-spot settlement of outpatient bills through basic medical insurance accounts. We will provide support to medical institutions badly hit by the epidemic. We will promote the development of traditional Chinese medicine. Supervision over food and drugs will be tightened up to guarantee their safety.

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

We will see that teaching in primary and secondary schools and entrance examinations for senior high school and university are well-organized. We will strengthen the development of boarding schools in townships and towns and schools in county seats, provide quality special needs education and continuing education, support private schools and keep them well-regulated, and help private kindergartens overcome difficulties. We will step up efforts to develop world-class universities and world-class disciplines. We will expand the enrollment of students from rural and poor areas at colleges and universities. We will improve the mix of spending, making educational resources accessible to all our families and children and enabling them to embrace a brighter future.

*We will make greater efforts to meet people's basic living needs.*

We will increase the basic pension for retirees and the minimum basic old-age pension for rural and non-working urban residents. Close to 300 million people in our country live on pensions, and we must ensure they receive their benefits on time and in full.

We will improve the systems of providing preferential treatment and employment services for demobilized military personnel, and ensure benefits for the families of people who have died in service of the public. We will extend the coverage of unemployment insurance and see that rural migrant workers and others out of work who are in the scheme less than a year are covered in the locality where they are living. Subsistence allowances will be expanded to cover all families in difficulty, and such allowances will be made promptly available to eligible urban unemployed people and migrant workers who have returned home. We will ensure assistance is provided to anyone who runs into temporary difficulty because of disaster or illness.

With these measures, we can ensure that all members of disadvantaged groups have their basic living needs met and that more unemployed people

will have the support they need to secure their next job or start their own business.

*We will organize rich intellectual and cultural activities for our people.*

We will foster and practice core socialist values, and continue to develop philosophy and social sciences, the press, publishing, radio, film, and television and to protect cultural relics. We will improve public cultural services, make preparations for the 2022 Winter Olympics and Paralympics in Beijing, and encourage people to exercise and keep fit. With these endeavors, our people will be full of vitality and striving to pursue excellence and moral integrity.

*We will create new and better ways to conduct social governance.*

We will make sure that communities provide better services and support the sound development of social organizations, humanitarian assistance, volunteer service, and charity. We will protect the lawful rights and interests of women, children, the elderly, and people with disabilities. We will improve the system for handling public complaints, provide better legal aid, and ensure that justified public demands are addressed promptly. The seventh population census will be carried out. We will strengthen national security capacity building, punish crimes in accordance with law, and more effectively carry out the Peaceful China initiative.

*We will strengthen accountability for workplace safety.*

We will intensify prevention efforts against flooding, fires, and earthquakes, deliver quality meteorological services, and enhance our capacity for emergency rescue and disaster prevention and mitigation. A campaign to enhance workplace safety will be launched. Strong steps will be taken to prevent major and extremely serious accidents.

### **Fellow Deputies,**

In the face of difficult and weighty tasks, governments at all levels must closely follow the Party Central Committee with Comrade Xi Jinping at its core in thinking, stance, and action and practice the people-centered development philosophy. We must enforce full, rigorous self-discipline of the Party, exercise law-based government administration, ensure transparency in all government affairs, and enhance our governance capacity.

We will accept, as required by law, the oversight of people's congresses and their standing committees at the same level, and readily subject ourselves to the democratic oversight of the CPPCC, public oversight, and oversight through public opinion. Auditing-based oversight will be stepped up. We will give full play to the role of trade unions, Communist Youth League

organizations, women's federations, and other people's organizations. We in the government must readily accept the oversight of the law, supervisory bodies, and the people. We must redouble efforts to build a clean government and crack down on corruption.

We in government at all levels must take a fact-based approach to our work, and keep firmly in mind that we remain in the primary stage of socialism, which is the basic dimension of China's national context. We must abide by objective laws, base everything we do on actual conditions, and deliver in our work.

We will take strong steps to address the practice of formalities for formalities' sake, bureaucratism, hedonism, and extravagance, and release our primary-level officials from the fetters of pointless formalities so as to give full rein to their drive. We will stand behind officials who live up to their responsibilities, and we will work to see that they carry out their duties.

We must rely closely on the people, respect the pioneering spirit of those working at the primary level, advance reform and opening up with greater force, ignite the dynamism of our society, and bring together the energy and ingenuity of hundreds of millions of Chinese people. This is the source of inspiration that enables us to prevail over all difficulties and challenges.

We officials must not shy away in the face of difficulty; we must do solid work and make concerted efforts to pursue development and ensure the wellbeing of the people. As long as we stand together with the people through good times and bad and continue to forge ahead, we can surely fulfill the desires of the Chinese people for a better life.

This year, we will formulate the 14th Five-Year Plan, thus drawing the blueprint for us to embark on a new journey toward the second Centenary Goal.

### **Fellow Deputies,**

We will uphold and improve the system of regional ethnic autonomy, support ethnic minorities and ethnic minority areas in accelerating development, and forge a strong sense of community among the Chinese people.

We will fully implement the Party's fundamental policy on religious affairs and encourage religious leaders and believers to play an active part in promoting economic and social development.

China cares deeply about our overseas nationals, who serve as a crucial bridge linking China and the rest of the world. We will give play to the unique role of overseas Chinese nationals and their family members and

relatives at home, and forge a stronger bond of attachment among all the sons and daughters of the Chinese nation. Together, we can create more remarkable achievements.

Since last year, we have achieved important progress in strengthening national defense and the armed forces. The people's armed forces demonstrated fine conduct by reacting swiftly to the Party's commands and shouldering heavy responsibilities in covid-19 control.

We will thoroughly implement Xi Jinping's thinking on strengthening the armed forces and the military strategy for the new era. We will continue to enhance the political loyalty of the armed forces, strengthen them through reform, science and technology, and the training of capable personnel, and run the military in accordance with law.

We will uphold the Party's absolute leadership over the people's armed forces and strictly implement the system of ultimate responsibility resting with the chair of the Central Military Commission. We will firmly safeguard China's sovereignty, security, and development interests.

We will complete the crucial tasks laid down in the 13th five-year plan for the development of the armed forces and draw up the 14th five-year plan. We will deepen reforms in national defense and the military, increase our logistic and equipment support capacity, and promote innovative development of defense-related science and technology. We will improve the system of national defense mobilization and ensure that the unity between the military and the government and between the military and the people remains rock solid.

We will fully and faithfully implement the policy of One Country, Two Systems, under which the people of Hong Kong govern Hong Kong and the people of Macao govern Macao, with a high degree of autonomy for both regions. We will establish sound legal systems and enforcement mechanisms for safeguarding national security in the two special administrative regions, and see that the governments of the two regions fulfill their constitutional responsibilities. We will support Hong Kong and Macao in growing their economies, improving living standards, and better integrating their development into China's overall development, and help them maintain long-term prosperity and stability.

We will adhere to the major principles and policies on work related to Taiwan and resolutely oppose and deter any separatist activities seeking "Taiwan independence." We will improve institutional arrangements, policies, and measures to encourage exchanges and cooperation between the two sides of the Taiwan Strait, further cross-Strait integrated development, and protect

the wellbeing of our fellow compatriots in Taiwan. We will encourage them to join us in opposing “Taiwan independence” and promoting China’s reunification. With these efforts, we can surely create a beautiful future for the rejuvenation of the Chinese nation.

In the face of the public health crisis, severe economic recession, and other global challenges, all countries should work together. China stands ready to work with other countries to strengthen international cooperation on covid-19 control, promote stability in the world economy, advance global governance, and uphold the international system with the United Nations at its core and an international order based on international law. China is committed to building a human community with a shared future.

China will continue to pursue peaceful development, and advance friendship and cooperation with other countries as it opens up wider to the rest of the world. China will remain an important force promoting world peace, stability, development, and prosperity.

**Fellow Deputies,**

The Chinese nation has never been daunted in the face of difficulties or obstacles. The Chinese people today have the ability and resolve to overcome all challenges before us. We must rally more closely around the Party Central Committee with Comrade Xi Jinping at its core, uphold socialism with Chinese characteristics, and follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Let us meet our challenges head-on, move determinedly forward in the fight against covid-19 and in pursuit of economic and social development, and strive to fulfill the main targets and tasks for this year. Let all of us work together with perseverance to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful, and realize the Chinese Dream of national rejuvenation.