REPORT ON THE WORK OF THE GOVERNMENT

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Fellow Deputies,

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

I. A Review of Our Work in 2021

Last year was a milestone in the history of the Communist Party of China (CPC) and our country. The CPC Central Committee with Comrade Xi Jinping at its core united and led the whole Party and Chinese people of all ethnic groups in accomplishing the following endeavors:

• We celebrated the centenary of the Communist Party of China;
• The 19th CPC Central Committee convened its sixth plenary session where a resolution on the Party’s major achievements and historical experience over the past century was adopted;
• We declared victory in the critical battle against poverty as envisaged; and
• We achieved the first centenary goal of building a moderately prosperous society in all respects on schedule and began a new journey toward the second centenary goal of building a modern socialist country in all respects.

Last year, facing complicated and challenging circumstances both in and outside of China, as well as many risks and challenges, all of us throughout the country worked hard as one. We responded to Covid-19 and pursued economic
and social development in a well-coordinated way, accomplished the main targets and tasks for the year, got the 14th Five-Year Plan off to a good start, and once again secured new and major achievements in our country’s development.

—The economy continued to recover and grow. China’s gross domestic product (GDP) reached 114 trillion yuan, growing 8.1 percent. National fiscal revenue exceeded 20 trillion yuan, growing 10.7 percent. A total of 12.69 million urban jobs were added, and the average surveyed unemployment rate stood at 5.1 percent. The consumer price index (CPI) rose by 0.9 percent. A basic equilibrium was maintained in the balance of payments.

—China’s innovation capacity was strengthened. Our strategic science and technology capabilities were expanded at a faster pace. Major advances were registered in research on core technologies in key fields, and breakthroughs were made in manned spaceflight, Mars exploration, resource exploration, energy projects and other areas. Corporate spending on research and development grew by 15.5 percent. Integration of digital technology in the real economy was accelerated.

—The economic structure and regional development priorities were refined. Grain output reached a record high of 685 million metric tons. Value-added of the high-tech manufacturing sector grew by 18.2 percent, IT services and other producer services recorded rapid growth, and industrial chains became more resilient. Regional development strategies were well implemented, and new urbanization was steadily advanced.

—Reform and opening up were deepened. In key fields and sectors, a full range of major reforms were rolled out, and supply-side structural reform was deepened. New gains were made in the reform to streamline administration and delegate power, improve regulation, and upgrade services. The total number of market entities surpassed the 150-million mark. The Belt and Road Initiative saw steady high-quality development. China worked for the entry into force of the Regional Comprehensive Economic Partnership Agreement. The total volume of trade in goods grew by 21.4 percent, and growth of utilized foreign investment was sustained.

—Ecological conservation was enhanced. Thanks to further steps taken to prevent and control pollution, the discharge of major pollutants continued to fall and the average concentration of fine particulate matter (PM$_{2.5}$) dropped by 9.1 percent in cities at and above the prefecture level. The first group of national parks were
officially established. Significant improvements were made in the quality of the environment.

— *Living standards rose steadily.* Per capita disposable income increased by 8.1 percent in real terms. Achievements in poverty alleviation were consolidated and further expanded. Inputs in basic elderly care, basic medical care, and social assistance were increased. New steps were taken in the reform and development of education. Renovations began on 56,000 old urban residential communities, benefiting close to 10 million households.

— *Our gains in Covid-19 response were consolidated.* Implementation of control measures became routine, and over 85 percent of the population received a full course of vaccination. Local outbreaks were suppressed in an effective and quick manner. By making these efforts, we ensured the health and safety of the people and maintained normal order in work and life.

Reflecting on the past year, we can see that our achievements did not come easily. While the economy continued to recover from major shocks including Covid-19, many new changes occurred in and outside of China, and the difficulty of keeping the economy running stably mounted. In the face of such difficulty, we fully implemented the decisions and plans of the Party Central Committee with Comrade Xi Jinping at its core, followed the guiding principles of the Central Economic Work Conference; applied the new development philosophy in full, in the right way, and in all fields of endeavor; took solid steps to ensure stability on six key fronts and security in six key areas,* and made cross- and counter-cyclical adjustments with macro policies. We thus effectively dealt with all risks and challenges that arose.

Our main work over the past year was as follows.

1. *We kept macro policy consistent and targeted and kept the major economic indicators within the appropriate range.*

Our macro policies facilitated cross-cyclical adjustments and sustained the level of support necessary for economic recovery. We also took into account the need to leave ample policy space for meeting difficulties and challenges this year.

We established a regular mechanism to directly allocate budgetary funds to

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* 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.
prefecture- and county-level governments and placed 2.8 trillion yuan of central government funding under this mechanism. We also improved the way local governments issue and use special-purpose bonds.

We implemented a prudent monetary policy to good effect and lowered required reserve ratios twice to facilitate the reduction of loan interest rates. We took well-considered steps to defuse local government debt risks and dealt prudently with major financial risks. We intensified policies to stabilize and expand employment, took solid measures to ensure employment for key groups like college graduates, and encouraged business startups and innovation. We took stronger steps to keep supply and prices of major commodities stable and to tackle supply shortages in coal and electric power.

Over the course of last year, all major macroeconomic indicators stayed in line with projected targets, the deficit-to-GDP ratio and macro leverage ratio decreased, and China’s economy remained one of the fastest-growing economies in the world.

2. We refined and implemented policies for easing the difficulties of businesses and consolidated the foundation of economic recovery.

As over one hundred million market entities have given several hundred million people the opportunity to go into business or secure employment, we have continued with the supportive macro-policy roadmaps and approaches that have proved effective since the epidemic began.

Tax and fee reductions introduced last year totaled more than one trillion yuan. In addition, tax payments were postponed for micro, small and medium enterprises (MSMEs) in manufacturing as well as coal-fired power plants and heating-supply enterprises as a temporary measure. Tax and fee reductions have proved a direct and effective way of helping enterprises ease their difficulties. In reality, they also help nurture business growth and cultivate sources of tax revenue. Last year, revenue generated from taxpaying market entities registered since 2013 reached 4.76 trillion yuan.

We strengthened the capacity of railway, highway, aviation and maritime transportation as well as harbors. We boosted the credit supply to industries and enterprises severely affected by Covid-19. We continued policies for micro and small businesses to defer principal and interest repayments on loans and take out more collateral-free loans. Inclusive finance lending to micro and small business by financial institutions increased by 27.3 percent, with the figure rising to over 40 percent for large commercial banks, and overall financing costs of businesses
dropped steadily.

3. **We deepened reform, expanded opening up, and continued to improve the business environment.**

We worked harder to develop the underlying institutions for a market system, and pushed forward reforms to ensure production factors are allocated by the market. We continued to reduce the number of procedures and length of time it takes for enterprises to gain government approval. More government services were made available online. A package of successful practices in local reform were applied nationwide, and trials were conducted to improve the business environment.

We bolstered regulation and adopted new regulatory approaches, took action against business monopolies, and prevented the unregulated expansion of capital, thus ensuring fair market competition. We continued implementation of the three-year action plan for SOE reform and supported the healthy development of private businesses. The reform to delink industry associations and chambers of commerce from government was basically completed. The Beijing Stock Exchange and Guangzhou Futures Exchange were opened. Solid strides were made in reforms in agriculture, rural development, social programs, and ecological conservation.

We deepened practical cooperation to jointly advance the Belt and Road Initiative. Efforts to ensure stable performance in foreign trade and investment were intensified. We successfully hosted a number of major expos, including the China International Import Expo, the China Import and Export Fair, the China International Fair for Trade in Services, and the first China International Consumer Products Expo. Comprehensive trials for further opening up of the services sector were expanded to four more areas, and new measures for developing the Hainan Free Trade Port were adopted.

4. **We promoted innovation-driven development and stabilized industrial and supply chains.**

We boosted the development of national laboratories and promoted implementation of major science and technology programs. We reformed and refined the management of central government funding for scientific and technological research, increased the proportion of indirect expenses for research projects, and gave institutes more decision-making power over their research.

We continued the additional tax deduction for R&D expenses and increased
this deduction to cover 100 percent of such expenses for manufacturing enterprises. Intellectual property right protection was strengthened. Weak links in the industrial chains of key industries were reinforced and upgraded. Digital and smart technologies were adopted in traditional industries at a faster rate, and emerging industries maintained good momentum for development.

5. **We promoted coordinated development between urban and rural areas and between regions and improved the structure of the economy.**

To ensure implementation of all major regional development strategies and the strategy for coordinated regional development, we rolled out new supporting measures and launched several major projects. Urbanization with the focus on county seats was promoted. To help bolster agricultural production, we ensured agricultural supplies and issued one-time subsidies totaling 20 billion yuan to grain growers.

We advanced rural revitalization and designated 160 key counties to receive assistance in pursuing rural revitalization. A five-year program to improve the rural living environment also got under way.

6. **We strengthened environmental protection and promoted sustainable development.**

We consolidated our gains in keeping the skies blue, waters clear, and land pollution-free. We encouraged farmers to use chemical fertilizer and pesticide more efficiently and promoted the recycling of livestock and poultry waste. We continued major projects to protect and restore ecosystems, and fully enforced the ten-year fishing ban on the Yangtze River.

China’s installed capacity of renewable power exceeded one billion kilowatts. An action plan for peaking carbon emissions by 2030 was unveiled. The China Carbon Emission Trade Exchange was launched. We took active steps to respond to climate change.

7. **We worked to ensure and improve the people’s wellbeing and accelerated development of social programs.**

We intensified efforts to shore up weak links in rural compulsory education, and increased subsidies in the nutrition improvement program for compulsory-education students in rural areas, benefiting over 37 million students. We reduced the homework load and eased the off-campus tutoring burden on students in compulsory education. We surpassed the targets set in the three-year enrollment expansion initiative for vocational colleges. The cap for
government-subsidized student loans was raised by 4,000 yuan per person per year, benefitting over five million students.

The basic pension for retirees was increased. Benefits were raised for entitled groups. To improve assistance and support for those in need, the scope of the subsistence allowance scheme was expanded to include people with serious illness or severe disability from families just outside the margin of eligibility.

We reformed the system for disease prevention and control. Outpatient bills for more common illnesses and chronic diseases became reimbursable under the basic medical insurance scheme, and 60 percent of cross-provincial inpatient medical expenses were directly settled where they were incurred. We tightened up regulation and supervision of drugs and vaccines.

The three-child policy was implemented. Elderly services were improved. Government-subsidized rental housing was increased at a faster pace. We developed cultural programs and the cultural sector, and launched new cultural projects to benefit the public. A sound online environment was fostered.

We actively carried out public fitness activities. Chinese athletes achieved great success in the Olympic and Paralympic Games in Tokyo. And thanks to meticulous preparation, China has presented the world with a simple, safe, and splendid 2022 Winter Olympic Games. The Paralympic Games, which has just opened, will undoubtedly also be a great success.

8. We made progress in building a rule of law government, developed new ways of conducting governance, and maintained social harmony and stability.

We submitted 10 legislative proposals to the Standing Committee of the National People’s Congress (NPC) for deliberation, and formulated or revised 15 sets of administrative regulations. We conscientiously handled the proposals of NPC deputies and CPPCC National Committee members. The Outline for Building a Law-Based Government (2021–2025) was promulgated. Audit-based oversight was enhanced. The State Council continued its accountability inspections, and further implemented the Internet plus model of inspection. New approaches were adopted in conducting primary-level governance in urban and rural areas. We made solid headway in handling public complaints and clearing the backlog of cases.

We took stronger steps to ensure workplace safety and strengthened emergency response management. Our ability to safeguard national security was enhanced. We improved the crime prevention and control system, worked to crack
down on organized crime and root out local criminal gangs on an ongoing basis, and fought telecom and cyber fraud as a priority. During severe flooding and other disasters that hit some parts of the country last year, government authorities and departments were actively involved in disaster prevention, relief, and reconstruction and earnestly strived to protect people’s lives and property.

We implemented the Party Central Committee’s strategic decision to exercise full and strict Party self-governance. We carried out activities to study the history of the CPC, and did more to improve Party conduct, build a government of integrity, and fight corruption. We strictly complied with the central Party leadership’s eight-point decision on improving work conduct, kept up our efforts to tackle pointless formalities, bureaucratism, hedonism and extravagance, and took further steps to ease the burdens of those working on the ground.

We advanced China’s major-country diplomacy on all fronts. President Xi Jinping and other Party and state leaders attended, via video link, major diplomatic events, including the 76th UN General Assembly, the 16th G20 Leaders’ Summit, the 28th APEC Economic Leaders’ Meeting, the 13th BRICS Summit, the Special Summit to Commemorate the 30th Anniversary of China-ASEAN Dialogue Relations, the opening ceremony of the Eighth Ministerial Conference of the Forum on China-Africa Cooperation, the East Asia leaders’ meetings on cooperation and the 13th Asia-Europe Meeting. We also successfully hosted a number of major diplomatic events.

We promoted the building of a human community with a shared future, fostered global partnerships, and played an active part in the reform and development of the global governance system. We advanced international cooperation on Covid-19 response and worked with all other countries to respond to issues and challenges global in nature. We have thus contributed our share to promoting world peace and development.

Fellow Deputies,

We owe our achievements last 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 Chinese people of all ethnic groups.

On behalf of the State Council, I wish to express sincere gratitude to all our
people, 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 wish to express heartfelt thanks to the governments of other countries, international organizations and friends across the world who have shown understanding and support for us in China as we pursue modernization.

While recognizing our achievements, we are also very clear about the problems and challenges before us.

The Covid-19 pandemic is still ongoing. The world economic recovery lacks drive, and commodity prices remain high and are prone to fluctuation. All of this is making our external environment increasingly volatile, grave and uncertain.

In pursuing economic development, China is under the triple pressures of shrinking demand, disrupted supply and weakening expectations. Local Covid-19 cases are still occurring sporadically. The recovery of consumption and investment is sluggish. It is getting more difficult to maintain steady growth in exports, the supply of energy resources and raw materials remains inadequate, and imported inflationary pressure has increased. Many MSMEs and self-employed individuals face difficulty in production and business operations, and the task of stabilizing employment is more formidable. Our capacity to support innovation is lacking in key areas. The budgetary imbalances of some local governments have become more pronounced, and many potential risks are present in the economic and financial sectors. In areas that are important to the public wellbeing, numerous issues need to be addressed.

There is also room for improvement in the work of government. Pointless formalities and bureaucratism remain an acute issue. Cases of becoming detached from reality and acting against the public will are still frequent. Some local governments use one-size-fits-all or campaign-style approaches in policy implementation. A small number of officials either shirk their responsibilities, fail to do their jobs, or behave irresponsibly. Some officials, by disregarding serious infringements on the rights and interests of the people, have been derelict in their duties. Corruption remains a common problem in some sectors.

We must be more mindful of potential difficulties, face problems and challenges squarely, make every effort to deliver a satisfactory performance, and do our utmost to live up to people’s expectations.
II. Overall Requirements and Policy Orientation for Economic and Social Development in 2022

This year is of great significance in the cause of the Party and the country, as the Communist Party of China will hold its 20th National Congress. For the government to deliver, 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 all plenary sessions of the 19th Party Central Committee;
• carry forward the great founding spirit of the Party;
• act on the general principle of pursuing progress while ensuring stability;
• apply the new development philosophy in full, in the right way, and in all fields of endeavor and move faster to create a new pattern of development;
• deepen reform and opening up in all respects;
• pursue innovation-driven development;
• promote high-quality development;
• advance supply-side structural reform as the main task;
• respond to Covid-19 and pursue economic and social development in a well-coordinated way;
• ensure both development and security;
• continue to ensure stability on six key fronts and maintain security in six key areas;
• keep working to improve people’s lives;
• strive to maintain stable macroeconomic performance;
• keep major economic indicators within an appropriate range; and
• maintain overall social stability.

These efforts will enable us to pave the way for a successful 20th National Party Congress.

A comprehensive analysis of evolving dynamics at home and abroad indicates that this year our country will encounter many more risks and challenges, and we must keep pushing to overcome them. The harder things get, the more confident we must be, and the more solid steps we must take to deliver outcomes.
The fundamentals of our economy remain unchanged, and they will maintain long-term growth. We have many favorable conditions for sustaining development. Most notably, our people, in their hundreds of millions, aspire to a better life, have huge potential for starting businesses and engaging in innovation, and are resolved to overcome all difficulties together. We have also acquired a wealth of experience in dealing with major risks and challenges. There is no doubt but that China’s economy will withstand any new downward pressure and continue growing steadily long into the future.

The main projected targets for development this year are as follows:

- GDP growth of around 5.5 percent
- over 11 million new urban jobs
- a surveyed urban unemployment rate of no more than 5.5 percent
- CPI increase of around 3 percent
- growth in personal income that is basically in step with economic growth
- steady increases in both the volume and quality of imports and exports
- a basic equilibrium in the balance of payments
- grain output of over 650 million metric tons
- further improvement in the environment
- continued reduction in the discharge of major pollutants
- energy consumption per unit of GDP to be assessed with appropriate flexibility within the framework of the 14th Five-Year Plan; and the exclusion of newly added renewable energy and coal, petroleum, and natural gas consumed as raw materials in the total amount of energy consumption.

The above economic growth target is based mainly on the need to maintain stable employment, meet basic living needs, and guard against risks. This target is also in keeping with the average growth rates of the last two years and the goals of the 14th Five-Year Plan. It represents a medium-high rate of growth given our large economic aggregate, and demonstrates our ability to move proactively. But achieving this goal will require arduous efforts.

To fulfill the development goals and tasks for the year, we should pursue prudent and effective macro policies, micro policies that can continuously energize market entities, and structural policies that facilitate smooth flows in the economy. Science and technology policies should be fully implemented, reform and opening
up policies should lend impetus to development, regional policies should ensure more balanced and coordinated development, and social policies should meet basic living needs. All of us involved must adopt detailed and effective measures to meet these major policy requirements and create synergy for driving growth.

Macro policies should be kept consistent and made more effective. The proactive fiscal policy should be more effectual, more targeted, and more sustainable. The prudent monetary policy should be both flexible and appropriate, with reasonably ample liquidity being maintained. The employment-first policy should be pursued with intensified efforts to deliver the desired outcomes. These policies should produce effects early on, and the policy tools we have in reserve should be promptly deployed to ensure stable economic performance.

We will continue effective routine Covid-19 control. To prevent inbound cases and domestic resurgences, we need to constantly refine epidemic containment measures, strengthen epidemic controls in port-of-entry cities, step up efforts to study and protect against virus variants, accelerate R&D of new vaccines and effective medicines, continue implementing vaccination programs, and give full play to the unique role of traditional Chinese medicine. Occurrences of local cases must be handled in a scientific and targeted manner, and the normal order of work and life must be ensured.

In our work this year, we must make economic stability our top priority and pursue progress while ensuring stability. In the face of new downward pressure, the task of ensuring stable growth needs to occupy an even more prominent position. All localities and government departments should fulfill their responsibilities for maintaining stable macroeconomic performance by proactively introducing pro-stability policies.

We should take coordinated moves to keep growth stable, promote structural adjustment, and carry out reform. We should work faster to transform the growth model, and say no to an extensive development model. We should follow a fact-based approach, and bear in mind the fundamental dimension of China’s national context, that is, it is still in the primary stage of socialism. We should manage our own affairs well, and respect the laws of development, the reality on the ground, and the needs of the people.

We should work in creative ways in light of actual conditions and motivate all stakeholders to pursue development endeavors. We should promote both an efficient market and a well-functioning government, and we should be adept at
using reform and innovation to boost market dynamism and social creativity. We must act on the people-centered development philosophy and rely on the efforts of everyone to promote prosperity for all, so as to keep realizing the people’s aspirations for a better life.

III. Major Tasks for 2022

This year, we face heavy tasks and many challenges in economic and social development. We should follow the decisions and requirements of the Party Central Committee with Comrade Xi Jinping at its core, apply the new development philosophy in full, in the right way, and in all fields of endeavor, move faster to create a new pattern of development, and promote high-quality development, so as to deliver solid outcomes in all areas of our work.

1. Achieving stable macroeconomic performance and keeping major economic indicators within the appropriate range

We must continue to ensure stability on six fronts and maintain security in six areas. We have both macro-policy tools and space available to us, and we should use them to intensify cross- and counter-cyclical adjustments and to provide strong support for a stable economic performance.

We will see that the proactive fiscal policy is more effective. We have set the deficit-to-GDP ratio for the year at around 2.8 percent, slightly lower than last year, and this will boost fiscal sustainability. It is projected that fiscal revenue will continue to grow in 2022. In addition, we also have available to us the surplus profits of state-owned financial institutions and state monopoly business operations from recent years turned over in accordance with the law and funds transferred from the Central Budget Stabilization Fund. This will make it possible for government to increase expenditures by more than two trillion yuan over last year, putting significantly greater fiscal resources at our disposal. New funds will be channeled to local levels of government and used mainly to ease the difficulties of enterprises, stabilize employment, meet living needs, and increase consumption and demand.

This year, central government expenditures will rise by 3.9 percent, but the budgetary spending of central government departments will continue to register negative growth. Central government transfer payments to local governments will come to close to 9.8 trillion yuan. This figure represents a growth of 18 percent, or
around 1.5 trillion yuan, and is the largest increase in recent years. The central government will place more budgetary funds under the mechanism for direct allocation to prefecture- and county-level governments, and provincial-level governments should also provide additional fiscal support to these levels. It is imperative that local governments are both able and motivated to carry out policies that will benefit businesses and people.

*We will use government investment funds to stimulate and expand effective investment.* This year, special-purpose bonds for local governments will total 3.65 trillion yuan. We will, taking a performance-oriented approach, ensure that investment funds and other production factors stay with projects they are allocated to, while appropriately widening the scope of usage for such factors. We will support follow-up financing for ongoing projects, and begin construction on major projects that are ready for launching, new types of infrastructure, and renovations of outdated public facilities.

The lion’s share of investment in China comes from the non-government sector. We will give full play to the leveraging role of major projects and government investment and refine relevant supporting policies to keep non-government investors fully motivated.

*Government will keep its belt tightened and keep spending low to benefit the people.* We will improve the mix of government spending so as to ensure funding for key areas and strictly control general expenditures. Budgetary funds and assets sitting idle will be put into good use. Governments at every level need to operate within their means and economize where possible, and central and provincial-level governments should take the lead in this regard.

Management of fiscal receipts and outlays will be tightened up, and wasteful and excessive spending will be prohibited. We will prevent the construction of new government buildings in violation of regulations. No vanity projects will be tolerated, and anyone who violates fiscal discipline or squanders public funds will be investigated and severely punished. We must ensure that our precious funds are used in areas that are critical to development and to meet the urgent needs of the people.

*We will step up implementation of the prudent monetary policy.* We will use monetary policy tools to adjust both the monetary aggregate and the monetary structure, so as to provide more robust support for the real economy. We will expand the scale of new loans, see that increases in money supply and aggregate
financing are generally in step with nominal economic growth, and keep the macro leverage ratio generally stable. The RMB exchange rate will be kept generally stable at an adaptive, balanced level.

We will further improve the transmission mechanism of monetary policy, channel more funds into key areas and weak links, and expand the coverage of inclusive finance. Financial institutions will be encouraged to lower real loan interest rates and cut fees, so as to truly make it easier for market entities to access financing and achieve a considerable drop in overall financing costs.

We will strengthen the employment-first policy. We will work to broaden the employment channels, promote employment stability by keeping the operations of market entities stable, and harness the role of business startups in boosting employment. Fiscal and financial policies will facilitate implementation of the employment-first policy, and greater support will be provided for enterprises to stabilize and expand employment. All dedicated employment policies will be strengthened and improved, and we will resolutely act to overhaul or abolish excessive restrictions on employment and business startups. All local governments must use every possible means to stabilize employment and expand it further.

We will ensure food and energy security. We will ensure the supply of grain and other major agricultural products, as well as the supply and price stability of energy and important raw materials, and guarantee sufficient electricity to meet people’s living needs and conduct normal business production and operations. We will implement a comprehensive resource conservation strategy. To enhance China’s capacity for resource production and supply, we will step up petroleum, natural gas and mineral exploration and development, improve the national strategic goods reserve system, and ensure the supply of primary products. We will crack down on price gouging, and ensure price levels are kept generally stable.

We will prevent and defuse major risks. We will continue to guard against and address economic and financial risks in accordance with the fundamental principles of maintaining overall stability, ensuring coordination, implementing category-based policies, and defusing risks through targeted efforts. We will see that local governments fulfill their responsibilities, the competent government departments tighten regulation, and enterprises shoulder primary responsibility. We will make stronger efforts to give early-warning of risks, enhance risk prevention and control mechanisms, and build capacities for responding to risks. A fund for ensuring financial stability will be established, the deposit insurance system and industry guarantee funds will be brought fully into play, and market-
and law-based methods will be used to defuse risks and potential dangers and to respond to external shocks. All these efforts will ensure that no systemic risks arise.

2. Keeping the operations of market entities stable and maintaining job security by strengthening macro policies

We will improve policies for easing the burdens and difficulties of market entities and create a stronger foundation for achieving a stable and sounder economic performance.

*We will implement a new package of tax-and-fee policies to support enterprises.* We will continue to take temporary steps and institutional measures and apply policies for both tax reductions and refunds.

First, we will extend tax and fee reduction policies that support manufacturing, micro and small enterprises and self-employed individuals, and expand the scale and scope of these policies. A temporary exemption on VAT payments will be granted to small taxpayers. Corporate income tax on annual taxable income of between one million and three million yuan will be halved once again for micro and small enterprises. Local governments should also adopt effective tax-and-fee reduction steps based on local conditions and in accordance with the law to maintain the scale of tax-and-fee reductions and keep market expectations stable.

Second, to improve the cash flow of enterprises, promote employment- and consumption-driven investment, and further improve the system for refunding excess input VAT credits, we will issue VAT credit refunds ahead of time this year on a big scale. We will give priority to micro and small enterprises, refunding outstanding VAT credits to them in one lump sum by the end of June, while also fully refunding newly added credits. With a focus on supporting manufacturing, we will work to fully resolve problems in refunding VAT credits in manufacturing, research and technical services, environmental protection, electricity and gas, and transportation industries. Such a substantial increase in VAT credit refunds will help strongly boost market confidence.

Tax refunds and cuts are expected to total 2.5 trillion yuan this year. VAT credit refunds will account for 1.5 trillion yuan of this sum and all go straight to enterprises. The central government will provide greater fiscal support for local governments and allocate fiscal subsidies directly to the prefecture and county levels. Local governments and relevant departments should develop sound systems to allocate funds more effectively. We must ensure that the critically important policy of tax refunds and cuts takes full effect, in order to provide
enterprises with timely assistance and help them generate fresh vitality.

*We will encourage the financial sector to provide more effective support to the real economy.* We will make good use of instruments to support inclusive loans to micro and small businesses, and increase re-lending for agricultural and small enterprises. We will strengthen supervision and assessment to promote a marked increase in inclusive loans to micro and small businesses and a further rise in the proportion of collateral-free loans and first-time loans. We will see that financial institutions have a good understanding of credit policies, ensure continued financing support for industries and enterprises hit hard by Covid-19, and prevent industry-wide lending restrictions, forced early repayment of loans, and arbitrary termination of loan agreements.

We will make good use of policy-backed and development finance. We will promote the sharing of enterprise credit information and move faster to achieve information integration and sharing between financial institutions and tax offices, customs, electric utilities and other agencies. The government financing guaranty will be expanded to cover more micro and small businesses. We will strive to create a favorable financing environment and help resolve the financing difficulties of enterprises in the real economy, especially MSMEs.

*We will help lower business costs.* We will rectify excessive surcharges levied by utility companies, and support local governments in adopting temporary preferential policies on electricity use for industries which are experiencing particular difficulty. We will encourage large platform enterprises to lower service fees and lighten the burden on small and medium businesses. Further steps will be taken to regulate and overhaul fees charged by industry associations, chambers of commerce, and intermediaries.

We will launch initiatives to end unjustified charges levied on businesses, and develop mechanisms for coordinated regulation and joint punishment. We will fully investigate and punish the imposition of arbitrary charges, fines, and quotas.

We will intensify efforts to get outstanding payments owed to small and medium enterprises cleared. We will standardize the usage of commercial acceptance bills, and ensure that government bodies, public institutions, and state-owned enterprises (SOEs) take the lead in clearing overdue payments.

Catering, hospitality, retail, culture, tourism, and passenger transport sectors have a large capacity for employment. However, they have been severely affected by Covid-19. Support policies will be weighted more heavily toward enterprises in
these sectors to help them stay afloat and get through challenging times with bright prospects.

We will fully implement all measures to stabilize employment. Temporary policies such as reductions to premiums for unemployment insurance and workers’ compensation will be extended. We will continue the policy of refunding unemployment insurance premiums for enterprises that make no cuts or minimal cuts to staff numbers, with a marked increase in the proportion of refunds going to MSMEs.

Over 10 million students are due to graduate from college this year, and we will give our graduates stronger guidance and policy support and uninterrupted services to ensure they can find jobs or start businesses. We will help ex-service members get resettled and re-employed, broaden employment channels for rural migrant workers, and assist people with disabilities and members of zero-employment families in securing jobs.

We will do more to promote business startups and innovation initiatives, and improve the service capacity of entrepreneurship and innovation platforms. We will improve services and social security policies concerning flexible employment, and launch trials of occupational injury insurance for people in new forms of employment. We will work hard to prevent and stop gender, age, and education discrimination in the workplace in order to create a fair employment environment. We will strengthen oversight and enforcement of labor protection laws and focus on addressing acute issues that are infringing upon employees’ lawful rights and interests.

We will make public employment services more targeted. We will continue to carry out vocational skills training on a large scale and establish a number of public training bases through joint construction and sharing initiatives. A total of 100 billion yuan from the unemployment insurance fund will be used to support enterprises in maintaining stable payrolls and providing training programs, and we will speed up training of skilled workers who are urgently needed to promote high-quality development of manufacturing. These efforts will enable more workers to acquire marketable skills and large numbers of talented people to come to the fore in all sectors.

3. Steadfastly deepening reform to strengthen market vitality and internal momentum for development

To develop a high-standard socialist market economy, we should give play to
the roles of both the government and the market, seeing that the market plays the
decisive role in the allocation of resources and the government better fulfills its
role.

*We will step up efforts to transform government functions.* We will do more to build
a high-standard market system, carry out a comprehensive pilot reform for the
market-based allocation of production factors, and strive to accelerate the
development of a unified domestic market. We will deepen reforms to streamline
administration and delegate power, improve regulation, and upgrade services
with a focus on creating a market-oriented, law-based and internationalized
business environment. We will make sure that at the same time as government
approval for a certain matter is canceled or delegated to lower-level authorities,
corresponding regulatory steps are taken and responsibilities are assumed.

We will continue to expand market access. List-based management will be
fully implemented for matters requiring government approval. We will work to
build a digital government and promote the sharing of government data. We will
continue to reduce various certification requirements and provide more
government services on a cross-provincial basis. We will basically realize mutual
nationwide recognition of electronic licenses and certificates to facilitate
enterprises with trans-regional operations, and provide people with greater access
to important services outside of their home jurisdiction. We will facilitate
integrated access to government services, and introduce simpler procedures for the
registration of immovable property and motor vehicle inspections.

We will strengthen the regulatory responsibilities of government and ensure
that all competent authorities, relevant departments and local governments fulfill
their regulatory responsibilities for matters under their jurisdiction, so as to
prevent any absence of regulation. To ensure regulation is effective, we will work
faster to establish a comprehensive, tiered and multifaceted system to regulate all
stages, from start to finish, in all sectors. We will act quickly to improve regulatory
rules for key industries, emerging sectors, and sectors with foreign involvement
and introduce new measures to make regulation more targeted and more effective.

We will further the implementation of policies to ensure fair competition and
take stronger action against monopolies and unfair competition to ensure a
well-ordered and fair market environment.

*We will promote the common development of enterprises under all forms of ownership.*
We will uphold and further improve the basic socialist economic system, and work
unswervingly both to consolidate and develop the public sector and to encourage, support and guide development of the non-public sector.

We must have a good understanding of the defining features of capital and the way it works, so as to support and guide its well-regulated and sound development. We will provide equitable and law-based protection to the property rights and independent management rights of enterprises and to the lawful rights and interests of entrepreneurs. By doing so, we will create a favorable environment for enterprises under all forms of ownership to compete and grow together.

We will complete the three-year action plan for SOE reform, move faster to adjust and improve the layout and structure of the state-owned sector, deepen the reform to introduce mixed ownership in SOEs, and tighten regulation of state-owned capital. SOEs will be encouraged to better play their role in supporting and driving development of industrial and supply chains with a focus on their primary responsibilities and core businesses.

We will implement policies and measures to support the development of the private sector, and encourage and guide private enterprises in reform and innovation. We will foster a cordial and clean relationship between government and business. To promote the entrepreneurial spirit, we will solicit the opinions of market entities more when we are designing enterprise-related policies, respect the laws of the market, and help entrepreneurs to devote themselves to creating start-ups and pursuing innovation and to develop their businesses free from undue concern.

We will advance reforms of the fiscal, taxation, and financial systems. We will further reform the performance-based budgetary management and strengthen budgetary constraints and transparency. Reform will be carried out in fiscal systems below the provincial level. We will improve the tax collection and administration system and crack down on tax evasion and fraud in accordance with the law.

We will strengthen and refine financial regulation, further reform the equity structures and corporate governance of small and medium banks, and move faster to deal with nonperforming assets. We will improve the system for supporting debt financing by private enterprises, achieve full implementation of the registration-based IPO system, and promote steady and sound development of the capital market.

4. Further implementing the innovation-driven development strategy and strengthening the foundation of the real economy
We need to promote scientific and technological innovation, so as to upgrade our industries, eliminate the bottlenecks in supply, and realize high-quality development through innovation.

We will raise our capacity for scientific and technological innovation. We will press ahead with the 10-year action plan on basic research to ensure stable support over the long term, and increase the share of basic research spending in the country’s total R&D expenditures. We will implement a three-year action plan for reforming the science and technology management system, reinforce China’s strategic science and technology capabilities, further develop national laboratories and key national laboratories, and leverage the strengths of universities, colleges, and research institutes.

We will improve the approval procedures for major science and technology projects and their management, and further reform the assessment and incentive systems for scientific research. We will support local governments in increasing spending on science and technology and encourage innovations with distinctive regional features. Greater efforts will be made to increase people’s scientific knowledge.

We will continue to engage in international scientific and technological cooperation, and step up efforts to build talent centers and innovation hubs of global importance. We will improve institutions and mechanisms for talent development, champion the spirit of our nation’s scientists, provide more support to young researchers, and encourage outstanding people of all types to devote themselves to research and realize their full potential.

We will provide stronger incentives to promote innovation among enterprises. We will reinforce the principal position of enterprises in innovation, continue promoting breakthroughs in core technologies in key fields, promote greater synergy between industry, academia, research, and application, and facilitate the commercialization and application of advances in science and technology. We will strengthen intellectual property rights protection and application.

We will promote the development of venture capital, develop new financial products and services to support scientific and technological development, and upgrade intermediary services for science and technology.

We will enhance the policy on granting additional tax deductions for R&D costs, raising the deduction coverage for small and medium sci-tech enterprises from 75 percent to 100 percent. We will grant tax breaks to enterprises that invest
in basic research, and improve our policies on accelerated depreciation of equipment and tools and on preferential corporate income tax for new- and high-tech enterprises. All these measures amount to a large injection of government funding to support enterprises’ innovation endeavors. We must fully implement all policy incentives for innovation to encourage enterprises to invest more in R&D and thus generate and build up new drivers of growth.

*We will boost the core competitiveness of manufacturing.* To promote stable performance of industry, we will ensure supply of raw materials and key spare parts, and launch initiatives to have leading enterprises fully play their role in safeguarding the stability and security of industrial and supply chains. We will encourage financial institutions to increase medium- and long-term lending to the manufacturing sector.

We will launch a group of industrial foundation reengineering projects, help upgrade traditional industries, promote smart manufacturing, accelerate the development of advanced manufacturing clusters, and launch a national program to foster clusters of strategic emerging industries. We will work to nurture specialized and sophisticated enterprises that produce new and unique products and provide them with more support in terms of funding, personnel, and development of business incubation platforms. We will continue efforts to build China into a manufacturer of quality and steer Chinese manufacturing toward the medium- and high-end.

*We will encourage development of the digital economy.* We will strengthen overall planning for the Digital China initiative, build more digital information infrastructure, develop an integrated national system of big data centers step by step, and apply 5G technology on a larger scale. We will advance digitalization of industries, and build smart cities and digital villages. We will accelerate development of the Industrial Internet, build up digital industries such as integrated circuits and artificial intelligence, and enhance China’s technological innovation and supply capacities for key software and hardware. To better promote economic development and enrich people’s lives, we will improve governance of the digital economy, develop data markets, tap the potential of data as a factor of production, and enhance data-use capacities.

5. **Expanding domestic demand and promoting coordinated regional development and new urbanization**

To promote unimpeded flows in the economy, we will remove all
impediments to smooth production, distribution, circulation, and consumption and see that domestic demand plays a bigger role in driving economic growth.

*We will promote the sustained recovery of consumption.* We will boost personal incomes through multiple channels, improve the income distribution system, and increase people’s spending power. We will strive for in-depth integration of online and offline consumption, promote recovery in consumption of consumer services, and foster new forms and models of consumer spending. We will continue to support the purchase of new-energy vehicles, and encourage local governments to promote spending on green and smart home appliances in rural areas as well as the replacement of old home appliances.

We will step up the construction of supporting facilities for community elderly and child care, and increase support for such projects in the aspects of planning, land use and building use. Domestic services will be upgraded and expanded. We will strengthen county-level commercial systems and develop e-commerce and express delivery services in rural areas. We will improve the quality of products and services, better protect the rights and interests of consumers, ensure public demand is met, and encourage people to spend.

*We will increase effective investment.* In line with major national strategies and the 14th Five-Year Plan, we will make proactive investments in infrastructure as appropriate. We will construct major water conservancy projects, integrated multidimensional transportation networks and important energy bases and facilities. The upgrading of urban pipelines, including those for gas and water supply as well as sewage, will be accelerated. Flood prevention and drainage facilities will be improved, and the building of underground utility tunnels will continue.

Investment from the central government budget will reach 640 billion yuan this year. The government will make improving the people’s wellbeing an investment priority and work harder to shore up weak links in areas that are important to people’s lives. We will deepen reform of the investment approval system, ensure the provision of land, energy and other factors of production, and keep energy consumption of major national projects under separate management. We will also improve the investment mix and remove impediments to investment so as to fully leverage its critical role.

*We will promote balanced and coordinated development among regions.* We will fully implement all major regional development strategies and the strategy for
coordinated regional development. We will promote coordinated development of the Beijing-Tianjin-Hebei region, development of the Yangtze Economic Belt, development of the Guangdong-Hong Kong-Macao Greater Bay Area, integrated development of the Yangtze River Delta, and ecological conservation and high-quality development in the Yellow River basin. We will advance the construction of Xiongan New Area according to high standards and quality requirements and support development of Beijing municipal administrative center.

We will usher in a new phase of large-scale development in the western region, promote breakthroughs in the revitalization of the northeast, spur high-quality development of the central region, and encourage the eastern region to accelerate its pace of modernization. We will support phased trans-regional relocation of industries as well as regional cooperation, and also support old revolutionary base areas, ethnic minority areas, and border areas in accelerating development. We will develop the maritime economy and build China into a strong maritime country.

Major economically developed provinces should leverage their strength to play a bigger role in driving development of the whole country. Regions experiencing economic difficulty should make full use of state support policies to tap their potential and stimulate economic recovery.

We will improve new urbanization initiatives. We will proceed with urban renewal in a well-conceived way. We will step up construction of public utilities and bolster capacities to prevent and mitigate natural disasters; identify and address safety hazards in old buildings and facilities; renovate another group of old residential communities in urban areas and support the installation of elevators in old residential buildings; and promote the development of barrier-free environments and renovation of public facilities for the convenience of senior citizens.

We will improve the systems for providing basic public services to people in places of their permanent residence and strengthen infrastructure in county seats. Steady steps will be taken to develop city clusters and metropolitan areas and to promote coordinated development of cities of different sizes and small towns. We will promote the development of the Chengdu-Chongqing economic zone. Strict standards will be applied in the re-designation of counties as cities or city districts.

In the course of planning and construction in urban and rural areas, we will protect and keep alive our historical and cultural heritage and promote efficient and intensive use of land. We will advance a new, people-centered type of
urbanization to ensure that life becomes more and more fulfilling for our people.

6. Boosting agricultural production and promoting all-around rural revitalization

We will refine and strengthen policies in support of agriculture, continue promoting development in areas lifted out of poverty, ensure good harvests, and promote growth in rural incomes.

We will step up efforts to ensure stable production and sufficient supply of grain and other important agricultural products. We will keep total grain acreage at a stable level, refine the mix of grain crops, strengthen management over the late seeding of wheat on summer-grain farmland, and increase the production of soybeans and other oilseed crops. We will raise the minimum purchase prices of rice and wheat as appropriate. To ensure reasonable returns for grain growers and incentivize major grain-producing areas, we will ensure the provision of agricultural supplies such as chemical fertilizers at stable prices, continue to provide agricultural supply subsidies to grain growers, and step up support for major grain-producing areas.

To ensure the area of farmland remains above the redline of 120 million hectares, we will designate a sufficient amount of good land as permanent basic cropland, and firmly stop any attempts to use cropland for any purpose other than agriculture and specifically grain production. We will step up efforts to upgrade low- and medium-yield cropland, increase the area of high-standard cropland by 6.67 million hectares, and construct or upgrade a number of medium and large irrigated areas. We will intensify conservation of chernozem soil, make comprehensive use of saline-alkali lands, and carry out the third national survey of soils. Support will be given to water-efficient agriculture and dry farming in the Yellow River basin.

We will revitalize the seed industry at a faster pace, redouble efforts to develop and apply scientific and technological breakthroughs in agriculture, and upgrade agricultural machinery and equipment. We will enhance our capacity to prevent and control meteorological disasters affecting agriculture as well as animal and plant diseases. We will see that hog production is better regulated and ensure the production and supply of livestock, poultry and aquatic products and vegetables. Development of modern protected agriculture will be accelerated. We will provide support to boost cotton and sugarcane farming.

All local governments shoulder responsibility for safeguarding China’s food security. Those localities that rely on grain from other areas must do better in
keeping their grain output stable. Everyone must work together to ensure that the
country’s “rice bag” and “vegetable basket” are well-filled, and that we have a
secure food supply for more than 1.4 billion Chinese people.

*We will fully consolidate and build on our achievements in poverty elimination.* We
will implement better monitoring and assistance mechanisms to prevent people
from slipping back into poverty and see that people do not return to
impoverishment in large numbers. We will support areas that have been lifted out
of poverty in developing distinctive local businesses, and bolster labor
collaboration and vocational skills training to help people who are no longer in
poverty steadily increase their incomes.

We will enhance the self-development capacity of areas that are no longer in
poverty. Stronger support measures will be adopted for key counties receiving
assistance for rural revitalization; follow-up support will be given to people who
have been relocated from inhospitable areas; collaboration between eastern and
western regions and targeted and nongovernmental assistance efforts will be
intensified; and the “10,000 private enterprises revitalizing 10,000 villages”
initiative will be launched.

*We will steadily and prudently advance rural reform and development.* We will run
trials on extending the rural land contracts of whole counties by another 30 years
on the expiration of second-round contracts. We will deepen the reform of supply
and marketing cooperatives, collective property rights, collective forest tenure,
state forestry areas and farms, and state farms. We will actively develop new
collective economies in rural areas. We will improve financial services in rural
areas to accelerate the development of the rural business sector. We will also
expand county economies.

We will apply strict standards to the revocation and amalgamation of villages,
protect both traditional villages and the features of our countryside, and enhance
the guiding role of rural development plans. We will launch rural initiatives to
improve infrastructure, such as water, electricity and gas supplies, roads, and mail
and communications services, and upgrade rural toilets and sewage and refuse
treatment facilities based on local conditions. We will further cultivate civic virtue
in villages and towns. We will work harder to clear wage arrears owed to rural
migrant workers, support rural migrant workers in finding jobs and starting
businesses, and do everything possible to create more ways for rural people to
increase their incomes from nonagricultural work.
7. Pursuing higher-standard opening up and promoting stable growth of foreign trade and investment

We will make full use of international and domestic markets and resources, continue to expand international economic cooperation and trade, and push for in-depth reform and high-quality development by promoting high-standard opening up.

*We will adopt a package of steps to stabilize foreign trade.* We will expand the coverage of export credit insurance for micro, small and medium foreign trade firms, strengthen export credit support, refine foreign exchange services, expedite the process for export rebates, and help foreign trade enterprises receive orders and maintain production. We will move faster to develop new forms and models of foreign trade, give full play to the role of cross-border e-commerce, and support the establishment of a number of overseas warehouses.

We will actively increase imports of quality products and services. We will explore new ways to develop trade in services and digital trade, and implement a negative list for cross-border trade in services. The reform to simplify customs clearance will be deepened, and the building of an international logistic services system will be accelerated to help lower costs and raise efficiency in foreign trade.

*We will make greater use of foreign investment.* We will see that the negative list for foreign investment is fully observed and ensure national treatment for all foreign-invested enterprises. We will encourage foreign-invested enterprises to move into a broader range of sectors, and support more foreign investment in medium- and high-end manufacturing, R&D, and modern services, as well as in the central, western and northeastern regions. We will improve services for promoting foreign investment and accelerate the launching of major foreign-funded projects.

We will take solid steps to develop pilot free trade zones and the Hainan Free Trade Port, promote reform and innovation in economic development zones, boost the development of integrated bonded areas, and launch more trials on the extensive opening of the service sector. The vast, open Chinese market is sure to provide even greater business opportunities for foreign enterprises in China.

*We will promote high-quality cooperation under the Belt and Road Initiative.* We remain committed to the principle of achieving shared growth through consultation and collaboration. We will, on the basis of consolidating cooperation on enhancing connectivity, move steadily to open up new areas of cooperation.
New land-sea transit routes for the western region will be further developed. We will carry out outbound investment and international cooperation in a well-regulated way, and effectively guard against overseas risks.

*We will deepen multilateral and bilateral economic and trade cooperation.* The Regional Comprehensive Economic Partnership (RCEP) has created the largest free trade zone in the world. We will encourage enterprises to make good use of preferential tariff treatment, cumulation of origin, and other rules under the RCEP framework to expand cooperation on trade and investment. We will work to negotiate and conclude high-standard free trade agreements with more countries and regions. We will remain firm in upholding the multilateral trade regime and will participate actively in the reform of the World Trade Organization. China is ready to work with all countries to enhance mutually beneficial cooperation and achieve win-win outcomes for all.

**8. Continuing to Improve the Environment and Promoting Green and Low-Carbon Development**

We will work harder to address pollution and protect and restore ecosystems. We will promote development while also reducing emissions, and ensure greater harmony between humanity and nature.

*We will improve the environment with a holistic approach.* We will work to make solid gains in the battle against pollution. We will take coordinated steps to further control multiple atmospheric pollutants and treat them through coordination among regions. We will take stronger action to treat pollution in major rivers, lakes, and bays, and sustain our progress on preventing and controlling soil pollution. We will step up the treatment of solid waste and new pollutants and implement measures to sort refuse, reduce waste and boost recycling. We will improve policies to support environmental protection industries in conserving water and energy and recycling waste and used materials.

We will adopt a more region-specific approach to environmental management, launch greening programs in a well-conceived manner, and conduct in a coordinated way the conservation of mountain, river, forest, farmland, lake, grassland, and desert ecosystems. We will protect biodiversity and advance the development of the national park-based nature reserve system. With these efforts, we will make our common home greener and more beautiful.

*We will take well-ordered steps to achieve peak carbon emissions and carbon neutrality.* The action plan for peaking carbon emissions will be put into effect. To advance
China’s energy revolution and ensure energy supply, we will, based on our resource endowment, push forward the transformation toward low-carbon development, in accordance with overall planning and the principle of establishing the new before abolishing the old. We will work harder to make coal usage cleaner and more efficient, while reducing the use of coal and replacing it with alternative energy sources in a well-ordered way. We will work to upgrade coal-fired power plants to conserve resources, reduce carbon emissions, make operations more flexible, and upgrade heating facilities.

We will advance the planning and construction of large-scale wind and photovoltaic power bases with supporting power sources that are adjustable, develop pumped-storage hydroelectric plants, and boost the capacity of power grids to absorb electricity generated from renewable energy sources. We will support the development of biomass energy. We will promote R&D and application of green and low-carbon technology, and develop green manufacturing and services. We will encourage the steel, non-ferrous metals, petrochemicals, chemicals and building materials industries to enhance energy conservation and reduce carbon emissions, and improve energy efficiency in transportation and buildings.

We are resolved to stop the blind development of energy-intensive projects with high emissions and backward production capacity. We will enhance the carbon absorption capacity of our ecosystems. We will transition from assessing the total amount and intensity of energy consumption to assessing the total amount and intensity of carbon emissions, improve policy incentives for reducing pollution and carbon emissions and policy constraints on such emissions, develop green finance, and promote faster development of green and low-carbon ways of working and living.

9. Ensuring and improving the people’s wellbeing and promoting better and new ways of conducting social governance

We will do everything within our capacity to keep enhancing public services and resolve issues that are of common concern to the people.

We will improve the fairness and quality of education. We will ensure that education performs its fundamental mission of fostering virtue. We will promote high-quality, well-balanced development and urban-rural integration of compulsory education. We will allocate educational resources according to the size of residential population, see that school-age children can enroll in nearby schools,
and ensure that all children of rural migrant workers in cities have access to education. We will ensure that compulsory education teachers receive their pay packages in full and strengthen targeted training programs, on-the-job training, and salary guarantees for rural teachers. We will continue our efforts to reduce the burden on students in compulsory education.

We will increase resources for public-interest preschool education via multiple channels and promote the development of regular county high schools. We will provide quality special needs education, continuing education, and specialized education and support and regulate the development of private schools. We will promote general and proficient use of standard spoken and written Chinese. To develop modern vocational education, we will upgrade vocational schools, refine the mechanism for integrating vocational education with industry, and enhance the adaptability of vocational education.

We will develop higher education to its full potential and optimize its layout. We will promote the development of world-class universities and academic disciplines on a categorized basis, move faster to train professionals we are badly lacking in the fields of science, engineering, agriculture and medicine, and support the development of higher education in central and western regions. Universities and colleges will continue to enroll greater numbers of students from central and western regions and rural areas.

Steps will be taken to strengthen professional ethics among teachers. A mechanism will be established whereby our schools, families and whole society work together to advance education. We will promote online education, improve the lifelong learning system, and encourage public respect for teachers and public support for education.

There are 290 million students in schools and universities in China. We must ensure that education, which is important to millions of families and the future of our nation, is well-run.

We will improve medical and health services. Government subsidies for basic medical insurance for rural and non-working urban residents will be increased by an average of 30 yuan per person, and subsidies for basic public health services will be increased by an average of 5 yuan per person. The unified management of basic medical insurance funds will be advanced at the provincial level. We will carry out bulk government purchases for more medicines and high-value medical
consumables and ensure both the production and supply of these items.

We will intensify supervision over the quality and safety of drugs and vaccines. Reform of medical insurance payments under the medical insurance scheme will be deepened, and medical insurance funds will be placed under strict oversight. We will improve the policy on directly settling medical expenses incurred outside of a patient’s home province, and ensure that the list of medicines covered by medical insurance is largely consistent nationwide.

Taking prevention as a priority, we will strengthen health education and management and advance the Healthy China initiative. We will steadily enhance services for the prevention and treatment of chronic illnesses such as cardiovascular and cerebrovascular diseases and cancer as well as infectious diseases such as tuberculosis and hepatitis. We will also strengthen research of rare diseases and better ensure the supply of medicines for these. We will improve the disease prevention and control network, increase collaboration between disease control agencies and hospitals, make greater efforts to train public health personnel, and improve our capabilities for monitoring major epidemics and conducting early warning, epidemiological investigation and tracing, and emergency response.

We will promote the comprehensive reform and high-quality development of public hospitals, see that the charges collected by medical institutions and the services they offer are well-regulated, continue to assist medical institutions hit by Covid-19, and shore up weak links in services such as maternal and child healthcare, pediatrics, mental health and medical care for the elderly. We will promote development of both traditional Chinese medicine and Western medicine, and give greater support to initiatives for vitalizing and developing traditional Chinese medicine and advance its all-around reform. We will implement and refine policies for ensuring salary payments and providing incentives for rural doctors.

We will continue to promote tiered diagnosis and treatment and sound medical treatment procedures, accelerate the development of regional medical centers at the national and provincial levels, channel more high-quality medical resources to the prefecture and county levels, enhance community-level disease prevention and treatment capacities, and ensure that people can access higher-quality medical and health services close to home.

We will improve social security and social services. We will work steadily toward
national unified management of basic old-age insurance funds for enterprise employees, appropriately raise the basic pensions for retirees and basic old-age benefits for rural and non-working urban residents, and ensure that these payments are made on time and in full. We will continue to regulate development of third-pillar pension plans. We will move faster to promote unified management of workers’ compensation funds and unemployment insurance funds at the provincial level. We will see that service members and their families, ex-service members, and other entitled groups receive the benefits and subsidies they are entitled to.

We will proactively respond to population aging and worker faster to build a system of domestic, community and institutional elderly care services to meet different medical and health care needs. We will improve elderly care in urban and rural areas, support private entities in providing elderly care services such as day care, assistance with meals and cleaning, and rehabilitation care, steadily advance trials for long-term care insurance schemes, and encourage mutual-assistance elderly care in rural areas. We will explore new ways of developing senior citizen education, and promote high-quality development of both elderly care programs and the elderly care sector.

We will improve the supporting measures for the three-child policy, make care expenses for children under three part of the special additional deductions for individual income tax, and develop public-interest childcare services through multiple channels, to reduce the costs of giving birth and raising and educating children. We will step up protection of minors and improve mental health education. We will strengthen disability prevention, and provide better rehabilitation services for people with disabilities. We will do more to meet the people’s basic needs, strengthen assistance to people in difficulty, and ensure that our social safety net provides support and assistance to everyone who needs it.

We will continue to meet people’s housing needs. Guided by the principle that houses are for living in, not for speculation, we will explore new models for housing development and encourage both housing rentals and purchases. We will move faster to develop the long-term rental market, promote the construction of government-subsidized housing, and support the commodity housing market in better meeting the reasonable needs of homebuyers. We will keep land costs, housing prices and market expectations stable, and adopt city-specific measures to
facilitate positive circulation and sound development in the real estate sector.

We will enrich people’s intellectual and cultural lives. We will promote and observe the core socialist values and carry out public initiatives to promote cultural and ethical advancement. We will see that the press and publishing, radio, film and television, literature and art, philosophy, social sciences, and archiving all flourish. A love of reading will continue to be fostered among our people. We will develop new ways to strengthen the development of online content and improve cyberspace governance.

We will develop digital public cultural services, improve the layout of cultural facilities and promote the sharing of cultural resources at the community level, increase the supply of quality cultural products and services, and support the development of cultural industries. We will carry forward fine traditional Chinese culture, protect and use cultural artifacts and ancient manuscripts more effectively, better preserve and pass on our intangible cultural heritage, and build national cultural parks.

We will make the most of the legacy of the Beijing 2022 Winter Olympics and Paralympics, and promote the development of ice and snow sports and the winter economy. We will see that more sports venues and facilities are built close to people’s homes and promote extensive public fitness activities.

We will advance social governance based on collaboration, participation, and common gains. We will work to ensure that our people enjoy peace and contentment in work and life and that there is stability and order in society. We will develop new approaches to improving social governance at the primary level, strengthen the service provision functions of communities, develop a system for mobilizing all sectors of society, and enhance primary-level governance capacity. We will further improve the social credit system.

We will develop social work, and support the healthy development of social organizations, humanitarian assistance, volunteer services, public welfare and charitable initiatives, and other related activities. We will crack down hard on the trafficking and buying of women and children and protect their lawful rights and interests. The system for supporting and caring for senior citizens and people with disabilities will also be improved.

We will improve the system for handling public complaints, identify and
defuse social problems, and see that the justified demands of the public are promptly addressed in accordance with the law. We will attach great importance to public psychological and counseling services. Better public legal services and legal aid will be provided.

We will enhance disaster prevention, mitigation and relief capabilities, as well as emergency rescue capacity, better protect against floods, droughts, forest and grassland fires, geological disasters and earthquakes, and provide quality meteorological services. We will tighten supervision over quality and safety across the entire food chain. We will implement the responsibility and management systems for workplace safety, carry out a three-year drive to promote workplace safety, and take effective steps to prevent major and serious accidents.

We will advance the building of our national security system and capacity, and strengthen cyber security, data security and protection of personal information. We will take a full range of steps to maintain law and order, continue the ongoing efforts to combat organized crime and root out local criminal gangs, and firmly prevent and crack down on illegal and criminal activities of all types, so as to reach a higher level in building a peaceful China and advancing the rule of law in China.

Fellow Deputies,

Facing new developments and tasks, we in government at all levels must fully act on the guiding principles from the Party’s 19th National Congress and the plenary sessions of the 19th Party Central Committee. We should acquire a deep understanding of the decisive significance of the establishment of both Comrade Xi Jinping’s core position on the Party Central Committee and in the Party as a whole and the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and boost 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. We should stay confident in the path, the theory, the system, and the culture of socialism with Chinese characteristics. We should firmly uphold Comrade Xi Jinping’s core position on the Party Central Committee and in the Party as a whole and uphold the Central Committee’s authority and its centralized, unified leadership. We should closely follow the Party Central Committee with Comrade Xi Jinping at its core in thinking, stance, and action.
We remain committed to law-based government administration, to making the affairs of government more transparent, and to building a government based on the rule of law.

Our government will, in compliance with the law, accept the oversight of people’s congresses and their standing committees at the corresponding level. We will consciously accept democratic oversight from the CPPCC. And we will readily commit ourselves to public oversight and oversight through public opinion. Audit-based and statistics-based oversight will also be strengthened. We will support trade unions, Communist Youth League organizations, women’s federations, and other people’s organizations in better fulfilling their roles.

We will keep working tirelessly to ensure full and strict Party self-governance and do more to improve Party conduct, build integrity and prevent corruption. We will work harder to build a government of integrity. What we have gained from the initiatives to study the history of the CPC will be consolidated. All of us in government must readily accept the oversight of the law, supervisory bodies and the people, always regard the people’s interests as our highest concern, and truly serve as public servants of the people.

In the face of difficulties and challenges, it is vital that all of us in governments at all levels perform our duties, work diligently for the people, and make concerted efforts to promote development and ensure the public wellbeing. Development remains the top priority for China, and we must fully act on the new development philosophy to pursue high-quality development.

We will continue to steadfastly implement the central Party leadership’s eight-point decision on improving conduct and work ceaselessly to oppose pointless formalities, bureaucratism, hedonism and extravagance, with a particular focus on the first two problems. We will firmly oppose perfunctory attitudes and buck passing in government, and take strong steps to correct any abuse of power and any simplistic or unmannerly way of conducting work.

We must always keep in mind the people’s security and wellbeing. We will work to understand the realities, take specific steps, and deliver solid outcomes to promptly respond to the people’s concerns. And we will take strong measures against any dereliction of duty owing to disregard for the people’s legitimate rights and interests.
We will keep the central and local governments fully motivated and respect the pioneering spirit of the people. We will avoid a one-size-fits-all approach, refrain from making local governments take excessive policy steps, and continue easing the burdens on those working on the ground.

We will improve the mechanisms for providing incentives and protections to support officials who readily take responsibility and ably perform their duties. As long as all of us throughout the country are working as one to the best of our abilities, we will undoubtedly accomplish new achievements in pursuing development.

Fellow Deputies,

We will continue to practice and improve the system of regional ethnic autonomy, focus on forging a strong sense of community among the Chinese people, promote interactions, exchanges and integration among all ethnic groups, and speed up the modernization drive in ethnic minority regions.

We will adhere to the Party’s basic policy on religious affairs, follow the principle that religions in China must be Chinese in orientation, and provide active guidance to religions so they can adapt themselves to socialist society.

We will fully implement the Party’s policy on overseas Chinese affairs, protect the lawful rights and interests of Chinese nationals residing abroad, returned Chinese, and relatives of overseas Chinese nationals residing in China, and encourage all the sons and daughters of the Chinese nation, both at home and abroad, to work together in creating new glories for our nation.

Fellow Deputies,

Last year, we made major strides in strengthening national defense and the armed forces, getting off to a good start in this endeavor in the 14th Five-Year Plan period. This year, we will fully implement Xi Jinping’s thinking on strengthening the armed forces and the military strategy for the new era, work toward the goals for the centenary of the People’s Liberation Army in 2027, and strengthen Party leadership and Party building in all aspects of the military. We will enhance military training and combat readiness, stay firm and flexible in carrying out military struggle, and safeguard China’s sovereignty, security and development interests.
We will move faster to modernize the military’s logistics and asset management systems, and build a modern weaponry and equipment management system. We will continue the reform of national defense and the military and step up innovations in defense science and technology. We will implement the strategy of strengthening the military by training competent personnel in the new era, run the military in accordance with the law and strict discipline, and promote high-quality development of the military. We will improve the layout of defense science, technology and industry.

We will finish reforming the defense mobilization system and raise public awareness of national defense. Government at all levels must give strong support to the development of national defense and the armed forces, and conduct extensive activities to promote mutual support between civilian sectors and the military, so that the unity between the military and government and between the military and the people will remain rock solid.

Fellow Deputies,

We will maintain our firm commitment to the letter and spirit of the policy of One Country, Two Systems, under which the people of Hong Kong administer Hong Kong, and the people of Macao administer Macao, both with a high degree of autonomy. We will ensure that the central government exercises overall jurisdiction over the two special administrative regions, and firmly uphold the principle that Hong Kong and Macao should be governed by patriots. We will fully support the governments of these two special administrative regions in exercising law-based governance. We will help Hong Kong and Macao respond to Covid-19, develop their economies, and improve the wellbeing of their people, see that these two regions better integrate themselves into the country’s overall development, and maintain the long-term prosperity and stability of Hong Kong and Macao.

We remain committed to the major principles and policies on work related to Taiwan, to the Party’s overall policy for resolving the Taiwan question in the new era, and to the one-China principle and the 1992 Consensus. We will advance the peaceful growth of relations across the Taiwan Strait and the reunification of China. We firmly oppose any separatist activities seeking “Taiwan independence” and firmly oppose foreign interference. All of us, Chinese on both sides of the Taiwan Strait, should come together to advance the great and glorious cause of China’s
rejuvenation.

Fellow Deputies,

China will continue to pursue an independent foreign policy of peace, stay on the path of peaceful development, work for a new type of international relations, and endeavor to build a human community with a shared future. We will pursue the Global Development Initiative and promote the shared values of all humanity. China will always work to safeguard world peace, contribute to global development, and preserve international order. We stand ready to work with all others in the international community to make new and greater contributions to promoting world peace, stability, development and prosperity.

Fellow Deputies,

It has always been in the course of meeting challenges that China has advanced its development. We the Chinese people have the courage, vision and strength to overcome any obstacle or difficulty. We must rally more closely around the CPC Central Committee with Comrade Xi Jinping at its core, hold high the banner of socialism with Chinese characteristics, and follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.

We will meet challenges squarely, forge ahead determinedly, work hard to fulfill this year’s goals and tasks, set the stage for the 20th National Congress of the CPC with concrete actions, and continue working tirelessly to build our country into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful, and to realize the Chinese Dream of national rejuvenation.